East African Integration

Dynamics of Equity in Trade, Education, Media and Labour

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List of Abbreviations and Acronyms

AERC	African Economic Research Consortium
ASEAN	Association of Southeast Asian Nations
AU	African Union
AUC	African Union Commission
CBI	Cross Border Initiative
CEPGL	Economic Community of the Great Lakes (Communauté Economique des Pays des Grand Lacs)
CET	Common External Tariff
CHE	Commission for Higher Education (Kenya)
CIEREA	Conference of Economics Research and Training Institutions in Francophone Africa
CIRES	Ivorian Centre for Social and Economic Research
CM	Common Market
COMESA	Common Market for Eastern and Southern Africa
COBET	Complementary Basic Education in Tanzania
CODESRIA	Council for the Development of Social Science Research in Africa
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CRE	Christian Religious Education
CSAE	Centre for the Study of African Economies, University of Oxford
CSO	Civil Society Organization

CU	Customs Union
EA	East Africa
EABC	East African Business Council
EAC	East African Community
EADB	East African Development Bank
EARISC	East Africa Regional Integration and Scientific Cooperation
ECCAS	Economic Community of Central African States
ECDE	Early Childhood Development Education
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EPZ	Export Processing Zone
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Area
GER	Gross Enrolment Rate
GCR	Gross Completion Rate
GDP	Gross Domestic Product
GOK	Government of Kenya
GOR	Government of Rwanda
GOT	Government of Tanzania
GOU	Government of Uganda
HELB	Higher Education Loans Board (Kenya)
IEC	Information, Education And Communication
IGAD	Inter-Governmental Authority Development
ILO	International Labour Organisation
IUCEA	Inter University Council of Eastern Africa
KAPB	Knowledge, Attitudes, Practices and Beliefs/Behaviours
KBC	Kenya Broadcasting Corporation

KCPE	Kenya Certificate of Primary Education
KNBS	Kenya Bureau of Statistics
KPE	Kenya Primary Examination
KTN	Kenya Television Network
MDGs	Millennium Development Goals
MFN	Most Favoured Nation
NAFTA	North American Free Trade Agreement
NECTA	National Examinations Council of Tanzania
NER	Net Enrolment Rate
NHEU	National Council for Higher Education (Uganda)
NPTCI	Nouveau Programme de Troisième Cycle Interuniversitaire
NTBs	Non-Tariff Barriers
OSSREA	Organization for Social Science in Eastern and Southern Africa
PWD	Person With Disability
PTA	Preferential Trade Area
RI	Regional Integration
RMS	Regional Manpower Survey
RTA	Regional Integration Agreement
SAARC	South Asia Association for Regional Cooperation
SADC	Southern African Development Community
SID	Society for International Development
Sida	Swedish International Development Cooperation Agency
SITC	Standard International Trade Classification
TCU	Tanzania Commission for Universities
TI	Transparency International
TIFA	Trade and Investment Framework Agreement
TORs	Terms Of Reference

TTRI	Trade Tariff Restrictiveness Index
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
USA	United States of America
USEA	United States of East Africa
VAT	Value Added Tax
WTO	World Trade Organization

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Introduction

Enhancing Equity in the East Africa Regional Integration: An Overview

Duncan Okello and Gladys Kirungi

Attempts by the East African countries to unite date back to the colonial period. Indeed formal economic and social integration in the East African region began in 1897 with the construction of the Kenya-Uganda railway. Other institutions that marked the first East African union include the establishment of the Customs Collection Center (1900), the East African Currency Board (1905), the East Africa Postal Union (1905), the Court of Appeal for Eastern Africa (1909), the Eastern Africa Customs Union (1919), the East African Governors Conference (1926), the East African Income Tax Board (1940) and the Joint Economic Council (1940). The East Africa High Commission (1947), the East African Common Services Organization (1961) and the East African Community (1967) were established as joint organizations to manage matters regarding the East African countries as well as to regulate commercial and industrial relations and transactions between the partner states.[1]

Unfortunately the initial East African union failed to hold, and in 1977, the East African Community collapsed and was officially dissolved. One of the many reasons for the failure of this union was the continued disproportionate sharing of the benefits of the community fueled by differences in the levels of development among the partner states and lack of adequate policies to address this problem.[2]

The desire for East African unity has persisted. Indeed, even at the time of winding up the EAC in Arusha in 1984, the Agreement for Division of Assets and Liabilities of the former East African Community (the Mediation Agreement), signed by Presidents Julius Nyerere, Daniel Moi, and Milton Obote at the time,

1 For a detailed schematic presentation of 'the five phases' of East African Community, see D. Deya (2007) *"An Institutional Analysis of East African Community: Some Initial Reflections,"* in Society for International Development (SID), *East Africa Scenarios Project: Research Compendium*. Nairobi: SID, pp. 107 – 143.

2 The East African Community Secretariat, *Treaty for the Establishment of the East African Community*. Arusha: EAC Secretariat, 1999.

committed them in Article 14 to 'explore and identify further areas of cooperation' (Deya, 2007). Consequently, despite the long hiatus lasting nearly a decade, in 1992, fresh attempts to restart East African integration commenced. Considerable work went into this process such that by 30th November 1999, the ***Treaty for the Establishment of the East African Community*** was signed by the three original partner states: Kenya, Uganda and Tanzania. The EAC Treaty came into force in July 2000 marking a major milestone in the revival of the East African integration project. Rwanda and Burundi, two neighboring countries, expressed interest in joining the EAC and on the 18th June 2007 they both assented to the EAC Treaty and became full members of the Community on the 1st July 2009.

The second East African Community was formed to enhance cooperation among the partner states with a view to maximizing benefits to the region in the political, economic and social fronts. It adopted a private sector rather than a state-led development approach - a marked departure from the first EAC, and very much a reflection of the globally dominant neo-liberal economic ideology that was on the ascendancy at the time of its revival. Indeed, regional integration, and the revival of EAC, was seen as a necessary step to help EAC countries manage the competitive challenges posed by globalization. Regional integration would strengthen the national economies to cope with globalization and take advantage of opportunities such as increased market access, trade levels and sustainable development. Thus to the minds of EAC leaders, restarting the EAC was an existential decision, and the potential benefits of integration were seen as being greater if the countries acted collectively rather than individually. If this argument is true, then the region must examine the factors that led to the collapse of the initial EAC and attempt to manage, minimize or eliminate any risks – whether old or new.

Equity was and is one of those risks – and it is a risk that plagues all regional integration initiatives. Although not all members will benefit equally, if the distribution of benefits and costs is perceived to be skewed, or if they are acutely asymmetrical in real terms, the regional integration project may be undermined considerably. The ***Treaty for the Establishment of the East African Community***, signed in November 1999 duly recognized this problem and emphasized equity as a fundamental objective and principle of this new attempt at regional integration. It also sought to promote cooperation among the East African partner states in various political, economic and social spheres in a manner that recognizes good governance and adherence to the principles of social justice, equal opportunities, gender equality, as well as the recognition, promotion and protection of human and people's rights.

It is in part to try and help the region understand, monitor and manage this risk that this book has been released. The publication is a product of a SID project entitled ***"Enhancing Equity in the East Africa Regional Integration Process"*** that was developed with the understanding that equity is essential for stable growth and sustainable development. The project set out to, first, conduct studies that inquire into the extent, patterns, and dynamics of various forms of equity that characterize EAC integration both sectorally and nationally, and, second, to promote and facilitate region-wide dialogues with various stakeholders to deepen understanding of these dynamics with a view to making the second EAC work for the greater good.

The entire research project focused on four areas: **trade; education; media;** and **labour.** The paper on media was commissioned on the understanding that it is an important and strategic instrument that can and has played a big role in regional (di)-integration. As has been averred several times, 'the media is a nation (read region) dialoguing with itself', but as was all too evident in the media-aided spat between Kenyan and Tanzanian leaders in the run –up to the break-up of the first EAC, it can also be a space of discord.

It is important to make a statement regarding the method used in the production of this publication. We deliberately decided to be consultative. Thus, for each area of study, a research conceptualisation seminar and a peer review meeting (sometimes more than once) were held to help frame the research questions and also deepen the analysis. In some cases, the researchable questions went beyond what the scope of this project could permit, as will be clear in the main publication. In other cases, the paucity or quality of data coupled with a poor response culture to questionnaires – two remarkably chronic problems in Africa's research world – constrained the inquiry, analysis and conclusion. The papers employed a combination of primary and secondary data collection methods, and used both qualitative and quantitative analytical approach. Participation at both the research conceptualization and the peer review meetings was, without exception, drawn from all the five EAC countries. We are confident that in spite of the data challenges, this publication is scientifically strong and will remain invaluable in trying to understand its subject of inquiry.

It is also important to note that by the time this project was approved and commenced, Rwanda and Burundi had not become full members of the EAC and thus were not part of its original design. Further, they were joining at a time when the original three members had been at it since 1993 and it was obviously easier to measure certain trends over time. For this reason, the reader will find that most of the analysis focus on the original three EAC countries with occasional reference to Rwanda and Burundi as the data and information could permit us within these constraints. Therefore, the apparent 'inequality of treatment' of Rwanda and Burundi in the analysis in some sections (forgive the pun) is not a function of intended exclusion but rather a mere historical fact: they joined EAC when this project was already on course. The second point to note about timing is that there will be futuristic references (such as 'upcoming common market protocol') to events which by now have already taken place, particularly in the trade paper. This is because this paper was concluded long before these events and by the time of going to press it was impossible to revisit the issues and afford a deeper and newer analysis.

The first chapter of this book focuses on trade and discusses the distribution of costs and benefits in the context of East African regional integration. It analyses the distribution of trade related benefits and costs and discusses the patterns and trends resulting from the EAC (economic) integration. Key gains and losses as well as the sectors and social groups involved are identified. The factors behind the distribution of the costs and benefits within the EAC are discussed and proposals made towards addressing imbalances at the national and regional level.

The paper argues that although the EAC economies are neither very complementary nor particularly competitive, the EAC integration process is an important stepping-stone towards greater integration into the world economy, and that East African regional integration remains in the long-term interest of the EAC countries. For example, as of 2010, intra-regional trade had increased by 49% since the commencement of the Customs Union (CU) in 2005.

The paper also argues that the trade pattern in the region is changing, and that while imbalances are evident, the integration process provides a net gain to all countries and the region. Trade in the region remains uneven in intensity and direction with Kenya being the dominant but declining player in the EAC exports market accounting for 80 percent in mid-90s and 60 percent since the CU in 2005. Uganda accounts for most of the imports from the EAC countries, particularly Kenya. Rwanda and Burundi jointly account for less than 1 percent of the exports and about 15–19 percent of imports. However, latest trends show that the share of Tanzania and Uganda in EAC exports is rising, from about 13 to 20 percent for Uganda since 2005 and 6-8 percent for Tanzania over a similar period. Manufactured goods form the bulk of the commodities being traded in the region.

There are some evident benefits of East African integration so far. The CU has encouraged more liberalized trade regimes in the EAC. Today, the East African countries, with the exception of Rwanda, are more open than the average sub-Saharan African country due to a series of reforms carried out at national, regional and international levels, although further reform in all the countries is essential for a more effective economic integration. The operation of the CU has tremendously improved the business environment in the region as the member states can now rely on common sets of import duties and customs rules. Further liberalization in the EAC involving the reduction of the Common External Tariff (CET), and the reduction of exemptions for sensitive goods is likely to lead to further welfare gains in the region through an increase in consumer surplus in all the countries. The paper concludes that Uganda stands to benefit more in this regard than Kenya and Tanzania.

Comparative simulations for the original EAC members (Kenya, Uganda and Tanzania), point to inequitable distribution of costs and benefits as a result of the CU. Literature shows aggregate welfare benefits in Kenya and Tanzania, but welfare losses in Uganda, where consumers and producers have had to face higher consumer and import prices. There are also remarkable differences between the countries on expected revenue and trade effects of the CU. Moreover the benefits and costs of integration are accruing disproportionately to different sectors and social groups in the region. This has a direct implication on the development impacts of the CU. Partner states with more developed sectors are likely to benefit more while the key beneficiaries in the process are traders, transporters and consumers.

On the other hand, the full realization of benefits from greater integration of East Africa is currently inhibited by a number of factors, including supply-side constraints and lack of competitiveness, multiple memberships in various trading blocs, differing tax regimes, and non-tariff barriers and measures, as well as border inefficiencies and losses. The EAC will also need to finalize the harmonization agenda especially on taxes and policies. The EAC common market should negotiate a free trade area with other blocs, particularly COMESA and SADC, or even in the extreme case merge with them.

This section concludes that there is need to put in place measures to cope with unequal distribution of benefits in the short term. There is also need for long-term measures to tackle the root causes of underdevelopment. In the short to medium terms, the implementation of a development fund would seem prudent. In the longer term, sustained economic development in the regional is imperative. All in all, to effectively address imbalances in trade, there is need for continuous assessment of the prospective benefits and costs so as to boost the gains and minimize the losses. The EAC needs to boost the analytical capacities of key institutions involved including the EAC Secretariat. There is need for further reforms in the region to address the potential revenue and trade losses that accrue to the EAC member states. All this requires strong and sustained commitment from the member states.

The second chapter looks at aspects of educational inequalities and opportunities in East Africa within the framework of EAC integration. It documents aspects of asymmetry across member states at all levels of education – pre-primary, primary, secondary and tertiary. It also discusses the extent of education inequalities in the region with regard to access, performance and outcomes. The author argues that regional integration efforts will very much depend on the education system that prepares the workforce for the integrated labour market. Thus a common approach to the challenges and problems of education in East Africa is crucial. Some of the factors that determine access to opportunities, performance and outcomes include family income, gender and educational policies. The asymmetries that exist in the East African education systems include: structures, educational expenditures, curricula and education policies, among others. This may impede the transfer of learners and the free movement of the labour force, thus having a negative impact on the integration process.

The paper recommends harmonizing the structure of education in the region to allow for the smooth transfer of pupils and students from one country to another in order to encourage free movement of labour in the region and minimize biases and egocentric tendencies that may arise from differences in education structures. The study also recommends the use of English and Kiswahili as languages of communication in the region. The use of Kiswahili is preferred because the language prides its origin in Africa and is much more developed compared with other local languages in the region. It also argues that Kiswahili should be used across the East Africa region and be examinable at the primary and secondary school levels.

The chapter recommends that policies in the region should aim at harnessing the highest skills in the labour market to spur growth. The low level of employment possibilities for women is one of the factors that have contributed to low demand for girls' education. Thus regional governments should equitably increase opportunities both for the education of girls and for employment of women. Since earnings are tied to skills improvements, on-the-job training for women and other low-income earners should be increased as it could have a critical impact on breaking the vicious cycle of poverty associated with inadequate schooling for women and other low-income earners.

Chapter three assesses the role of the media in the East African integration process where 92 percent of media houses managers commit themselves to promoting equity in regional integration in East Africa. It holds that the media plays a critical role in public perception and the understanding and acceptance of integration and regionalism, by providing information on the East African Community. The media also provides space through which the citizenry can articulate their views even though it is not itself free of 'patriotic', 'nationalistic' jingoism as was partly exhibited during the 'Migingo Island Crisis'.

In a regional survey conducted by the author, the paper finds that 56 percent of the print and electronic media in East Africa is privately owned, with the implication that regional integration will only become more attractive to the media if it makes commercial sense. The study finds that the East African audience is more attracted to national rather than regional news. Part of this is a function of what the audience perceives as relevant and another part the technical language on regional integration that alienates.

The study finds that 44 percent of EAC coverage is 'straight news' and only 25 percent analysis. 54 percent of media houses carry an EAC news once a week even though 72 percent consider EAC as very important or important. It is thus a curious contradiction that only 24 percent of media houses have an editorial policy on EAC.

The author concludes that the arguments and evidence point to the fact that the media are not yet persuaded by the EAC integration process, and consequently their influence on the integration agenda is limited. EAC coverage by the media is cursory and even when it is granted it is more 'elite' packaged. The EAC Secretariat needs to develop a more robust communications strategy that takes on board new social media as 48 percent of news on EAC in the local media are generated by media events or press releases from the Secretariat.

However, the success or indeed failure of the integration process cannot be wholly attributed to the media. Various actors including member states and their governments, political and business leadership as well as institutions like the EAC Secretariat all have a role to play in ensuring a successful integration process.

A critical issue in any regional integration process, and particularly in the promotion of free movement of labour as envisaged under the East African Community's Common Market Protocol, is the degree of equity, perceived or real, of the region's labour and employment sector. Equality in all facets of employment is a key pillar of the Decent Work Agenda, to which all EAC member states subscribe. Chapter four explores the existing labour and employment environment within the Community's regional integration process.

The paper establishes that the region's integration process is marked by inequalities in critical labour and employment indicators such as cross-country, gender and age-related disparities in employment growth, employment–population ratio, labour force activity and inactivity rates, labour productivity, and employment elasticity. Throughout the region there is no evidence of long-term convergence on the key employment creation and regional integration parameters of economic growth, productivity and consumer price indexes. The EAC countries have neither integrated nor mainstreamed productivity into their economies or wage determination.

Effective and full integration of the EAC is hinged on harmonized labour, employment, education and social policies, laws and programmes. Such harmony has not been realized, however, thus frustrating the integration effort. This challenge is exacerbated by the absence of an integrated framework for adequate and timely collection, analysis, storage and dissemination of labour market information. As the region continues with the integration process, it may be useful to prioritize the promotion of employment targeted growth with inbuilt equity mechanisms, undertaking of regional and national manpower surveys, the establishment of labour market information systems, productivity promotion, and the harmonization of policies, laws and programmes relating to labour, employment, education and social sectors.

In sum, this publication concludes that East Africa as a region, and the countries within it, stand to benefit from regional integration. Equity should be seen as a challenge to EAC integration not a reason to exterminate it. Inevitably, differing levels of development among the partner states and their respective economies, as well as differing policies in the various sectors of these countries, have and will result in imbalances. However, it is how we manage these asymmetries in the distribution of benefits and costs, and the sensitivity we demonstrate when they occur, that will determine their disruptive or constructive effect.

Data in trade shows that whereas all the countries are not gaining equally they are at least all gaining. But as the regional economies continue to grow, as businesses and firms continue to expand (Kenyan firms reported an 86 percent expansion; Tanzanian 78 percent; and Ugandan, 58 percent since the CU in 2005), the EAC and its countries must confront the question of inequality and poverty. If regional integration can help us deal with these problems then it shall have placed itself on a sustainable path and played a significant role in meaningfully inserting our economies into the world economic system. One way of dealing with this is to invest heavily in education – which is a natural equalizer - in order to create a competitive and highly mobile labour force not just regionally but also globally. And this will only happen if the 'atmospherics' of regional integration, as carried in the regional media, is informed, healthy, and positive.

CHAPTER I

The Distribution of Costs and Benefits in Trade in the Context of the East African Regional Integration Process

Walter Odhiambo*

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1.1 Introduction

The signing of the treaty to establish the East African Community (EAC) on 30 November 1999, and its entry into force on 7 July 2000 marked a major milestone in rekindling the integration of the three East African countries – Kenya, Uganda and Tanzania. With the treaty, the three partners undertook to establish among themselves a customs union, a common market, subsequently a monetary union and ultimately a political federation. In March 2004, the countries signed the EAC customs union (CU) protocol, which came into force on 1 January 2005. In 2007, the EAC Heads of State agreed to form national committees to coordinate the exercise of gathering views on fast-tracking the formation of the East African political federation. The protocol for establishing the common market came into force in July 2010. The countries have also been slowly working towards a monetary union. Rwanda and Burundi have since joined the EAC, increasing the Member States to five. Clearly, the EAC has covered some ground in its integration path, although it is still very far from the levels it had reached with the defunct EAC treaty, which collapsed in 1977.

An important issue in the EAC integration process – and indeed in any other regional integration agreement (RTA) – is the manner in which the benefits and costs are distributed among the participating countries and its implications for the long-term sustainability of the agreement. This is because real or perceived imbalances in the distribution of benefits and costs often lead to disillusionment in advancing the RTA agenda, and in the extreme case may result in dissolution. Equitable distribution of benefits and costs is thus critical for successful integration, even if they do not accrue equally. The EAC as an RTA has often been cited as being unequal in as far as the distribution of benefits and costs is concerned. Indeed, the failure of the original EAC has been linked to the perception of skewed distribution of benefits associated with the integration process. As the EAC member countries forge ahead with integration efforts, an assessment of the benefits and losses that arise from the integration process is necessary in order to boost gains and to minimize losses.

Objectives and structure of the study

The main objective of the study presented in this chapter is to analyse the distribution of trade related benefits and costs that result from the integration process within the EAC. The specific objectives of the study are to:

- Discuss the patterns and trends the EAC regional (economic) integration process and outline the key gains and losses that have been realized to date;
- Identify the various forms of benefits and costs associated with the EAC integration process and the sectors and social groups that gain or lose most;
- Identify the reasons or drivers for the distribution of the costs and benefits within the EAC;
- Identify and discuss the mechanism(s) put in place to address imbalances at the national and regional levels; and
- Draw political and institutional implications for further integration in the region.

The structure of the presentation is largely in line with the objectives outlined above. After the discussion of the scope and methodology in the next subsection, Section 2 reviews the socio-economic profiles of the EAC countries, including their poverty status. Section 3 details the trade patterns and flows since the 1980s as well as trade and investment policies pursued by the countries. The section also includes a review of the progress in the implementation of the CU protocol. Section 4 examines issues of costs and benefits within the EAC integration progress. The section first considers theoretical literature and discusses empirical findings on the impact of EAC CU. It then presents the results of a simulation of the implications of further integration in the EAC and identifies "losers" and "gainers" in the integration process. The section concludes with a discussion on the drivers of costs and benefits in the context of the EAC. Section 5 discusses mechanisms for addressing imbalances in the EAC. The political and institutional implications of further integration in the region are discussed in Section 6, while conclusions and policy recommendations are drawn in the last section.

Scope and methodology

Through the EAC treaty, the Member States have committed themselves to cooperate on a wide range of fields to ensure harmonious development in the region. The main areas of cooperation include: trade liberalization and development; investment and industrial development; standardization, quality assurance, metrology and testing; monetary and financial cooperation; and security. Other areas are infrastructure and services; human resources development, science and technology; agriculture and food security; environment and natural resources management; tourism and wildlife management; and cultural issues, youth and enhancement of the role of women. The expected benefits and associated costs for the EAC thus span a similarly wide range of fields. A comprehensive assessment of the full benefits and costs of the integration would therefore require coverage of all the areas of cooperation. This study instead focuses on only two areas: trade liberalization and development, and investment and industrial development. These two form the core pillars of most RTAs. The analysis is essentially an assessment of the benefits and costs associated with the implementation of the CU.

As there is already a substantial amount of empirical evidence (see for example, Castro and Rocha, 2004; Stahl, 2005) on the expected revenue, trade and welfare effects of a fully implemented CU for the EAC, we do not in this paper seek to duplicate the same work. Instead, we first review and discuss results of key studies and surveys that have been carried out on the subject. Thereafter, using a partial equilibrium model, which most of the studies have utilized to assess the costs and benefits of the CU, we carry out an assessment of the implications of further liberalization in the region. The analysis is limited to the original EAC countries – Kenya, Uganda and Tanzania – for which data are readily available. The details of the model and the data sources are presented in the relevant sections below and in Annex A.

1.2 Socio - Economic Profiles of EAC Countries

Prior to the re-launch of the EAC in 1999, Kenya, Uganda and Tanzania had enjoyed a long history of cooperation under successive regional integration arrangements dating back to the colonial period. These include a customs union between Kenya and Uganda in 1917, which Tanganyika joined in 1927. Other mechanisms were the East African High Commission (1961–1967); the East African Common Services Organizations (1961–1967); and the previous EAC common market, which lasted from 1967 to 1977 when it collapsed. The other two countries, Rwanda and Burundi, joined in 2009.

Kenya, Uganda and Tanzania – the original EAC Member States – exhibit a fairly homogenous historical and cultural outlook. The three share a similar colonial heritage, which formed the basis for integration in the post-colonial era. But even as the British bequeathed a common infrastructure and homogeneity in the social and cultural sphere in East Africa, it also left behind a legacy of inequalities in the levels of development among the three countries, with Kenya enjoying the highest level and Tanzania the lowest. This inequity has manifested itself in many ways. For example, Kenya was able to integrate into the international capitalist market much better than Tanzania and Uganda. The situation was not made any better by the differing ideologies that the countries pursued immediately after independence, with Kenya pursuing a more market-oriented approach while Tanzania opting for a socialistic traits (Barkan, 1994).

The other two members, Rwanda and Burundi, also share a common history. They both became Belgian colonies in 1918 after Germany's defeat in the First World War. They have similar socio-economic characteristics, as well as geographical ones. They are both small and nearly the same geographic size (27,834 square kilometres for Rwanda and 26,338 square kilometres for Burundi). Moreover, the history of both countries has largely been characterized by different political conflicts (Rusuhuzwa and Baricako, 2009).

The current socio-economic and political situation in the EAC countries thus reflects historical, political and economic developments spanning several decades. Tanzania's economy has evolved gradually over the years from a centrally planned socialist type economy to a fairly liberalized and well-managed one. Today Tanzania's economy is one of the fastest growing in the region (Table 1.1) and has attracted substantial foreign direct investment (FDI), including from Kenya. Kenya experienced rapid growth and socio-economic development in the early years after independence largely because of its market-oriented approaches. Since then, owing partly to adverse political and economic challenges, including corruption, economic performance has been modest and fairly volatile with the effect that the early gains have partly been eroded. Investor confidence in the country has also waned; investors are considering locating to other countries in the region and elsewhere. On its part, Uganda entered a protracted period of economic and political crisis a decade after independence characterized by wars and coups. Since 1986, however, the country has been stable and the economy has been recovering through a process of reconstruction and liberalization. Uganda's economy has as a result experienced sustained periods of growth well above that of Kenya, although from a lower base.

Table 1.1: Key macroeconomic indicators

Country	GDP, 2007 (millions US$)	Annual real GDP growth rate (average, 1999–2007)	GDP per capita (constant 2000 prices)
Burundi	860	2.0	101
Kenya	17,122	3.8	456
Uganda	8,441	5.8	273
Rwanda	2,572	5.6	264
Tanzania	16,284	6.5	403

Source: African Economic Outlook (2007/08).

Rwanda's economy has recovered substantially after contracting by about 40–50 percent following the ethnic tensions that led to genocide in 1994. Since then the country has undertaken significant reforms that have seen the economy grow at rates well above 5 percent in the last decade. More recent performance has been impressive – the economy grew by 11.2 percent in 2008 and 7.9 percent in 2007. In 2009 Rwanda was named the top reformer in the World Bank/International Finance Corporation Annual Report (2009), on the basis of the ease of doing business. Despite these achievements, important challenges still remain in the country, particularly relating to the structural transformation required to enhance growth and sustainable development.

Burundi, the other new entrant to the EAC, is by far the smallest and least performing economy in the region. The GDP growth for the country has fluctuated following political disturbances and has for many years remained below the mean of sub-Saharan African countries. After several years of political upheaval, a transitional government was established following the signature of the Arusha Agreement for Peace and Reconciliation in Burundi on 28 August 2000. A series of institutional measures including holding elections, reforming public administration, tackling corruption, and reforming the legal sectors and the security forces has since followed (Rusuhuzwa and Baricako, 2009). These reforms have led to remarkable recovery of the economy, which registered an impressive growth of 5.6 percent in 2006, although it has dipped somewhat in the last few years. According to the government, economic growth relies on three factors: continually removing economic distortions in order to increase total-factor productivity, particularly in the coffee sector; substantially increasing investment, driven by international aid and oriented mainly towards infrastructure redevelopment, in order to reduce the main bottlenecks to economic development; and ensuring further improvements in trade deregulation, by taking further steps including joining the EAC, which is expected to contribute to economic diversification, stimulate competition and attract more investment.

Table 1.2 summarizes two key socio-economic out turns in the EAC countries – poverty and income distribution levels. Despite the impressive growth that the EAC countries have experienced in the last 5–10 years, poverty remains a major challenge for all the Member States. Whereas issues of distribution of benefits and losses in regional integration are important, equally important is the need to grow the economies for poverty reduction – so to speak, baking a larger cake. It is worth mentioning here that agriculture remains the region's main economic activity and engages the majority of the poor in the region. The contribution of the sector to GDP ranges from 45.3 percent in Tanzania to 22.7 percent in Kenya in 2007.

Table 1.2: Poverty and income distribution in the EAC region

Country	National poverty line				International poverty line (US$2)		Gini coefficient	
	Survey year	Rural	Urban	National	Survey year	%	Survey year	Index
Burundi	2006	37.0	N/A	36.2	2006	47.7	2006	50.0
Kenya	2005/6	49.1	33.7	45.9	1997	58.3	2000	42.5
Uganda	1999/0	37.4	9.6	33.8	2005/6	31.5	2005/6	41.2
Rwanda	2005/6	62.5	41.5	56.9	2005/6	57.0	2005/6	51.0
Tanzania	2000/1	38.7	N/A	35.7	1993	89.9	2000/1	38.2

N/A = not available. Source: African Economic Outlook (2007/08)

There are plans in the region to transform the economies away from agriculture to industry and services. For instance, Rwanda has envisaged a set of policies with the goal of transforming the agrarian subsistence economy into a sophisticated knowledge-based society. Through its Vision 2020, the country plans to transform the country into a middle-income country, with a per capita income of about US$900, and transforming the structure of the economy so that industrial and services sectors will lead by 2020. It is expected that services will contribute 42 percent, industry 26 percent, and agriculture 33 percent of the GDP. Kenya has launched its own Vision, this for 2030, which projects transforming the country into rapidly industrializing, middle income status by then (GOK, 2007). The services sector in Kenya in 2009 accounted for about 58.2 percent of the GDP, while industry accounted for 19 percent. The aim of Vision 2030 is to achieve annual economic growth of 10 percent over the next 20 years.

1.3 The EAC Trade Agenda: Policy and Outcomes

Like many other African countries, the five EAC members have been implementing a wide range of trade and trade-related policies. Starting from the late 1980s, the EAC countries (separately) implemented trade reforms as part of World Bank/IMF structural adjustment programmes. These reforms, which had the aim of reducing the role of government in the economy, contributed significantly to the liberalization of the productive sectors such as agriculture, as well as the opening up of the financial markets to foreign competition and foreign exchange liberalization. The reforms also sought to substantially reduce the average tariff protection in the region through reduction of applied duties.

Trade policies in the EAC

Continued liberalization of trade regimes has been achieved through multilateral agreements, specifically the World Trade Organization (WTO), of which all the EAC countries are members, and through RTAs in which the countries participate like the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Thus by 2008, the most favoured nation (MFN) applied tariff for Kenya, Uganda and Tanzania had come down substantially. Comparatively, the MFN applied rates in Rwanda and Burundi have remained high, although they are expected to reduce substantially with the implementation of the EAC common external tariff (CET).

Table 1.3 shows the ranking of the EAC countries among 125 countries of the world in terms of trade restrictiveness. According to the MFN trade tariff restrictiveness index (TTRI), which is normally computed by the World Bank to gauge openness, Tanzania is today East Africa's most open economy with a TTRI of 7.8, which is still lower than the sub-Saharan average of 11.3. It ranks 81st out of the 125 ranked countries in the world and has experienced the highest growth in total trade in the region. Kenya is second with an index of 8.2 and is ranked 84th. According to these rankings, Rwanda was found to be the EAC's least open economy with a TTRI of 16.2.

Table 1.3: Trade openness indicators for EAC countries

	Trade tariff restrictiveness index (TTRI)/rank	Ease of doing business – Rank	Real growth in total trade (%) (2006–2009)
Tanzania	7.8 (81)	131	77
Kenya	8.2 (84)	95	23
Burundi	12.4 (104)	176	10
Uganda	14.6 (116)	112	18
Rwanda	16.2 (120)	120	56

Source: Word Bank World Trade Indicators, 2009.

Regional trade integration is an important pillar of trade and investment policy in the EAC countries. In a bid to maximize benefits from regional trade, the EAC countries – apart from participating in the EAC – are also members of other regional integration arrangements. This, as will be discussed in the next section, creates a problem and is one of the reasons impeding the maximization of benefits of regional integration in the region. It needs to be noted that the EAC member states have signed a framework Economic Partnership Agreement (EPA) with the European Union and have a framework agreement, the Trade and Investment Framework Agreement (TIFA) with the United States of America. The EU EPA has far-reaching implications as far as trade is concerned as it will lead to substantial reciprocal market access for goods from the EU. The agreement implies a market opening of 64 percent within 2 years, 80 percent within 15 years and 85 percent within 25 years. This has implications for revenues and trade in the local and regional markets.

As for investment, it is notable that EAC member states have articulated a shared objective of investment policies in order to make the region attractive to investments. To this end, there have been a number of successes. These include the enactment of the EAC Competition Policy and Law (2006) and the EAC Standardization, Quality Assurance, Metrology and Testing Act (2006). Plans are under way in the region to formulate and enact a policy to curb piracy of intellectual property and counterfeit goods, both of which have been major investment disincentives. A significant development has been the attempt to formulate an EAC Investment Code to guide the member states in the development of national investment laws. Unfortunately, in its current form it is not a binding investment protocol.

Despite efforts to harmonize investment policies, EAC member states have retained their own institutions and regulatory mechanisms for dealing with foreign investments. The EAC countries retain responsibility on such matters as investment legislation, entry and exit requirements, investment protection, and incentives. While this arrangement has given countries sufficient autonomy to deal with the promotion of foreign investment in the region, it has resulted in a highly differentiated investment environment. This prompted the development of the Investment Code referred to above. At the national level, EAC members are in the process of simplifying procedures to facilitate foreign investment. They have also taken measures to harmonize their investment policies, including policies on commercialization of technologies and the promotion and protection of intellectual property rights.

Implementation of the customs union and the move to a common market

Trade policy is largely defined in the EAC's CU protocol. The main elements of the protocol are: removal of internal tariffs and all non-tariff barriers on intra-EAC trade; introduction of CET regime; and agreements on a list of goods classified as sensitive and therefore requiring additional protection. In the first phase, i.e., from 2005 –to 2010, exports from Kenya were categorized into two lists, A and B, in order to provide Uganda and Tanzania with an adjustment time. Category A goods enjoyed immediate duty free status in the other two countries. Category B listed some 880 and 443 importable goods from Kenya by Tanzania and Uganda, respectively, that are subject to duties. The tariffs on these goods were to be phased out over a five-year period and were not to exceed the CET.

The implementation of the CU protocol has been ongoing since 2005. By and large, tariff reductions have been effected as expected. Tanzania and Uganda began eliminating the internal tariffs in the 2006/07 fiscal year. Although there were initial hiccups in the removal of the tariff, the achievement has been remarkable. As will be discussed below, however, there remain numerous non-tariff barriers that still hinder the smooth movement of goods across the countries. The three EAC countries also successfully negotiated and agreed on the CET, which became operational in January 2005. A three-band tariff structure (0 percent, 10 percent and 25 percent) was codified under the EAC Customs Management Act of December 2004.

All the countries agreed on a list of goods that were to be classified as sensitive goods and were therefore to be accorded additional protection over a transitional period. Such goods were to be charged a rate over and above the maximum rate of 25 percent. However, there have been numerous cases of charges well above the allowable maximum rate. For instance, as at December 2009, the rate on sugar was as high as 105 percent. The latest case has been with cement. While cement producers in Uganda and Rwanda have been pushing for the zero rating of cement, Kenyan and Tanzanian stakeholders insist that this will be detrimental to their respective cement industries. Cement had a CET pegged at 55 percent in 2005, 50 percent in 2006, 45 percent in 2007, 40 percent in 2008 and 35 percent in 2009. In 2008, the CET was reduced from 40 percent to 25 percent. Uganda and Rwanda want these taxes to be completely eliminated.

The direct result of Rwanda and Burundi joining the CU in 2009 has been an expanded area of trade with a larger population (currently estimated at 120 million). The bigger market comes with a number of challenges, however. First, by regional standards, the two countries have weaker economies and are at lower levels of development, having just emerged from civil strife. This implies that the issue of inequity in sharing the benefits and the need to address them will become more prominent and urgent as the countries move into the common market. Indeed there have been calls for special provisions for the weaker economies that have just joined the EAC. Second is the challenge of language. The official business language in the region will most likely be English. While this poses no problem for the former British colonies, it will be a challenge for Rwanda and Burundi, which are French speaking countries, although Rwanda has already taken a major step in rectifying this problem by introducing English as the mode of instruction in schools.

Jointly, the five EAC countries are moving forward with the integration process to establish a common market. A protocol for a common market would provide for the free movement of factors of production such as people and money, and the right of settlement and establishment of EAC citizens within the EAC member states, among other things. This will be in addition to the free movement of goods under the CU. The EAC already has in place key institutions that are necessary for the establishment of a customs market. These include the East African Legislative Assembly and the East African Court of Justice. There is ongoing cooperation in a wide range of fields, from trade, investment and industrial development, infrastructure, tourism and wildlife management, to health, education; science and technology, agriculture, and standardization and quality assurance, as well as coordination and harmonization of macroeconomic, monetary and financial policies including free movement of capital and cooperation in defence and security matters. It is expected that transiting into a common market should be relatively easier given that most of the required institutions are already in place. The challenge will thus be one of strengthening these institutions to ensure that they can support an effective common market.

In the course of the negotiations for the common market, a number of key issues emerged. These relate to the free movement of persons and settlement of enterprises as well as the acquisition of land, all of which are cardinal requirements in a common market. As part of the fast-track process, the EAC member states have been negotiating an agreement to allow free movement of their citizens with the use of identity cards; to allow citizens of member countries to acquire land anywhere within the trading bloc; and to allow members' citizens to gain permanent residence in any EAC country. It has emerged that there are fears in some member states of allowing the free movement as required in a common market. That such fear exists is a reflection of the deep suspicions that continue to bedevil the countries, especially relating to the costs and benefits of regional integration.

Direction and patterns of trade flows in the EAC

The trade structure of the EAC countries, like those of many African countries, displays the following common characteristics: a commodity structure of exports dominated by primary products in Standard International Trade Classification (SITC) categories 0–4; a commodity composition of imports heavily weighted in manufactured goods in SITC product categories 5–8; and a heavy concentration of exports to markets in Europe, Asia and North America. Table 1.4 depicts the evolution of EAC trade (by Kenya, Uganda and Tanzania) since the 1980s. It is evident that the pattern has been dominated by trade with industrialized countries and in particular the EU and (lately) Asia (accounting for 14.9 percent of exports and 21.5 percent of imports in 2005). It is also important to note that trade – both intra- and inter-regional, has constituted a sizeable and growing proportion of the EAC's GDP, rising from 8.1 percent in the 1980s to 14.5 percent in 2005 for exports, and from 14.1 percent to 30.6 percent for imports over the same period.

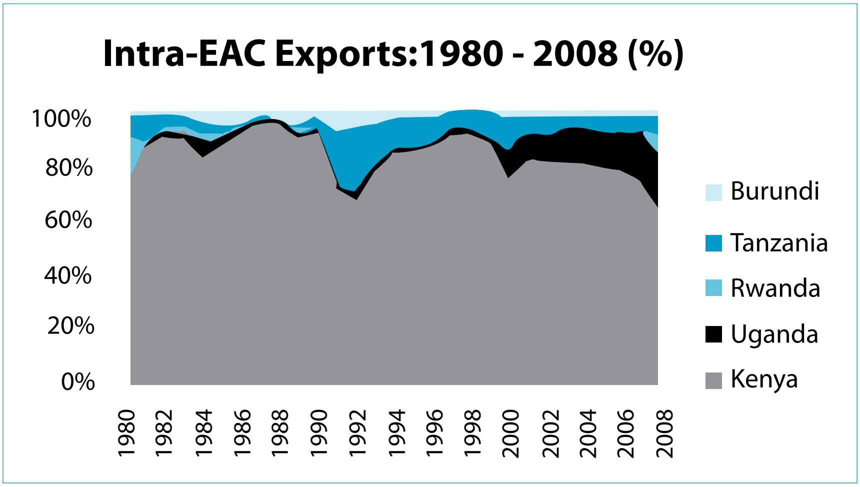
Table 1.4: EAC main trading partners

	Exports (%)				Imports (%)			
	1980s	1990s	2000–04	2005	1980s	1990s	2000–04	2005
Industrialized countries	62.9	51.0	47.7	41.4	62.7	50.5	39.3	32.5
of which EU	49.4	43.5	36.2	30.2	44.7	34.7	23.3	20.1
of which US	8.6	3.7	5.7	6.7	4.9	5.1	7.1	7.2
African countries	17.3	24.8	28.6	30.2	6.3	14.4	19.1	20.1
of which intra EAC	7.3	19.3	25.0	26.4	5.7	8.6	9.5	9.6
of which COMESA	15.1	19.3	25.0	26.4	5.7	8.6	9.5	9.6
of which SADC	3.5	8.3	8.4	9.2	1.3	6.6	10.7	11.8
Asia	9.4	13.8	13.1	14.9	9.3	16.1	19.5	21.5
Middle East	3.5	6.1	6.0	6.4	18.8	14.2	18.7	21.6
Trade as a percentage of EAC GDP	8.1	11.4	12.7	14.5	14.1	21.6	24.4	30.6

Source: IMF, Direction of Trade Statistics Database
*EAC figures relate to Kenya, Uganda and Tanzania in this case.

Intra-regional trade between the EAC countries has also increased, with the latest estimates (2010) showing that it has grown by 49 percent since the commencement of the EAC CU in 2005. Even so, trade in the region remains largely uneven in direction and intensity. Kenya remains the dominant player in EAC trade, accounting for the bulk of the intra-EAC exports. For most of the period since the 1980s, except for around 1990–1994, Kenya's exports to the EAC were well above 80 percent of the total EAC trade. This has been declining in recent years, however, and more sharply since 2005 when the EAC CU protocol came into force. In 2008, Kenya accounted for about 61 percent of the total intra-EAC exports. The shares of the other EAC countries' exports to the region have increased, with Uganda's rising from 13 percent in 2005 to about 20 percent in 2008. Tanzania's exports over the same period increased marginally from 6–8 percent (Figure 1.1).

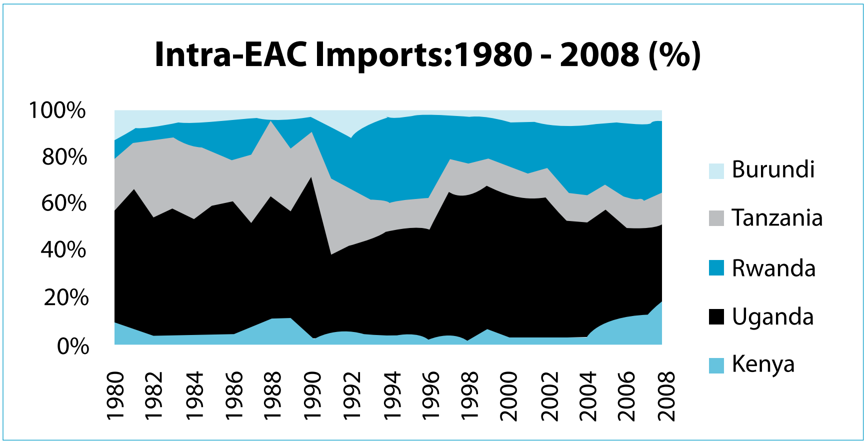
Figure 1.1: Intra-EAC exports: 1980–2008 (%)



Source: Comtrade database.

Regarding imports, Uganda remains the dominant importer from the region, mainly from Kenya, and in 2008 accounted for 31 percent of the intra-EAC imports. As is evident in Figure 1.2, however, the country's imports have been declining, especially in the last five years. Tanzania's imports from the region have also been expanding, reflecting in part the country's increased openness.

Figure 1.2: Intra-EAC imports: 1980–2008 (%)



Source: Comtrade database.

The commodity composition of intra-regional trade reveals that unlike trade with the rest of the world, manufactured commodities play an important role. Table 1.5 indicates that Kenya, which accounts for close to 80 percent of the exports to the region, mainly exports manufactured products to the other countries and imports mainly food items from them. Trade between the other countries, i.e., Uganda and Tanzania, is also dominated by food and agricultural products.

Table 1.5: Commodity composition of Kenya's intra-regional exports, 2008

	Total value (US$)	% of total
Food and live animals	23,892,093	1.76
Beverages and tobacco	225,537,306	16.61
Crude materials, inedible, except fuels	25,488	0.00
Mineral fuels, lubricants and related materials	111,571,909	8.22
Animal and vegetable oils, fats and waxes	48,584,332	3.58
Chemical and related products	37,283,999	2.75
Manufactured goods classified chiefly by material	665,804,050	49.04
Machinery and transport equipment	121,106,388	8.92
Textiles, fibres	60,300,133	4.44
Miscellaneous manufactured articles	58,568,925	4.31
Commodities and transactions not classified elsewhere	1,492,986	0.11
Total	1,357,612,384	

Source: UN Comtrade data set.

1.4 Distribution of Costs and Benefits of Regional Integration

RTAs have typically been associated with a number of costs and benefits. These differ depending on the structure, objectives, sectoral coverage and membership of the RTA. RTAs typically lead to both static and dynamic gains (Balassa, 1961, Robinson, 1990). Static gains result from a one-time reallocation of economic resources such as land, labour, capital, or natural resources. The effect of the static gains depends on the relative sizes of trade creation and trade diversion. Trade creation takes place when a member of an RTA switches from consumption of goods produced domestically (at relatively high costs) - to goods imported from a lower cost producer in a partner country. Trade diversion, on the other hand, takes place when a member switches from consumption of lower cost goods imported from outside the region to higher cost goods produced within the region. Trade diversion is generally welfare reducing. It follows, therefore, that RTAs that are more trade creating are usually considered beneficial, while those that are trade diverting are considered harmful.

Typology of costs and benefits in RTAs

Depending to a large extent on the price of a partner's goods vis-à-vis the world price, removing tariffs between regional trade members can reduce the partners' tariff revenue from imports. Where, for example, country A has prices that are higher than the international price, if then it agrees with its partners to remove tariffs through an RTA, it will end up paying higher prices for imports than before the RTA. The combined higher prices and loss of tariffs for country A may create a condition that is unsustainable, especially if the other members of the RTA are better off economically. RTAs will reduce government tariff if the trade with the other regional trade partners is significant relative to the total trade. The reduction in tariff revenue may affect the ability of the government, especially the poor countries, to finance social, health and educational programmes.

Dynamic gains from RTAs stem from impacts on productive capacity and potential output, and the resulting impact on income growth (Robinson, 1990). RTAs expose firms to greater competition in regional markets, which should bring about greater efficiencies in production and marketing, and possible gains from industry restructuring. RTAs are beneficial to neighbouring countries since they can lead to lower transaction costs, lower tariffs barriers and lower weighted average tariff rates with the rest of the world. An RTA can also provide a mechanism to achieve economies of scale. On account of economies of scale, successful integration may cause key industries of poorer countries to relocate to the more developed partners. Such firms will also be attracted by trade costs and the need to locate near customers. While this will benefit the individual firms, the originating countries are likely to lose out.

Gainers and losers in RTAs: Some stylized facts

On who gains and who loses in an RTA, integration theory suggests some general guidelines and stylized facts about the relationships between the characteristics of regional agreements and the likelihood of net gains for member countries. According to Radelet (1999: 8), some of these characteristics are:

- The larger the share of intra-regional trade in total trade for the member countries before the RTA, the more likely that trade creation will dominate trade diversion. This implies that the greater the existing links are, the less likely it is that trade will be diverted from low cost firms outside the region to higher costs firms within the region.
- The higher the initial tariffs between partner countries, the greater the scope for trade creation. Reducing high tariffs between members is likely to lead to the replacement of goods previously produced by highly protected domestic firms, by output from more efficient firms elsewhere in the region.
- The higher the tariffs facing non-members after the formation of the RTA, the greater the potential for detrimental trade diversion and the less beneficial the RTA.
- The greater the membership, economic size and share in world trade of the RTA, the greater the scope for trade creation and the smaller the tendency for trade diversion. This means that the larger the membership is, the more likely it is that the lowest cost producer of any particular good will be included in the arrangement, and the greater the potential for specialization.
- The higher the transportation and communications costs among member countries of the RTA, the lower the potential gains from trade creation.

The Case of the EAC: Review of the empirical evidence

Various studies of EAC potential and accomplishments have focused on a range of levels, from the macro effects of EAC regional trade integration to sectoral and firm level effects. Studies have also considered who is gaining from EAC trade, and the drivers of costs and benefits in the EAC integration process. Relevant research is summarized in the following subsections.

Macro effects of EAC regional trade integration

In one of the early assessments of the EAC CU, Stahl (2005) compared the trade and tariff profiles of the three original EAC states in 2003 with those projected to prevail once the EAC CU was fully operational in 2010. To assess the impact of the CU on the countries' tariffs, Stahl computed the arithmetic averages of the statutory, paid and weighted tariffs for the three countries in 2003 and 2010 (Table 1.6). The results based on these computations were that Uganda's total trade weighted average tariff would rise from 6.3 percent in 2003 to 9.2 percent in 2010, while that of Tanzania was projected to fall from 8.5 percent to 5.9 percent. In Kenya, the rate was projected to fall even more drastically, from 17.5 percent to 5.9 percent. These results reflected the differences in pre-customs MFN rates and divergent industrial development, as well as differences in the business environment (including transport). Thus from the perspective of tariffs, the EAC CU was seen to disadvantage Uganda consumers and producers who were projected to face a rise in consumer and import prices. This would be compounded by the fact that the country is landlocked, which imposes higher trade and transportation costs.

Table 1.6: Tariff effects of the EAC Customs Union, 2003–2010 (%)

	Kenya		Uganda		Tanzania	
	2003	2010	2003	2010	2003	2010
Arithmetic average statutory tariff						
On intra-EAC imports	1.9	0	3.2	0	3.3	0
On third country imports	19.0	11.2	7.8	11.2	12.6	11.2
Arithmetic average paid tariff						
On intra-EAC imports	1.6	0	3.2	0	4.0	0
On third country imports	13.3	N/A	3.8	N/A	8.4	N/A
Trade weighted average tariff						
On intra-EAC imports	1.93	0	3.6	0	3.4	0
On third country imports	17.55	5.88	6.3	9.2	8.5	5.9
On total imports	17.46	5.87	5.9	6.7	8.2	5.6

Source: Stahl (2005)
N/A: Not available.

The analysis by Stahl further showed that the impact of the EAC CU in terms of reducing Kenya's and Tanzania's average tariffs both on intra-EAC as well as third-country imports, more than outweighs the impact of the rise in Uganda's third-country tariffs. This implies that the net effect of the EAC CU on tariffs in the EAC as whole is positive, comprising of a 40 percent decline in the average trade weighted tariff on total imports. The implication here is that although the tariff effects for the CU were not favourable for Uganda as they were likely to lead to higher consumer and producer prices, they were positive for the EAC region taken as a whole. Thus according to Stahl (2005), the creation of the EAC CU would bring about significant tariff liberalization.

The tariff effects discussed above have implications on the flow of imports among the EAC countries. With tariff reductions in Kenya and Tanzania, the expectation has been that this will lead to increased imports from outside the EAC region. Castro et al. (2004) estimated that the increase would be about 11.2 percent in Kenya and 14.6 percent in Tanzania. In Uganda, where tariffs would rise, imports from outside the EAC were forecasted to decline by 1.3 percent. The study estimated that by 2010, when the EAC would be in the second phase, the change in total imports will be the same as in the first phase. This according to the study was because the EAC was a small CU. Therefore prevailing prices would be determined by the world market and the MFN CET schedule. The findings of the estimates from the Castro et al. (2004) study showed that the elimination of the Ugandan and Tanzanian tariffs on Kenyan imports would result in increased imports from Kenya. Imports in Tanzania would rise by an estimated 3 percent and by 6 percent in Uganda (Table 1.7).

Table 1.7: Import changes with CET at 25 percent and no tariffs on imports from Kenya

Changes (in %)	Kenya	Tanzania	Uganda	EAC
Total imports	11.16	13.94	-0.91	9.99
Imports from third countries	11.20	14.50	-3.26	10.26
Imports from EAC	2.18	3.12	6.05	5.20
- Imports from Kenya	-	3.07	6.14	-
- Imports from Tanzania	3.90	-	2.78	-
- Imports from Uganda	0.68	3.87	-	-

Source: Castro et al. (2004).

In terms of the impact on revenues, Castro et al. (2004) estimated that between 2005 and 2009, the EAC CU would lead to revenue losses from tariffs and domestic taxes amounting to 16 percent for Kenya, 4.2 percent for Tanzania and 2.9 percent for Uganda. McIntyre's (2005) analysis for Kenya indicated that the implementation of the EAC CU would result in a net trade creation effect of about US$9.1 million. The corresponding revenue loss for Kenya would be US$113.3 million. The corresponding revenue loss for Kenya would be US$113.3 million.

From 2010, according to Castro et al. (2004), the revenue losses for Kenya would remain unchanged since Kenya eliminated its tariffs on imports from the other two EAC countries immediately in 2005. For Tanzania and Uganda, however, the study showed that the revenue losses would increase after 2009 because of the elimination of tariffs on imports from Kenya and the substitution of third-country imports by duty free intra-EAC imports. The study estimated that Tanzania's tariff revenue losses as from 2010 (compared with the situation in 2004) would increase to 6.3 percent of the total customs revenue, and in Uganda, to 8.6, up from 2.9 percent in the period up to 2009 (Table 1.8). The overall effect for the EAC was estimated at about 12.2 percent. According to these estimates, Kenya will be most affected by revenue losses. This is despite the fact that its share of intra-EAC imports is the smallest among the three EAC partner states. The results show that the revenue losses for Kenya and to some extent Tanzania would be due to tariff liberalization for third-country imports rather than intra-regional liberalization. Uganda with its substantial EAC imports, stood to face losses related to the latter.

Table 1.8: Revenue implications with CET at 25 percent and no temporary tariffs on imports from Kenya (US$ million)

Country	Tariff revenue from third countries	Tariff revenue from EAC countries	VAT revenue	Excise revenue	Total customs revenue	Revenue loss as a share of customs revenue
Kenya	-180.3	-0.5	31.6	0.1	-149.1	15.7
Tanzania	-56.2	-2.1	30.4	0.1	-27.8	6.3
Uganda	-10.5	-4.3	-0.8	-0.3	-15.8	8.6
EAC	-247.0	7.0	61.3	0.1	-192.7	12.2

Source: Castro et al. (2004).

The EAC is entering its second phase. In the first phase, Tanzania and Uganda were allowed to levy temporary tariffs on an agreed schedule of goods from Kenya. The CU was therefore "incomplete" in the sense that internal tariffs were not entirely eliminated. In the second phase, starting from January 2010, free trade among the member states is envisaged, and a MFN tariff schedule of 0 percent, 10 percent, and 25 percent. The plan is to ultimately reduce the top tariff to 20 percent. This is expected to coincide with the commencement of the common market (CM), which is expected to begin in July 2010. One empirical question that we seek to address in this section is what is likely to be the effect of lowering the CET from the current 25 percent to, say, the 20 percent proposed in the CU protocol agreement.

As already indicated, trade among the EAC countries is still characterized by the existence of products categorized as sensitive. These are essentially products for which individual countries impose protection from competition within the region. The CU protocol allows for such protection in the short run to mitigate against any adverse effects. In the long run, such commodities are expected to become competitive, by which time the protection is removed. We attempt in this chapter to assess the implications of the reduction of the CET and the folding of the sensitive products into the CET. We use the United Nations Conference on Trade and Development (UNCTAD)/World Bank model, popularly known as SMART, to simulate the reduction in the CET and the folding of the sensitive goods. The model framework is outlined in Annex A. Theoretically, the lower the CET, the smaller is the probability that the regional trade partners will replace the most efficient suppliers. A relatively low CET permits some competition from countries which are outside the CU. This is because reducing the tariff level reduces market distortions and improves the efficiency of resource allocation. This in turn may result in trade creation, sustained economic growth and poverty reduction.

Our simulation results are summarized in Table 1.9(a) and 1.9(b), respectively.. The results are summarized to show the effects of reducing the CET to 20 percent and 10 percent on imports, revenue and consumer surpluses for the three original EAC countries (Kenya, Uganda and Tanzania). As is evident from the tables, further reduction of the CET level will be beneficial to the three countries as it will in all cases result in an increase in the consumer surplus. A comparison of the results in Table 1.9(a) with those in 1.9(b) shows that the lower the CET, the greater the benefits. In all cases, the consumer surplus is higher with the lower tariff of 10 percent compared with 20 percent. It is evident, however, that Uganda stands to benefit more than Kenya and Tanzania at either rate. A reduction of the CET to 20 percent will generate a consumer surplus of about 0.9 percent of GDP, compared with 0.6 percent and 0.5 percent in Tanzania and Kenya, respectively.

Table 1.9(a): Reduction of the EAC's CET to 20 percent

	Increase in imports (US$)		Loss of tariff revenue		Consumer surplus	
	Value in US$	As % of GDP	Value in US$	As % of GDP	Value US$	As % of GDP
Kenya	222.6	1.3	(51.4)	-0.3	85.6	0.5
Uganda	287.0	3.4	(67.5)	-0.8	75.9	0.9
Tanzania	309.4	1.9	(65.1)	-0.4	97.7	0.6

Table 1.9(b): Reduction of the EAC's CET to 10 percent

	Increase in imports (US$)		Loss of tariff revenue		Consumer surplus	
	Value in US$	As % of GDP	Value in US$	As % of GDP	Value US$	As % of GDP
Kenya	428.0	2.5	(171.2)	-1.0	171.2	1.0
Uganda	582.4	6.9	(109.7)	-1.3	126.6	1.5
Tanzania	814.2	5.0	(130.2)	-0.8	195.4	1.2

The effect of the reduction of the CET on imports for the three countries is an increase in imports for all the countries. The highest increase in imports will be in Uganda, i.e., 3.4 percent at the 20 percent CET level, increasing to 6.9 percent if the CET is further reduced to 10 percent. Kenya, with its relatively more sophisticated economy, will experience the least increase in imports, only 2.5 percent as a result of the reduction of the CET. A study by Cheng et al. (2008) using a similar analytical framework estimated that a 10 percent reduction of the CET will increase consumer surplus by similar margins in the three countries: 1.1 percent in Kenya, 1.1 percent in Tanzania and 1.6 percent in Uganda.

In terms of revenue losses, the simulation results show that these three countries lose more at the lower tariff level. Thus a reduction of the CET to 20 percent results in a revenue loss in all the countries, which increases as the CET is reduced further to 10 percent. The loss as a percentage of GDP is higher in Uganda than in Kenya and Tanzania. Kenya, which imports the least from the other EAC countries, has the least revenue loss. It is worth noting here that the revenue losses for the countries may actually be lower as our estimation does not capture consumption taxes on additional imports and possible exemptions and evasion.

As already pointed out, the results presented above are based on simulations using partial equilibrium models, which suffer from a number of weaknesses including the fact that they are not able to capture dynamic effects of trade. The model also fails to capture tax exemption and evasions, which are still common in East African countries. As such, our estimates may not portray the actual situation on the ground. In fact, actual revenue has been increasing in the EAC countries. This is despite the general fears across the partner states that elimination of internal tariffs would lead to reductions in revenue losses. In part this has been due to actions by the partners in reorganizing their tax administration, simplifying tax laws, improving staff competences and applying more relevant technological innovations. Additionally, it is difficult to isolate the effects of the CU protocol from other national or even global effects that may have affected the firms. Nevertheless, the estimates provide broad indication on the direction of change.

Sectoral effects

The implementation of the CU has a clear bearing on sectoral outcomes. A number of empirical studies have attempted to gauge the effects of the CU tariff liberalization on the key sectors of the economy. In their analysis, Castro et al. (2004), for example, computed the tariff changes at the sectoral level as shown in Table 1.10. As indicated above in Section 4.3.1, Kenya and Tanzania mainly experience a decline in tariff, while tariffs generally rise in Uganda. An examination of the impacts by sector shows that tariffs in the food and animal sub-sector rise in all the countries, perhaps because most of the products under this category are considered "sensitive' and are therefore protected (Table #.10). It is worth noting that "sensitive" goods make up a large proportion of imports into EAC countries. The subsectors that suffer dramatic tariff declines across the countries are chemical and related products.

Table 1.10: Change in tariff protection as result of the CU

Sector	Change in tariff protection (%)		
	Kenya	Tanzania	Uganda
Food and live animals	40	1	168
Beverages and tobacco	-45	-29	18
Crude materials, inedible, except fuels	-61	6	6
Mineral fuels, lubricants and related materials	-65	N/A	1
Animal and vegetable oils, fats and waxes	-48	-25	102
Chemical and related products	-77	-36	-46
Manufactured goods classified chiefly by material	-38	-16	116
Machinery and transport equipment	-49	-39	69
Miscellaneous manufactured articles	-21	-10	79
Commodities and transactions not classified elsewhere	69	-6	657

Source: Castro et al. (2004).

A recent study by Khorana et al. (2007) provides interesting sectoral insights on the implications of tariff reductions for Uganda. Using a partial equilibrium model, the authors evaluated the perceived benefits to Uganda from the transitional arrangements that have been implemented for goods classified under category B and listed as sensitive goods from a Ugandan perspective. The disaggregated welfare effects by products show that building products, followed by agricultural products and detergents, have the highest total trade effects. According to the analysis, welfare effects are also the highest for these product groups. The analysis also shows that the agricultural and agro-processed products affected by the CU are milk and dairy products and broken rice, as well as vegetable fats and palm oil.

Firm level effects

As already indicated, RTAs affect firms in that they expose them to greater competition, which in turn is expected to enhance efficiency and reduce costs. Evidence to confirm the impact of regional integration in East Africa remains scanty. A recent survey by the East African Business Council (2008b) sheds some light on what may have happened since the implementation of the CU protocol. In the survey, which was carried out in the three original EAC countries (Kenya, Uganda and Tanzania), firms reported business expansion of 60–80 percent since the launch of the EAC CU in 2005. Firms in Kenya had the highest reported expansion at 86 percent, while those in Uganda and Tanzania reported 56 percent and 78 percent, respectively. The surveyed firms further reported that turnover in the same period increased by 40 percent in Uganda and 25 percent in both Kenya and Tanzania. It needs to be cautioned here that the survey figures are largely based on perceptions rather than actual assessments.

There is no doubt that greater integration will bring greater competition among firms. In the short run, the firms that stand to gain most are those that are already competitive. The majority of these firms are likely to be in Kenya, given its relatively more developed economy. It was with this consideration that firms in Uganda and Tanzania were allowed an adjustment period in the first phase of the integration. In the medium to long run, it is expected that firms in these countries may overcome the lack of competitiveness, but this will require individual firms to take measures to enhance their competitiveness. Such measures should include additional investment in newer production technologies, as well as specialization and re-training of human resources to boost productivity. To enhance competitiveness, the EAC countries will also be required to take measures that facilitate the free flow of goods and services across the region.

A number of important recent regional trends provide an indication of the effects of the CU on regional trade. Recent years have seen a trend in which local firms are seeking a foothold in other regional countries. Kenyan companies, including banks, have established themselves in the region, mainly and Tanzania and Uganda. The most recent foray was an investment by a leading Kenyan supermarket in Rwanda. Instructively, the majority of the local companies that have become multinationals are publicly owned, leaving them open for public scrutiny. There is no evidence of any significant investment by the other EAC countries in the region. Interestingly, some of the firms are going beyond the EAC region to invest in places such as southern Sudan. There are also signs of an emerging interregional division of labour, where firms involved in basic import-processing are located at the coast, while the final stage of import-processing and natural resource-based activities is located in the hinterlands (Booth et al., 2007).

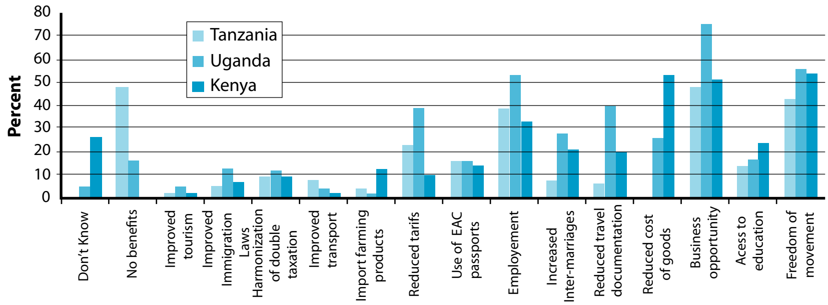
Who is gaining from EAC trade?

The empirical evidence provided in the previous section indicates that the process of regional integration generates losers and gainers. Participating countries may turn out to be net gainers or losers depending on how they are affected by trade liberalization in the context of regional integration. Within the countries, sectors and groups may gain or lose. So which groups in society have been gaining from the EAC regional integration processes? To answer this question, one would need to have an idea who participates in trade and how they are affected. Ideally, this would require collection and analysis of disaggregated data collected from surveys. Unfortunately, this was not possible as part of this study. We therefore relied on a number of primary surveys collected by others in the region to shed light on the development benefits of the integration process.

The EAC Secretariat (2001) identified the following as the largest groups of beneficiaries from the EAC process: consumers, traders, transporters, producers and service-oriented firms. Consumers are expected to benefit from a greater supply of goods and services and lower prices. Transporters and traders are expected to benefit from time saving at the borders, reduced vehicle operation costs on road corridors, less spoilage in transporting perishable products and better utilization of vehicle fleets through faster border crossing. Producers and service-oriented firms would benefit from expanded regional markets and competition. The expanded local market should, in addition, provide them with a training ground for international competition. In addition, there are other general benefits including the establishment of centres of excellence, efficient utilization of scarce resources through cross-border provision of public goods, and the joint planning and implementation of policies. Among the other benefits identified are the attraction of foreign direct investment and regional peace and security.

In a recent survey to gauge the nature and level of benefits from the integration process, Karega (2009) on behalf of the East African Business Council (EABC) enumerated a number of benefits that accrue to business persons, workers, professionals, and farmers. Other beneficiary groups include consumers, travellers, employees and students (Figure 1.3). Levels of perceived benefits from the integration process were found to differ not only by country but also by category of participants, and the benefits are largely trade related (Table 1.11.

Figure 1.3: Benefits of Integration in the EAC by member country



Source: Karega (2009).

According to the survey, business was identified as the leading beneficiary. Seventy-five percent of the respondents in Kenya, 51 percent in Uganda and 48 percent in Tanzania indicated that they had benefited from the business opportunities resulting from the integration process. This is expected as the removal of tariffs among the EAC countries has so far been the main integration tool. Producers in the EAC countries have thus been able to find markets in other member countries. It is significant that a large proportion of those who reported improved trade opportunities were in Uganda. The survey also showed that an increasing number of informal sector businesses were benefiting from trade across the region. These were those mainly engaged in formal and informal trade through trading points such as Malaba and Busia.

Table 1.11: Recipients of EAC clients for EAC exports: Actors in the EAC export chains 2008

Client for intra-EAC export chain	Burundi	Kenya	Rwanda	Tanzania	Uganda
Distributors		30		25	
Wholesale/Supermarkets		14	50		10
Manufacturers	25	8		13	9
Farmers		3			
Transporters		3			
Governments					18
Institutions/Cooperatives/Auctions			50	13	18
Traders/Individuals	50	42		23	45
NGOs	25			13	
UN agencies				13	
Total	100	100	100	100	100

Source: EABC survey (2008a/b).

As expected, traders handle most of the export goods into the region in all the countries except Rwanda where public institutions play a bigger role. Other large handlers of exports include distributors and, in Kenya and Tanzania, wholesalers and supermarkets as well as manufacturers. Despite being a crucial group in East Africa, farmers, who constitute the majority of the poor in the EAC member states, do not feature prominently in EAC trade. The lack of involvement of farmers in EAC trade can be attributed to a number of factors including lack of knowledge of trade opportunities in the region and the fact that the countries produce more or less the same products. It is important to note, however, that there is a lot of trade in food products across the borders, most of which goes unrecorded. The large informal sector, which is poorly integrated with the formal economy, diminishes the development impact of the trade within the EAC.

The level of benefits in each of the EAC countries will also depend on where the producers source the raw materials for their products. The large-scale manufacturing enterprises that dominate regional trade in the region, it would appear, do not have sufficient linkages with the local economies. From the EABC survey, only 12 percent of the surveyed firms were found to source their raw materials from the EAC region (Table 1.12). The bulk of the raw materials were found to come from outside the EAC. This tendency was highest for Tanzania and Uganda at over 50 percent and 54 percent, respectively. The domestic economy was found to account for about 17 percent in Uganda to 63 percent in Burundi of the raw material used.

Table 1.12: Sources of raw material in the EAC

Source country	Domestic economy (%)	EAC (%)	Europe (%)	Rest of the world (%)
Burundi	63	13	15	13
Kenya	39	10	10	41
Rwanda	59	18	6	18
Tanzania	50	0	0	50
Uganda	17	21	8	54
Weighted average	46	12	8	35

Source: EABC survey (2008a/b).

Drivers of costs and benefits in the EAC integration process

Some of the factors behind the disparities are examined here. Many of these factors also act as impediments to the full realization of the benefits of regional integration.

Industrial concentration

Kenya is generally considered to be the most industrialized East African country. Industries attracted to East Africa by size of the market and by the protection of privileges granted under the common tariff have tended to cluster in Kenya. This has generated a higher rate of industrial development in Kenya than in the other countries. This is changing rapidly, however, as the other EAC countries, through reforms and sound macroeconomic management, are attracting sizeable foreign investment. In recent times, it has been Tanzania that has led the EAC countries in attracting foreign direct investment (FDI). According to the World Investment Report 2007 by UNCTAD, Tanzania's FDI stood at US$377 million in 2006, compared with Uganda's at US$307 million, Burundi's at US$290 million, Kenya's at US$51 million and Rwanda's at US$15 million. FDI into Tanzania has mainly gone into the mining and extractive sectors, which is not only capital intensive but it has limited linkages to the domestic economy. It is instructive to note that Kenya remains one of Tanzanian's largest foreign investors after Britain.

Kenya's dominance in industry is a product of factors such as the colonial legacy, location and policies that tended to promote free enterprise. Its location and transportation advantages have also helped spur industrial development in the country. While Tanzania has equally good transport advantages, previous policies pursued by the government did not promote industrial development. Uganda, Rwanda and Burundi have all experienced the transport disadvantages of a landlocked country.

Supply-side constraints and competitiveness

Rigidities characterized by underdeveloped telecommunications and infrastructure bottlenecks, energy shortages, and trade restrictions are impediments to the free flow of goods in the region that reduce potential benefits. Transport is still a major bottleneck of intra-regional trade in the EAC region. It is affected by disjointed links and inadequate networks in all modes, especially roads, railways and air transport. The capital costs of infrastructure investment programmes and services remain unaffordable for Member States. Although fast growing, telecommunication connectivity continues to be a major challenge. Expansion or improvement in the quality of infrastructure services lowers the marginal cost and lowers the minimum efficient scale of production, transportation and marketing. Lower costs and greater economies of scale raise the potential for increased or new sales in export as well as domestic markets, as efforts to take advantage of the economies of scale in production, procurement or marketing lead firms to look beyond national borders for both trade and investment opportunities.

Trade-related infrastructure within the EAC is highly inefficient and inadequate. Inability to transport goods and people efficiently, coupled with inadequate power supply to operate machinery and facilities smoothly, leads to micro as well as macroeconomic imbalances. As shown in Table 1.13, the EAC countries perform dismally (compared with other countries in the world) in terms of business environment indicators such as institutions, infrastructure and labour efficiency. The ranking shows that Tanzania has stronger institutions than all the other EAC countries, but has a weak infrastructure. Kenya and Uganda perform much better in terms of labour market efficiency and institutions and infrastructure.

Table 1.13: Ranking of EAC countries on selected competitiveness indicators (2008–2009)

	Institutions	Infra-structure	Macro economy	Good market efficiency	Labour market efficiency	Financial market sophisti-cation	Techno-logical readiness	Market size
Kenya	93 (3.5)	91(2.9)	107(4.4)	74 (4.1)	40(4.6)	44(4.7)	93(2.9)	71(3.4)
Uganda	113(3.3)	115(2.4)	92 (4.6)	114(3.7)	25(4.7)	102(3.7)	121(2.4)	96(2.80
Tanzania	76 (3.6)	118(2.3)	108(4.3)	111(3.7)	73 (4.3)	94 (3.9)	117(2.5)	80(3.2)
Burundi	124(3.0)	124(3.0)	129(2.1)	128(3.4)	95(4.1)	134(2.8)	131(2.2)	131(1.4)
Rwanda	-	-	-	-	-	-	-	-
Botswana	36(4.7)	52 (40)	22(5.7)	93(3.9)	52(4.5)	40(4.8)	89(3.0)	101(2.7)
S. Africa (average)	(3.7)	(2.8)	(4.4)	(3.9)	(4.2)	(3.8)	2.7	(2.6)

Source: The African Competitiveness Report (2009).
* The numbers in parentheses are the score.

Multiple memberships

An often cited problem of regional integration in Africa is multiple memberships in trading arrangements. As shown in Table #.14, EAC member states participate in various regional integration initiatives, including the Common Market for East and Central Africa (COMESA), Southern African Development Community (SADC), the Inter-Governmental Authority on Development (IGAD), the African Union (AU), and the Cross Border Initiative (CBI). While Kenya and Uganda belong to COMESA, Tanzania belongs to SADC. Different CETs in different trading blocs complicate the administration of the EAC CET, which requires that the member states follow a common external trade policy. Overlapping memberships also complicate coordination of activities.

Table 1.14: EAC states membership in regional blocs

	EAC	COMESA	ECCAS	IGAD	SADC	CEPGL
Burundi	X	X	X			X
Kenya	X	X		X		
Rwanda[1]	X	X				X
Tanzania	X				X	
Uganda	X	X		X		

Source: Compiled by the author.

Members are usually torn between competing regulations and commitments and thus end up having to devote more time and resources on managing regional integration rather than actually participating in it. This can be a real source of policy inconsistencies as countries grapple with multiple loyalties. It also complicates revenue administration. For instance, Uganda is a member of the EAC, COMESA, IGAD and the AU. Since preferential arrangements under each of these agreements differ, importers can choose to import products under any regime. The differing rates prompt many importers to declare their imports under the lowest tariff regime, which has led to massive smuggling and customs fraud. Losses arising from fraud and other "spillages" have been estimated in millions of dollars. A long-term solution to this problem is for the countries to rationalize their participation in RTAs. The proposal to create a larger free trade area (FTA) bringing together SADC, COMESA and the EAC may help in finding a lasting solution.

Differing tax regimes

Delays by EAC member states in harmonizing their tax regimes are also causing imbalances in cross-border trade. Although the CU was launched back in 2005, the main taxes affecting the business community, such as value added tax (VAT), withholding tax and excise tax, are yet to be fully harmonized. At present, Rwanda and Uganda charge VAT at the rate of 18 percent, Kenya charges 16 percent, and Tanzania, 18 percent. The disparities in the tax regimes result in distortions and have negative impacts on cross-border business activities. In particular, they increase the cost of compliance and affect decisions made by investors with regard to where to invest and where to source finance. The variance in VAT rates in essence translates into different prices and costs to consumers for similar items.

The countries also provide differing incentives for investors. While Kenya and Tanzania offer tax incentives for investors, Uganda and Rwanda do not. Similarly, companies operating in the export processing zones (EPZs) in Kenya and Tanzania are exempted for the first ten years from income tax and withholding tax on payment to non-residents, but this is not the case in Uganda. There is thus a perception in Uganda that the EPZs and the associated tax holidays provide an advantage to Uganda's EAC partners. This is despite the fact that Uganda has been able to attract more FDI than Kenya. Pressure is thus being put on Uganda to establish its own EPZ, to match the incentives provided by Kenya and Tanzania. Plans are also under way to establish the same in Rwanda and Burundi.

Non-tariff barriers and measures

The overall effect of non-tariff barriers (NTBs) in the EAC region, like elsewhere, is that they result in delays and increased costs, which ultimately hinder the free movement of goods and services. And according to many analysts, the removal of NTBs is much more important for boosting intra-regional trade than tariff liberalization. A recent analysis by Karugia et al. (2009) demonstrates that the removal/reduction of NTBs in maize and beef trade in the East African region has significant positive welfare implications. According to the study, completely abolishing or even significantly reducing the existing NTBs in maize and beef trade would increase intra-EAC maize and beef trade, with Kenya and Tanzania importing more maize from both Uganda and Tanzania. Out of the realization of the negative impact of NTBs, efforts have been made to reduce or eliminate them. As part of the CU, EAC member states committed themselves to eliminate all existing NTBs on intra-EAC trade with immediate effect and to refrain from introducing new ones. However, not only have countries failed to eliminate such barriers, but they have in some cases introduced new ones to compensate for tariff liberalization.

Within the EAC, coherence or lack of it can be seen by the prevalence of NTBs that countries impose on products from other member states. To the extent that

NTBs result from deliberate policies and procedures, their existence in many ways signifies trade policy incoherence. Though EAC countries have over the years negotiated the elimination of policy and procedure linked NTBs, success has been limited. In fact, NTBs remain one of the outstanding and sticky issues that have affected the speedy integration of the economies of the EAC. At a very basic level, a major challenge has been the lack of a common inventory of NTBs in the East African region.

One of the most troubling NTBs within the EAC has been transit procedures. The critical issue here is the lack of harmonization of regulations regarding axle loads and vehicle technical specifications within the EAC, which makes overload control management difficult. The differing axle weights would mean, for instance, that a truck from Tanzania transiting through Uganda has to strip off excess cargo to avoid financial penalties. There are also restrictions in the countries on gross vehicle mass, which means that certain types of vehicles cannot transit through some countries. A related problem is the poor enforcement of applicable rules and regulations across the EAC region, owing to inadequate institutional capacity and serious integrity issues arising among public officials who operate weighbridges. This causes delays at border points.

This last points to an important issue with implications for the benefits and costs of regional integration in the EAC, and that is corruption. There is concern that rampant corruption especially along the major trading routes is not only hampering trade flow but also eroding potential benefits. A recent Transparency International (TI) (Kenya) survey showed rampant corruption in the region (excluding Rwanda and Burundi). Kenya was perceived to be by far the most corrupt of the three original EAC countries, followed by Uganda and Tanzania (Table 1.15). The TI index shows that of the five current member states, Burundi is the most corrupt country within the EAC, while Rwanda was found to be the least corrupt. Rwanda came in at number 89 with a score of 3.3; Tanzania ranked 20 positions above Kenya at 126 with an index of 2.6, while Uganda was ranked at position 130 with a perception index of 2.5. Among the institutions identified as being involved in corruption are the police (in all the countries), the revenue authorities and the customs offices. As noted above, these institutions play an important role in the facilitation of trade and their being perceived as corrupt is inimical to trade in the region.

Table 1.15: Corruption perception indexes for EAC countries (2009)

Country	EAC bribery index 2009		TI corruption perception index 2009	
	Index	Rank	Index	Rank
Kenya	45	1	2.2	146 (2)
Uganda	35	2	2.5	130 (3)
Tanzania	17	3	2.6	126 (4)
Burundi	-		1.8	168 (1)
Rwanda	-		3.2	89 (5)

Source: Transparency International (Kenya) 2009

Revenue losses and border inefficiencies

A substantial proportion of revenue that would reflect as benefits of integration is usually lost as "unofficial" exemptions and smuggling. In the context of the EAC, it is important that the member states address weaknesses in their customs and revenue administration, border control, and transit arrangements to reduce losses on customs revenue collection. Also important are issues of efficiency at border points. The performance of trade procedures at border points involves a large number of actors including customs officials, freight forwarders, insurers, immigration authorities, police, plant inspectors, bankers, brokers, quality assurance, weights and measures and standards institutes, health, and port authorities to mention but a few. For effective border point facilitation, it is critical that all these agents with varying roles work in tandem. This is seldom the case, however. If, for example, inspection of goods is undertaken by different agencies, an importer has to present different documents to each one and a lot of time and money are wasted. This diminishes the benefits of regional integration. Measures to seal revenue losses and to harmonize border procedures are thus crucial in ensuring maximum benefits.

1.5 Mechanisms for Addressing Imbalances within the EAC

An undesirable feature of regional integration is that member countries are unlikely to benefit equally because of the existence of economic and social disparities. The EAC is often cited as an example of an RTA in which benefits are skewed. Indeed, this was one of the main reasons for the collapse of the first attempt at regional integration. It is therefore important to carefully monitor the integration process to ensure that every country benefits from their participation. There is need for a compensation mechanism that adequately addresses the losses member countries suffer as a result of the implementation of trade liberalization measures undertaken in the context of the agreement.

Past and current approaches

The EAC treaty of 1967 tried to remedy the problem of unequal distribution of benefits of the common market and the common services by instituting a transfer tax system. Transfer taxes are generally imposed by countries with trade deficits against countries with which they have deficits. The transfer tax was a legalized tax applied by Tanzania and Uganda against some goods from Kenya under certain conditions. The objective of the transfer tax was to encourage industrialization in Tanzania and Uganda, which were lagging behind Kenya. This did not work, however, as a mechanism to ensure the distribution of industries in the region was never put in place.

In addition, the East African Development Bank (EADB) was established in order to promote the industrial development of partner states so as to reduce the industrial imbalances between them. On establishment, the EADB was required to loan or invest 38.7 percent of its capital to Tanzania and the same amount to Uganda. Kenya was supposed to get 22.5 percent. Following the break up of the community in 1977, the EADB was re-established under its own charter. It currently focuses on providing a broad range of financial services with the objective of strengthening socio-economic development and regional integration. Then and now, the EADB has faced serious difficulties in realizing its objectives owing to its low capital base. The limited capital, which has confined the Bank to minority participation with private and public enterprises, has not enabled the it to initiate independent projects. The EADB has therefore not been able to influence industrial location, let alone the kind of industries to be established.

The current EAC agreement is fully cognizant of the differing levels of social and economic development of the member states and has put in place a number of measures. In fact, it needs to be noted that the equitable distribution of benefits is one of the fundamental principles of the EAC. We examine some of the practical measures for ensuring equitable distribution of benefits.

The principle of asymmetry

This is the principle that addresses variances in the implementation of measures in an integration process for purposes of achieving a common objective. As discussed in Section 3.4.1, the principle was adopted in the phasing out of internal tariffs by providing firms located in Uganda and Tanzania with an adjusted period of five years. In the agreement, goods produced within the region were divided into category A and B. While category A commodities from Tanzania, Kenya and Uganda entering the EAC market were eligible for immediate duty free treatment, those category B commodities coming from Kenya and entering Tanzania and Uganda were eligible to pay tariff for a period of five years. The tariffs were to be gradually phased out by January 2010, following which all goods from Kenya would enjoy the same treatment as goods from Tanzania and Uganda. This form of protection, it was believed, would give Ugandan and Tanzanian firms the opportunity to adjust their cost base and eventually compete with their Kenyan rivals. The arrangement is premised on the infant industry approach, which was popularized in the 1960s and has been a subject of debate for a number of years.

Within the EAC, the issue is whether the temporary protection through the asymmetrical approach has had any effect. From an operational perspective, it is clear that Kenyan firms largely adhered to the principle of asymmetry, albeit with occasional complaints. Kenyan firms were thus able to adjust to the lower protection afforded by the EAC CET compared with previous levels. Initial fears that the firms would not be able to adjust and would relocate to Tanzania and Uganda to take advantage of the preferential margins accorded by the CU protocol were not realized. The impact of the application of the principle on firms in Uganda and Tanzania is less certain and would require an empirical investigation. There are signs of increased trade of goods and services from the two countries, and a culture that is more oriented to making profits on the scale of production and less dependent on political protection. The decision by these countries to ratify the EAC common market treaty is a pointer to growing confidence in the regional trade agenda.

Safeguard and countervailing measures

Articles 77 and 78 of the EAC Treaty provide measures and safeguards to address imbalances and serious economic injuries to members states emerging from the establishment of a CU and a common market. Safeguard measures are applied by member states on imports for which there is sufficient evidence of the potential for serious injury to domestic production as a result of the application of CET on industrial inputs and raw materials. These measures can take the form of raising tariffs above the CET, restricting imports by volume or allocating quotas. Safeguard measures are normally applicable for a year and are renewable annually, but may not be used for more than three years.

Countervailing duties can also be imposed to offset the effects of subsidies. Subsidies are incentives that governments provide to producers or exporters of certain commodities with the aim of increasing production or providing advantages in foreign markets. This is why subsidies are regarded as unfair in the context of regional integration and are offset using countervailing duties. The EAC CU protocol defines subsidies as follows: direct transfer of funds, e.g., grants, loans and equity, and indirect transfer such as loan guarantees by the government; tax incentives for exported products; provision of goods and services by the government; and income or price support. Where countervailing measures are applied, they must be equal to the amount of the subsidy determined to have been given to the imported product.

Clearly, these two measures are aimed at creating a level playing field and ensuring that the member states do not suffer as a result of their participation in trade integration. There is no evidence that the EAC countries have so far resorted to these measures, but they remain available should their use become necessary.

Compensatory and development funds

Another means for addressing the imbalances in the EAC is the possibility of a compensatory fund. This type of mechanism has been successfully utilized in other RTAs such as the EU. It would involve money transfers through a budget. In this case, monies collected from the CET can be shared according to a formula that takes into account differential impacts of the CET. Alternatively, monies collected from the CET can be placed in a central budget and used for programmes agreed upon by the member states. In the EAC, however, the Council of Ministers ruled out the possibility of establishing a compensatory mechanism in a decision taken in August 2005. Instead, the EAC is considering a development fund, similar to the COMESA Fund.

The proposed EAC development fund would, if established, seek to address infrastructural development issues, development imbalances, investment promotion and other development challenges of the partner states. The EAC has made it clear that it may not be used for compensation. Rather, it is meant to be a vehicle for mobilizing resources for development programmes in the region. In addressing imbalances within the region, the fund will provide balance of payments/ budget support to countries within the framework of policy-based operations to support member states in undertaking macroeconomic and trade liberalization reforms related to economic integration. The fund may also support the financing of infrastructure to support a deeper and more balanced regional integration. The fund would thus operate through two main windows, an infrastructure fund and an adjustment facility.

The implementation of a successful development fund in the region will require considerable legal and institutional reforms that compel member states to make concessions in streamlining the way business is conducted in the region. One of the key issues that will have to be addressed is the source of the funds. As is the case with the COMESA Fund, the fund will target both internal and external sources. The former is likely to include contributions from member states, levies and taxes, and raising capital from domestic and international financial institutions. Clearly, this will require that the countries are able to generate resources for their development needs and spare balances for the fund. Where the tax regimes are not robust enough, countries may not be able to generate adequate resources. The implementation of a development fund thus poses real challenges for the EAC countries in coming up with the enough resources needed for the fund and for their own national programmes. In setting the levels of member contributions, there is as well a need for equity considerations. Expectations of equal contributions by member states are likely to cause excessive burdens on the smaller states.

1.6 Implications for Future Integration Processes

The costs and benefits of economic integration – the process by which economic barriers against exchange of goods, services, capital and people are eliminated – was the focus of Section 4 of this chapter. It is evident from the empirical evidence that while the EAC CU has generated benefits, it has also been associated with a number of costs. Here we look at the implications of the balance between costs and benefits for the future of the union.

Socio-economic and political implications

Available evidence shows that the EAC has boosted intra-regional trade through tariff reductions – meaning that it has been trade creating. Although there is as yet no concrete evidence, chances are that the EAC has also sparked greater investment in the region as the size of the market increased and internal tariffs declined. The entry of Rwanda and Burundi, which resulted in a larger market, will clearly boost trade and hopefully investment for the region. If there are economies of scale in specific production processes, a larger market may enable firms to lower unit production costs. Similarly, region-wide transportation and communication is likely to be cheaper on a per unit basis. Overall, this is expected to boost overall welfare in the region

A protocol for a common market would provide for the free movement of factors of production such as people and money, and the right of settlement and establishment of EAC citizens within the EAC states, among other things. This will be in addition to the free movement of goods under the customs union. The signing of the EAC common market protocol in November 2009 is thus expected to spur even greater trade in the region, particularly if the countries agree to and implement the liberalization of services. As already indicated, however, although the CU has been in place since 2005, even the free movement of goods is yet to become a reality. Although much has been realized in harmonizing tariffs in the region, the issue of tariffs on the so-called sensitive products is yet to be resolved. The benefits of the transition from the CU to a common market will not be fully realized unless these bottlenecks are removed.

Ultimately, the objective of any RTA is to promote economic and social development through integration. This includes self-sustaining development, economic growth, the alleviation of poverty, and the promotion and sustainable utilization of resources, including human resources. Today, RTAs are also expected to strengthen peace and security and to involve not only states, but civil society and industry as well. Indeed, the objectives of the EAC do encompass all these and more including gender equity and good governance. From an equity perspective, the concern is how RTAs affect growth and poverty alleviation. It is often suggested that regional integration is good for reducing poverty because it increases trade and investment and thereby creates jobs for the poor. On the other hand, however, as noted above, integration and associated trade reforms can also reduce government revenue, the main source of redistribution. This will make governments less able to cater for the poor. Nevertheless, evidence so far indicates that integration does not necessarily reduce revenues because they lead to higher trade volumes and increased collection rates.

A recent study by Duygan and Bump (2007) demonstrated that the adoption of the EAC CET has most probably indirectly helped the poor in the rural areas, especially those in agriculture, while hurting those in urban areas and in industry. Directly, as already noted, farmers participation in trade remains low. The study shows that further integration in the region, i.e., with the reduction of the CET to 15 percent and then to 15 percent, may not necessarily help the poor. In other words, pro-poor gains were shown to be possible only with a maximum tariff of 20 percent. An earlier study (Kweka and Mboya, 2004) concluded that regional integration (not necessarily EAC) had a better poverty focus than other forms for Tanzania; that is, it affects products that involve the poor more directly. Kweka and Mboya conclude, however, that the effect of poverty through trade and investment is limited, mainly because of capacity constraints in areas where the poor live.

Though seemingly economic, issues of distribution of benefits and losses in RTAs quickly turn political. Perceived losses in RTAs are always politically sensitive as politicians seek to respond to complaints, real or perceived, from their constituents. Throughout the integration process in East Africa, there has been political resentment expressed at the disproportionate benefits in terms of growth in the GNP, foreign investment, international trade and the location of common services. Indeed, the disproportionate distribution of benefits – among other things – fuelled the animosity among political leaders that ultimately led to the collapse of the EAC in 1977.

The issue of distribution of costs and benefits also came up quite strongly in the negotiations for the common market and the fast tracking of the East African Political Federation. There are still some strong concerns, especially in Uganda and Tanzania that Kenya is likely to benefit disproportionately from the enhanced integration process. This translates into equal political unease. Other political issues that are likely to be important in the process of further integration include security and loss of sovereignty.

Political as well as social and economic concerns have also been given as reasons for supporting or not supporting fast-tracking of the political federation. The outcome of the surveys conducted in the three East African countries to gauge citizen perceptions on the political federation provides important insights on the concerns of different stakeholders. In the case of Tanzania, an estimated 75.9 percent of the respondents were of the view that the formation of the political federation should not be fast-tracked, leaving only 20.8 percent in favour. Among the political concerns were issues of democracy and governance, sovereignty, defence and security, and ideological differences. Topping the list of the socio-economic concerns are issues of differences in economic development (between member states), competitiveness, and land and natural resources issues. Generally, most Tanzanians are of the view that the formation of the East African Political Federation should be gradual. It is instructive that perceived differences between the countries in East Africa are likely to continue to be a sticking point in any future relationship in the EAC regions. There have been similar concerns in Uganda. In Kenya, the concern has mainly been related to the slow process of the integration and, lately, the distribution of common services.

Institutional implications

Further integration of the EAC countries has a number of institutional implications as far as the distribution of benefits and costs is concerned. For coordinated and equitable development in the region, the EAC Secretariat has a very important role to play. The Secretariat is the executing organ of the EAC and is responsible for strategic planning, management and programme monitoring. Long-term sustainable and equitable development in the region is crucially dependent on the actions of the Secretariat. Given its sensitivity, one of the issues that the EAC Secretariat will be expected to assess and monitor is the distribution of benefits and costs. Currently, however, the Secretariat has limited capacity in terms of human and financial resources to undertake some of its crucial activities. Only recently, the Secretariat almost ground to a halt as it had not received contributions from some member states to run its activities. Ensuring the capacity of the Secretariat will be key in future integration activities.

Recently there have been some concerns about the distribution of the common services. There has been talk of a decentralization of the EAC facilities and organs to ensure that all the member states benefit. The concern has been that while some member states host several of the EAC's organs, some had none. Currently, the EAC has seven organs: the Heads of State Summit, the Council of Ministers, the Coordination Committee, the Sectoral Committees, the East African Legislative Assembly, the East African Court of Justice and the Secretariat. In addition, there is a number of autonomous institutions such as the Nile Basin Initiative, the Inter Universities Council of East Africa and the Lake Victoria Environmental Programme, the East African Community Civil Aviation Safety and Security Oversight Agency, and the East African Development Bank. While Kenya hosts the Lake Victoria Environmental Programme, the rest of the organs are shared between Uganda and Tanzania. It is therefore not surprising that Kenya has been very vocal in calling for "an equitable distribution of the organs". Rwanda and Burundi have supported Kenya's position and are calling for an amendment of the EAC Treaty to allow for redistribution.

The EAC subscribes to the principle of "subsidiarity", which requires the multi-level participation and involvement of a wide range of stakeholder in the process of integration. In this context, promotion of the role of the private sector, women and civil society is underscored. The participation of business associations, non-government organizations and other actors is crucial in establishing modalities of cooperation and inclusiveness. It is thus important that these institutions be supported to ensure sustainable development in the region. Some successes have already been achieved in this direction, but much more needs to be done, including ensuring that the key institutions such as the Secretariat actually work.

Equitable development in the region will also require strengthening the existing intergovernmental institutions in the region. As already indicated, the EADB is one of the surviving institutions of the defunct EAC. It was established in 1967 with the objective of generating and financing projects of regional significance and redressing the imbalance of industrial development in the member states (Kenya, Uganda and Tanzania at that time). Expansion of the resource base for EADB targeted at expansion of the shareholding and introduction of new financial products is key in achieving its renewed mandate.

1.7 Conclusions and Recommendations

Clearly, the EAC agreements represent an ambitious process of economic and political integration. Kenya, Uganda and Tanzania have since 2005 been implementing the customs union protocol, which in principle allowed the free movement of goods across their borders. Along with newcomers Rwanda and Burundi, the member countries in 2010 ratified the EAC common market. The ultimate objective of the EAC is to form a political federation.

Universally, regional integration has been associated with costs and benefits, both of which sometimes accrue disproportionately. Equitable distribution of these costs and benefits is critical for the success of the integration, even if they do not accrue equally. The EAC is in no way exceptional in this regard. The objective of this paper was thus to analyse the distribution of the benefits and costs that result from the EAC integration process. The main conclusions and recommendations of the study are outlined below.

Conclusions

The main conclusions are:

- Through a series of reforms carried out at national, regional and international levels, the EAC countries have progressively liberalized their trade regimes. All the EAC countries except Rwanda are today more open than the average sub-Saharan African country, according to the 2009 World Bank's Trade Tariff Restrictiveness Index. Further reform in all countries is essential for effective economic integration in the region. There is strong evidence showing that the operation of the CU has tremendously improved the business environment in the region as the member states rely on common sets of import duties and customs rules, common coding and description of tradable goods, common valuation methods, and lately a common investment code.
- Although the trade pattern in the region is changing, it still favours Kenya, which accounts for well over 60 percent of the total exports in the region.

Uganda accounts for most of the imports from the EAC countries, and particularly Kenya. Rwanda and Burundi jointly account for less than 1 percent of the exports and about 15–19 percent of imports. The latest trends show that the share of Tanzania and Uganda in EAC exports is rising. Manufactured goods form the bulk of the commodities being traded in the region.

- Regional integration is in the long-term interest of the EAC countries. The empirical evidence reviewed supports the pursuit of integration through the EAC as the overall effect is likely to be positive, meaning that the region stands to benefit with greater integration. From an integration point of view, the literature suggests that although the EAC economies are neither very complementary nor particularly competitive, the EAC integration process is an important stepping stone on the way to greater integration into the world economy.

- However, the empirical literature, the bulk of which is based on comparative simulations for the original EAC members (Kenya, Uganda and Tanzania), point to the inequitable distribution of costs and benefits as a result of the implementation of the CU. The literature generally shows aggregate welfare benefits in Kenya and Tanzania, but welfare losses in Uganda, where consumers and producers have had to face higher consumer and import prices as a result of the EAC CU. There are also remarkable differences between the countries on expected revenue and trade effects of the CU. Further, the benefits and costs of integration accrue disproportionately to different sectors and social groups in the region, which has a direct implication on the development impacts of the CU. Partner states with more developed sectors are likely to benefit more. The key beneficiaries in the process are traders, transporters and consumers.

- Our analysis shows that further liberalization in the EAC involving the reduction of the CET and the reduction of exemptions for sensitive goods is likely to lead to further welfare gains in the region through an increase in consumer surplus in all the countries. Uganda stands to benefit more in this regard than Kenya and Tanzania.

- The full realization of the benefits that are likely to accrue from greater integration in the region are currently inhibited by a number of factors. These include supply-side constraints and lack of competitiveness, multiple membership in various trading blocs differing tax regimes, and non-tariff barriers and measures, as well as border inefficiencies and losses. Removal of these constraints is important in realizing the full benefits of integration in the region.

- The EAC Treaty (1999) is not oblivious to the fact that the different levels of development of the partner states' respective economies may give rise to imbalances with the application of measures towards further regional integration, and particularly trade liberalization. Consequently, the EAC treaty provides for the application of the principle of asymmetry in trade measures. The exact effect of the application of this principle remains unclear, but there are signs of increased trade of goods and services from the countries and a culture that is more oriented to making profits on the scale of production and less dependent on political protection. To further ensure equality in the development benefits of the integration, the EAC is considering putting in place a development fund.

Recommendations

To ensure equity in the EAC integration process, it is essential that measures be taken to address the equity concerns in the process. The findings of this study prompt the following recommendations, which intend to be useful to the policy community:

- There is need for further reforms in the region to address the potential revenue and trade losses that accrue to the EAC member states.
- To reap the benefits of trade integration by the member states, it is crucial that the existing factors that negate the benefits from the EAC CU and the upcoming common market be addressed. This includes the elimination of NTBs to ensure free trade in the region. The EAC will also need to finalize the harmonization agenda especially on taxes and policies. To eliminate the negative effects of multiple memberships of EAC countries, the EAC common market should negotiate a free trade area with other blocs, particularly COMESA and SADC, or even in the extreme case merge with them.
- To effectively address imbalances in trade, there is continuous need for assessment of the prospective benefits and costs so as to boost the gains and minimize the losses. Ensuring equitable outcomes among member states calls for establishing the magnitude of the benefits and costs involved. In this regard, it will be important to boost the analytical capacities of key institutions involved including the EAC Secretariat.
- Although there is need to put in place measures to cope with unequal distribution of benefits in the short term, there is need for long-term measures that would tackle the root causes of underdevelopment in the region. In the short to medium terms, the implementation of a development fund would seem prudent. In the longer term, sustained economic development in the regional is imperative. The countries basically need to "bake a larger cake"

so that there is enough to go round. Realizing the benefits of regional trade requires strong, sustained commitment from the member states.

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Annex A: Model Framework

The model measures trade creation effects as follows:

$$TC_{ijk} = M^1_{ijk} * \eta * \Delta t_{ijk}/(1+t_{ijk})*(1-(\eta/\beta)\text{.....................................}(i)$$

Where:

TC_{ijk} – Trade creation on commodity I imported from country k and j

M^1_{ijk} - Imports of commodity I to country j from exporting country

η - Import elasticity of demand in the importing country

t_{ijk} = Tariff

β – Export supply elasticity

Trade diversion effect is represented as:

$$TD_{ijk} = \frac{M^1_{ke} * M^1_{row}[(1+t_1)/(1+t_o)-1]*\mu}{M^1_{ke} + M^1_{row} + M^1_{row}\ [(1+t_1)/(1+t_o)-1]*\mu}$$

Where:

TD_{ijk}- Trade diversion on commodity I imported from country k into country j

M^1_{ke} = Imports from country i

M^1_{row}= Imports from the rest of the country

Ti- Tariffs

μ= Substitution Elasticity

The net trade effect (TE) is a summation of the total trade creation and the trade diversion and represented by TE=TC+TD

The net revenue effect (RE), which is the total differential of revenue with respect to import price and volume of imports after the tariff change is;

$\Delta R_{ijk}/R_{ikj} = (\Delta_{tijk}/(1+t_{ijk}))* \eta * ((1+ \beta)/(\beta- \eta)$

ΔR_{ijk} = **Revenue effect of a tariff**

η- **Import elasticity of demand in the importing country**

t_{ijk} – **Tariff**

β – **Export supply elasticity**

The welfare effect which is the summation of the consumer and producers' surplus is given by:

$W_{ijk} = 0.5(\Delta t_{ijk} * \Delta M_{ijk})$

W_{ijk}= **Imports of commodity I to country j from exporting country k**

t_{ijk} = **Tariff**

CHAPTER II

Education Inequalities and Opportunities in the East African Region

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2.1 Introduction

Regional integration in East Africa has a long history marked by myriad opportunities and challenges. Dating back to 1919, the regional grouping of the East African countries developed into a customs union in 1967 under the banner of the East African Community (EAC) (Ng'eno et al., 2003). That effort came to a halt in 1977, however, leaving the regional arrangement in abeyance for nearly two decades. In the meantime, other regional entities were being mooted and some even came to fruition in West Africa, Southern Africa and elsewhere. Among these was the Preferential Trade Area (PTA), a body that was eventually transformed into the Common Market for Eastern and Southern Africa (COMESA). Notable among attempts to establish continental integration strategies in Africa is the African Economic Treaty of Abuja in 1994, which sought to strengthen existing regional integration schemes and encourage the formation of new ones. The overall aim was to establish an African integration unit (Ng'eno et al., 2003). Of concern, however, has been the poor record of sustainability of regional integration schemes in the continent. Among other factors, this has been attributable to lack of strong and sustainable political commitment and good will (Haile, 2000) and restrictions on human capital mobility.

Despite the initial lukewarm support for regional integration efforts, there has emerged a keen interest in the scheme in the region that has seen a revival of the EAC that kicked off in 1992. The efforts of the three East African countries – Kenya, Tanzania and Uganda – bore fruits when the East African Community Treaty was signed on 30 November 1999, ratified and subsequently enforced on 7 July 2000. The recent joining of Rwanda and Burundi indicates a new zeal and enthusiasm that may signal a departure from the initial effort for a plethora of reasons.

Scholarly works on global politics (Ray and Kaarbo, 2003) have argued that the renewed interest in regional integration plans could be because of the formation and strengthening of various regional blocs outside Africa (Europe, Asia and America), thereby setting the global trend. They further argue that African countries are becoming worried about their small national markets and the fear of being marginalized is creeping in, given a competitive world dominated by powerful trading blocs. Most importantly, African economies have grown tremendously and increasingly seek a bigger market for their products, including human capital, and there are signs that inward looking economies will undoubtedly suffer stagnation. Consequently, liberalization efforts have created a conducive environment for outward looking economic policies and regional integration is seen as an alternative to unilateral trade liberalization.

The EAC seems not to be complete yet, as more and more countries are eying this upcoming economic bloc in the continent. When EAC leaders met in Tanzania in 2003 to discuss fast tracking political integration, there was talk of incorporating Ethiopia, Eritrea and even Somalia. The regional heads of state had hoped that once Rwanda and Burundi were admitted to the EAC, Ethiopia, Eritrea and Somalia would follow suit. Strategically, by admitting Ethiopia the regional leaders hoped to achieve ideological balance between Ethiopia and Tanzania given its past socialist ideological leanings. Through the process, the leaders also hoped to tame the long and protracted war in Somalia, which has eaten substantially into the economies of Kenya, Uganda and Ethiopia (*East African Standard*, 2007).

But it is not only those three countries that are eying this regional economic hub. According to the secretary general of the EAC, both the Democratic Republic of Congo (DRC) and Southern Sudan want to join EAC if the latter opts to secede from the larger Sudan in the January 2011 referendum. The two have been regarded positively given their close historical, ethnic, geographical and economic ties with East Africa. The secretary general avers that DRC is more inclined towards the East because it relies on both Mombasa and Dar es Salaam harbours for its external trade, while Southern Sudan's economic and social dealings are more inclined to Kenya. However, Sudan has so far indicated that it would be interested in being invited into the EAC as an observer state (*East African Standard*, 2010).

This study looked at aspects of educational inequalities and opportunities in East Africa within the framework of East African Community integration. It approached the analysis by documenting aspects of asymmetry in education for member states. It studied all levels of education cycles, i.e., pre-primary, primary, secondary and tertiary. (Note that Annex A contains a glossary of some of the major terms used in the analysis.)

Objectives of the Study

The objectives of the study were drawn from the terms of reference (TOR) as follows:

- Identify the asymmetries that exist in the different education systems in East Africa. What key factors determine access to opportunities, performance and outcomes in each case and from a gender perspective?
- What factors explain the varying levels of education opportunity and output within the EAC? How is the regional integration process affecting education provision in East Africa?
- How does education in East Africa affect employment options and opportunities for the different genders and social groups? How do education systems in the region affect labour productivity, income distribution and social/intergenerational mobility?
- What are some of the links that could be gained from education, human resource development and the returns from the regional integration process?
- As the countries in the EAC seek to build a competitive economic bloc, how should the region deal with the historical issues of uneven distribution of education and skills in each state, and how can these be corrected to ensure that social integration leads to convergence rather than divergence?
- Make policy recommendations to the stakeholders in the formulation of a curriculum for the region.
- Make policy recommendations on probable policies on employment and labour that would enhance regional equity in this sector.

Rationale and Methodology

Regional integration efforts for East African Community states have gained momentum in the recent past. This has seen the governments in the EAC sign the EAC Common Market Protocal *(East African Standard*, 2010*)* and other legislation that has paved the way for regional integration. Among other provisions, the treaty allows for free movement of goods, services and labour in the region. Despite the promulgation of this treaty, however, there has been growing concern about asymmetries that may be prevalent in the different education systems in the region. If the differences are allowed to prevail, then they will negatively affect the regional integration process. In view of this, this study provides pertinent information on the extent of inequalities in the different education systems in East Africa, including from a gender perspective. It also explains the varying levels of education opportunity and output within the EAC and how the regional integration process could affect the provision of education in East Africa region.

Significance of the Study

The approach and findings of this study are significant in the following ways:

- The study evaluated the education systems in the region in terms of the asymmetries that exist across the member states. It also assessed key factors determining access to educational opportunities, performance and outcomes in each country and highlighted inequalities from the gender perspective. The study is significant as it could aid in bridging country-specific and regional educational inequalities, which in the long run will support the regional integration initiative.
- To the international community, bilateral and multilateral donor agencies, and regional governments, the study is significant as it could possibly be a source of information on educational performance in East Africa at all levels and in its suggestions of guidelines on the formulation of a regional policy on education that could improve equity objectives in educational exchange, access and performance and the employment of skilled labour in the region.
- To scholars, the study forms a source of reference on regional country-specific historical issues of uneven distribution of education and skills and suggests solutions that could support social integration. Scholars may also benefit from documented information on educational asymmetries in East Africa, factors determining access to educational opportunities, participation and outcomes, including the links between education and employment opportunities for skilled labour and the returns from the regional integration process.

Methods of Review

Intended to be directly responsive to the terms of reference for the evaluation, although with some modifications agreed during the planning stage, the methodology incorporated an extensive but selective review of existing literature, as well as a modest collection of primary data through telephone and email contacts. (Refer to Annex B for the interview guidelines.)

In searching the literature, both published and unpublished information was sought in order to answer the research questions. Research questions were derived from the terms of reference. Furthermore, institutional or technical reports, working papers, and conference proceedings not normally subject to editorial control or peer review were also sought using various methods such as search engines, database or websites. Greater premium was placed on research reports such as journals, thesis reports and government reports.

Developing a quality appraisal strategy

Given the nature of the study, the appraisal strategy had to be relevant to the review questions and the types of studies under review. Assessment of the identified studies, including the overall report, was subjected to two independent peer reviewers. The author was not involved in the selection of the peer reviewers. This was initiated by the contracting party, which was also in charge of negotiating other criteria for review such as the duration of the review including implicit and explicit TORs and the editorial process. The peer review and the editorial process also acted as benchmarks for quality.

Placing the findings in context

Data collected were both qualitative and quantitative in nature. The literature was subjected to different but specific methods of synthesis. The findings of the study were as a matter of necessity discussed in order to put them in proper context. Issues of quality, heterogeneity of included studies, the likely impact of bias and the applicability of the findings were addressed.

2.2 Equity and Education in East Africa

This section first summarizes the equity concept in general, then presents theoretical and empirical literature on equity in access to educational opportunities in EAC. The theoretical framework that guided the study, including the conceptual representation of the study, is presented in an organogram.

The concept of equity

Equity theory attempts to explain relational satisfaction in terms of social justice, with parties to the relationship assuming that in exchange for their inputs into the arrangement they are entitled to certain outputs. The balance between the two – inputs and outputs – determines the overall level of satisfaction the parties will achieve. In an organization or other relationship, inputs are the qualities or factors individuals contribute that entitle them to a reward or, conversely, to costs. Inputs that individuals may bring to an organization such as a school may be assets or skills and training or experience and this may generate rewards.

The entitlement to rewards or costs associated with the individual's contribution to the organization varies from one organization to another. Within an industry, assets such as capital and manual labour are seen as "relevant inputs" that may legitimately entitle an individual contributor to some form of reward. In the society set up, attributes such as physical beauty and kindness are generally seen as assets entitling the possessor to social rewards. On the other hand, personal traits such as sloth or cruelty are seen as liabilities subjecting the possessor to costs (Walster et al., 1978). In an education setting an individual's contribution such as skills in the area of training or leadership, talent in sports, choir, drama and so forth are seen as individual inputs that entitle the contributor to some rewards, e.g., promotion. Inputs typically include time, skilled labour, experience, loyalty and obedience, analytical ability, hard work, commitment, flexibility, tolerance, determination and personal sacrifice.

Outputs are defined as the positive and negative consequences that individuals may incur as a result of their relationship with another. When the ratio of inputs to outcomes is close, then employees should have much satisfaction with their job.

Outputs can be both measurable and non measurable (Walster et al., 1978). If one is employed in a school, for example, outputs may include job security, esteem, salary, promotion, recognition, responsibility, praise, etc.

The following equation illustrates the meaning of the concept:

$$\frac{\textit{Individual's outcomes}}{\textit{Individual's own inputs}} = \frac{\textit{Relational partner's outcomes}}{\textit{Relational partner's inputs}}$$

Source: Wikipedia (2010a).

This theory has been criticized by some scholars, however. The critics argue that people perceive equity and inequity not only in terms of the specific inputs and outcomes of a relationship, within an organization, say, but also by the overarching system that determines those inputs and outputs. Thus, in any organization, an employee's compensation could be equitable compared to other those of other employees, but the entire compensation system could still be viewed as unfair (Carrell and Dittrich, 1978).

The EAC countries, by virtue of their membership in the community, consider themselves as participants or contributors (inputting) to regional integration, which should entitle them to rewards/outputs. For the education sector, their inputs include cross border transfer of students, free transfer of learners in schools, colleges and universities in the region, and the production of skilled labour from their education systems. In turn, they anticipate outputs in the form of employability of the graduates of their education systems and, in general, education, social and labour laws that do not inhibit free employability of the graduates of the education systems in the region. Even with labour laws in place, however, integrating countries will find it unfair if education systems in the region are not harmonized to produce the same quality of graduates at various levels of the education system. That is why asymmetries in the education system in the region have to be identified and steps taken to bridge the gaps and imbalances.

Equity and access to educational opportunities in the region

Fairness is the key word here. This refers to the degree of fairness in the way individuals from different education systems are able to access education in the society. Equity in access requires that costs and benefits be distributed fairly among regions, individuals, and different social, economic and/or ethnic groups, as well as to persons with disability (PWDs) (Psacharopoulos and Woodhall, 1985). Other scholars, such as Odebero et al. (2007) and Chiuri and Kiumi (2005), assert that the philosophy underlying the concept of equity is to ensure equitable access to educational opportunities for all without any form of discrimination because education is one means by which a nation's income can be redistributed. It is tied to the notion of justice. Any determination of equity in the EAC must therefore be based on facts about how the member countries should distribute opportunities and outcomes, and on normative judgements about how the countries should distribute resources. Normative judgement is in the sense that every society has what it regards as fair or just and it is judgemental in nature.

In developing countries, there is evidence that some groups have better access to education than others, but the factors determining access vary among countries. There are considerable differences in education participation of individuals classified by sex, socio-economic background, urban and rural areas, and also race, language and religion. In a study on Kenya, the Elimu Yetu Coalition (2003) found that the national aggregate figures portray wide disparities across regions, genders, social classes, and urban and rural settings in access to education. For instance, whereas Central Province registers more girls in primary education than boys, the reverse is true of North Eastern, Coast and Nyanza provinces, where enrolment of girls still lags behind. The study also reveals that in examinations for the Kenya Certificate of Secondary Education (KCSE) the performance of girls trails that of boys in overall subject performance. One result is that in public universities, girls' account for less than 40 per cent of all enrolments. According to the Commission for Higher Education (CHE, 2010), the proportion of female student enrolment in university education in Kenya declined from 40.1 per cent in 2008/09 to 37.9 per cent in 2009/10.

Other reports such as the *Millennium Development Goals (MDGs) Status Report* (GOK, 2008b: 5) indicate that over 45.9 per cent of Kenyans live below the poverty line and the number is expected to increase to 65.9 per cent by 2015. The report has different poverty incidences in different provinces, with North Eastern leading at 73.9 per cent, followed by Coast at 69.7 per cent. Nairobi has the lowest incidence of poverty at 21.3 per cent. Such revelations imply that a big number of Kenyan families need financial assistance from the government to equitably access education through loans, scholarships and bursaries.

Despite an extensive literature search and review, very few studies were found that attempted to consider education inequalities and opportunities in East Africa from a comparative perspective. Most studies done in the region are not comparative in nature and focus on country-specific inequalities, perhaps informed by the fact that these are independent and sovereign entities. One of the most significant studies on the subject is one undertaken in the 1980s by Knight and Sabot. Using empirical analysis, these scholars examined returns to education in two East African countries – Kenya and Tanzania – to describe inequalities in opportunity in labour markets in the form of returns to education. Their study reported significant wage differences for workers with the same level of education in the two countries (Knight and Sabot, 1990), with the differences attributed to the different policies each country pursued in the period after independence. The authors observed that while Kenya allowed a rapid expansion of secondary education in the 1980s, much of it privately financed, Tanzania severely restricted access to secondary education and introduced wage polices to reduce wage differentials.

The other related literature comes from authors who have provided general explanations for the differences in school achievement. In such literature, perhaps the major proportion found that achievement variance is due to school characteristics and teacher quality (Munda, 2008; Ngecho, 2010): The poorer the country is economically, the more likely it is to have lower achievement and school quality. The quality of products depends on processes by which an organization harnesses and releases the abilities of its people to produce results (GOK, 2008b). The solution could be found in an increase in the staff to student ratio, more efficient use of the infrastructure and more time spent on research consultancies linked to the private sector.

More studies have focused on explaining quality differences in education as a major factor behind inequalities. According to such literature, quality is affected by lack of educational facilities because the increased number of students outmatched the existing educational facilities (GOK, 2008b). Other studies have shown that of the school-aged children who were not in school, a higher percentage were girls (at 56 per cent). The developing world was home to 94 per cent of children out of school, of whom one-third were in sub-Saharan Africa (UNESCO, 2004; African Union Commission, 2004). Furthermore, according to 1998 data (UNESCO, 2004*),* half of the countries in sub-Saharan Africa had a net enrolment rate (NER) of less than 50 per cent. Of these countries, some were as low as 30 per cent (Niger, Burkina Faso). This means that more than 50 per cent of the school-age cohort does not participate in education.

Other studies conducted in other East African countries also explain the problem of inequalities in education. Research done in Tanzania raises questions on gender disparities and the demand for schooling in terms of quantity and quality. Two such studies (UNESCO, 2004; AUC, 2004) observed that every child and family in Tanzania was suffering from an acute shortage of the supply of educational services, both qualitatively and quantitatively in terms of diversity of choice, robustness, efficiency and effectiveness. Taking samples in the age brackets of 7–14, 15–20 and 21–25 years representing the three levels of schooling in primary, secondary and tertiary, the proportions of children who were in school during the 12 months prior to the 1993/94 household survey in Tanzania were 63 per cent, 39 per cent and 5 per cent, respectively. This suggests that all things being equal, the demand for schooling started at primary school level where over 37 per cent of the age cohort was out of school and demand got progressively stiff as one moved up the pyramid. Therefore, any overall improvement in the supply of education services will relatively improve the education of both boys and girls.

When private returns to education are estimated, it is normally assumed that returns to an individual are independent of the human capital (knowledge and skills) of others. This assumption ignores human capital externalities, a major aspect of human capital theory. Research from the Kenya Institute for Public Policy Research and Analysis (KIPPRA) analyses human capital externalities and finds that increasing the skills and knowledge of one person will affect not only returns to education for that person, but also returns to education for others (Ng'eno et al., 2003). The research aims at providing African policy makers with accurate estimates of returns to education to enable them to make more informed decisions about budget allocation. The research findings confirm that human capital has a positive effect on earnings of other Kenyans (Ng'eno et al., 2003).

On the subject of gender and education in East Africa, in the 1960s, when most African states began to gain their political independence, there was considerable gender disparity in education. Girls' enrolment figures were very low throughout the continent. In May 1961, the United Nation's Universal Declaration of Human Rights and UNESCO's educational plans for Africa were announced in a conference held in Addis Ababa, Ethiopia. A target was set to achieve 100 per cent universal primary education in Africa by the year 1980. The implementation in the 1970s of the free and compulsory universal primary education (UPE) scheme in several countries, for example, Kenya, Nigeria, Liberia, Zambia and Tanzania, which were signatories of that declaration, was in line with this UN plan. Ever since, UNICEF and UNESCO among many other bodies have sponsored affirmative action moves, research and conferences within Africa on the education of girls. One such conference was the pan-African one held at Ouagadougou, Burkina Faso, in March/April of 1993. At this conference (three decades after the UN declaration of the 1960s) it was observed that Africa was still lagging behind other regions of the world in female access to education. It was also noted that gender disparity existed in education generally and that there was need to identify and eliminate all policies that hindered girls' full participation in education. To explain the fact that more boys than girls participated in education, a host of constraints was identified. "African tradition" was named as top on the list and was described as one that attaches higher value to a man than to a woman, whose place is believed to be the kitchen. Unfortunately, this belief was generally observed in most parts of Africa (Yungungu and Wambua, 2006; Motari, 2009).

The imbalance in boys' and girls' participation in schooling was therefore linked to the ages-old belief in male superiority and female subordination. This situation was further explained and aggravated by patriarchal practices that gave girls no traditional rights to succession. Therefore, the same patriarchal practices encouraged preference to be given to the education of a boy rather than that of a girl. A 2004 report by the African Union on the Road to Gender Equality (AUC, 2004) mentions lack of access to education as one source of poverty and gender inequality in the continent. According to the report, in both rural and urban areas, women in Africa are poorer than men. Women's poverty is related to lack of access and control of economic resources such as land ownership and inheritance; lack of access to economic opportunities and education; and lack of credit and other support services.

Even when a household does not fall below the absolute poverty line, women and female children may be relatively poorer than other household members as a result of inequality in the distribution of resources and income. Such forms of gender disparity coupled with a wide prevalence of gender-based violence and marital instability push large numbers of women and children into destitution. In addition to material deprivation, poor women experience qualitative dimensions of poverty such as lack of free time (this is also related to "time poverty", whereby women spend hours fetching water and fulfilling labour-intensive household chores), poor self-esteem and voicelessness.

Gap in the literature

Few studies have focused on education asymmetries in East Africa. As noted above, most studies conducted in the region are not comparative in nature and focus on country-specific inequalities. But with the signing of the EAC treaty and its ratification, comparative analysis will be necessary and this study aims to fill this gap. The 1980s work by Knight and Sabot, although one of the most significant of the available works on the subject, did not take a comparative perspective. The duo concentrated on Kenya and Tanzania to describe inequalities in labour market opportunity in the form of returns to education. They did not delve into other countries that now form the EAC and the gains from education, human resource development and the returns from the regional integration process. There is also a dearth of literature on how the region could deal with the historical issues of uneven distribution of education and skills in each member state, and how these can be corrected at policy level to ensure that social integration leads to convergence rather than divergence. This is the gap that this study seeks to fill.

Theoretical and conceptual framework of the study

This study was guided by a neofunctionalist approach to regional integration as propounded by Jean Monnet, the French economist regarded as a founding father of the European Economic Community (Ray and Kaarbo, 2002). Monnet argued that regional integration should not be limited simply to technical areas as argued by functionalists. Rather, it ought to select initial activities wisely and strategically to spur economic growth over time. Neofunctionalism assumes a decline in importance of nationalism and the nation-state and views the executive power and interest groups within states to be pursuing a welfarist objective, which is best satisfied by integration of states (Haas, 2004).

Otieno and Matheka (2009) assert that challenges frustrating the process of integration in East Africa should be dealt with decisively through mechanisms that will merge existing political and ideological differences in member countries. One such mechanism is education, mainly because the interplay of education and development results in economic prosperity and also because it brings about social and political integration through sharing of ideas, skills, attitudes and knowledge. And in education specifically, neofunctionalists believe that as the member states see the benefits resulting from educational integration, they will be willing to give it a broader mandate until integrating effects are virtually overwhelming. That is why differences that could result from inequity in distribution of educational opportunities, processes and outcomes must be addressed.

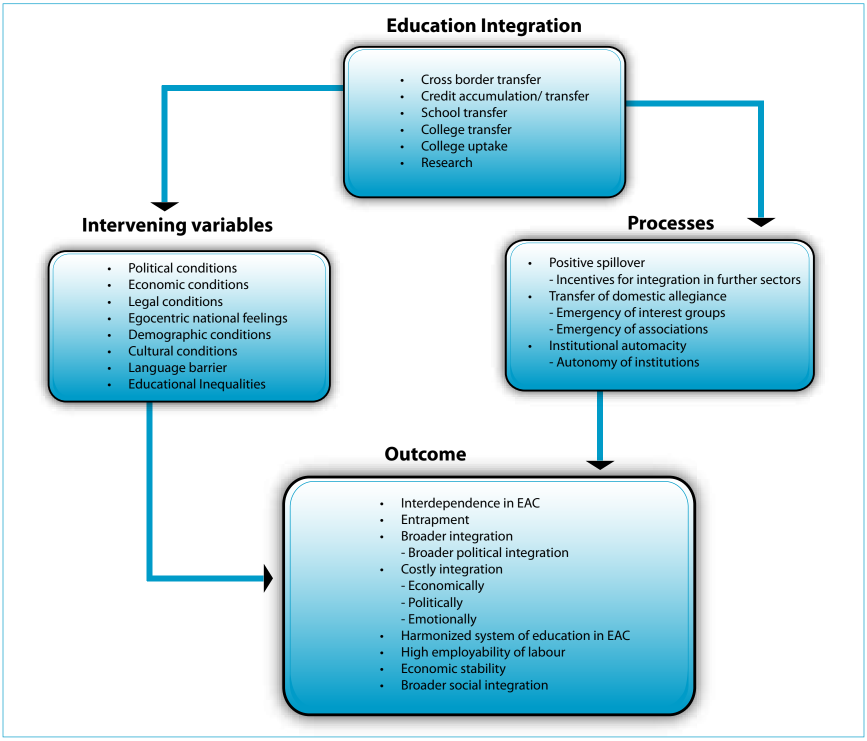
Thus, this study uses a neofunctionalist theory of education to argue that apart from economic integration, education presents the most powerful tool to integrate people. According to this perspective, the cycle becomes self-reinforcing. Embracing educational integration will lead to positive spillover effects in the East African Community member states, thereby creating strong incentives for integration in other sectors in order to fully capture the benefits of integration in education. As a proponent of full integration in education, the study holds that as the process of integration gathers pace in the education sector, interest groups and associations within the pluralistic societies of the individual EAC members will transfer their allegiance away from national institutions towards the supranational East African Community institutions. This is because they will, in theory, come to realize that these newly formed institutions are a better conduit through which to pursue their material interests than the pre-existing national institutions. As integration deepens, the supranational institutions set up to oversee the integration process will take the lead in sponsoring further integration as they become more powerful and more autonomous of the member states, resulting in further interdependence of the member states, which will spur faster economic growth and development.

With this grounding in the theory of neofunctionalism, the conceptual framework for this study explains that educational integration entails the capacity for cross border transfer in schools, including movement of students and credit accumulation and transfer mainly in tertiary institutions and universities, among other areas (see Figure 2.1). The process involved in educational integration is long and tedious, but the framework envisages that positive spillover effects will bear incentives for integration in further sectors, transfer of domestic allegiance that could lead to the emergence of interest groups and associations that would champion regional integration.

Among the possible challenges (intervening conditions) are changing political conditions of member states, legal technicalities and egocentric national feelings from some people in partner states. Integration may also be affected by different cultural beliefs, a language barrier and educational inequalities in the region. These and more could act as intervening variables.

Therefore, the framework acknowledges that as broader integration leads to cohesion among people in the member states, regional educational inequalities should be bridged through harmonized curricula and education systems. Otherwise, stereotyping of some graduates of the education systems in the region could affect their performance in the labour market with disastrous effect on the economies of their countries; this could easily sow a seed of conflict that could result in the collapse of educational and the regional integration effort.

Figure 2.1: Conceptual representation of the study



Source: Own conception.

2.3 Situational Review and Analysis

Key to the approach of this study is the identification of the asymmetries that exist in the different education systems in East Africa and the major factors that determine access to opportunities, performance and outcomes in each case and from a gender perspective. Analysis was done using descriptive statistics and tabulated using MS Word and Microsoft Excel. The contents of the findings are presented in form of tables and graphs, with implications of the findings interpreted and discussed.

Asymmetries in different education systems in East Africa

EAC countries vary greatly in many aspects of their approach to education, including the proportions of the age group enrolled at all levels of education. There are also marked differences in enrolments for males and females, for urban and rural areas, and for different income groups. Although enrolment rates increased steadily with the introduction of free primary education (FPE) in Kenya, Uganda and Tanzania, there is fear that the number of children out of school may still be at worrying levels. The problem is particularly severe in the poorest households because of the opportunity cost poor parents face in educating their children. Table 2.1 gives details.

Table 2.1: Education statistics for EAC member states, 2003–2008

Description	Rwanda	Tanzania	Burundi	Uganda	Kenya
Average years of schooling of adults	2.6	2.7		3.5	4.2
Children out of school, primary	373,055	604,378	479,837	-	1,031,544
Education enrolment by level - Tertiary level	20,939	31,049	11,915	74,090	98,607
Education primary completion rate	39	72	36	56	95
Enrolment ratio - Secondary level		4.8		47.4	23.1
Female enrolment share - Secondary level	49.1	44.8	43.8	42.8	47.6
Geographical aptitude results	75.803	63.064	56.413	70.63	67.875
Illiteracy rates by sex, aged 15+ (per cent)	2.96	2.19	-	30.2	-

Sources: UNESCO; World Development Indicators database; UNESCO UIS Data, UNESCO Institute for Statistics; UNDP; The Geography Zone; All CIA World Factbooks 18 December 2003 to 18 December 2008.

In absolute numbers, Table 2.1 indicates that Kenya is leading in statistics of children out of school with over 1.03 million children, followed by Tanzania at over 600,000. Burundi and Rwanda have over 470,000 and 370,000, respectively. This may be partly attributed to the total population of the eligible school-going cadre in Kenya compared with other EAC member states. Kenya's population is obviously much bigger than those of its counterparts in the region. Elimu Yetu Coalition (2003) also recognized the declining trend in student enrolment in Kenya despite the country's leadership position in the 1990s. This could be because Tanzania and Uganda had started UPE/FPE prior to 2003. Kenya was only able to institute FPE policy in 2003 after the end of the KANU[1] regime, which was accused of poor economic policies and financial mismanagement.

According to Table 3.1, the average years of schooling for adults in Rwanda is 2.6. It is low by over twofold compared with the duration of compulsory education, which is 6 years. Kenya seems to be ahead in this respect with an average of 4.2 years, followed by Uganda at a distant 3.5 years and Tanzania with 2.7. This suggests that adult education policies used in Kenya may be more proactive than those of other EAC countries. According to the Kenya National Bureau of Statistics (KNBS, 2009), the Kenya government expects graduates from adult education classes to join formal schooling by sitting national examinations such as the Kenya Certificate of Primary Education (KCPE) and soldiering on to advanced levels. Gender dimensions of performance are also summarized in Table 2.1. Rwanda seems to be leading in girls' enrolment at secondary school level, with 49.1 per cent, followed by Kenya at 47.6 per cent. Other EAC countries are below 45 per cent. This indicates that gender parity has not been achieved in secondary school enrolment in any of the EAC countries. Rwanda, however, is inching closer to this goal than the other East African countries.

Asymmetries in pre-primary education

Whereas most of the EAC member states have put in place comprehensive policy guidelines requiring primary education to be free and compulsory, little attention has been paid to the cost of financing pre-primary education. In Kenya and Uganda, pre-primary education is privately funded. This means that it has been left to private investors, with the result that only affluent families have taken their children to pre units. Higher income families can afford the costs associated with such investments, which include basic fees, transport, day care, meals and medication. The costs of pre-primary education have been prohibitive to lower income earners because they include even payment of teachers.

1 KANU is the Kenya African National Union, the political party that ruled Kenya from independence to the end of 2002.

Thus the children of the rich disproportionately enjoy the benefits of pre-primary education, and as Simons (1980) would argue, this propagates inequity in education participation. According to Selowsky (cited in Simons, 1980) preschool units provide the out of home environment to young learners that is essential for a child's mental development. Thus when children join primary education, the children who got preschool education will have a head start over those who did not. They are most likely to score well and to perform well in class assignments. Their participation and promotional levels will be higher than those who did not (Selowsky, cited in Simons, 1980: 97–112).

Participation levels in pre-primary education have thus remained remarkably low in EAC states – at less than 50 per cent for most states apart from Kenya. One parent was heard wondering, "Why should I pay money in nursery when education is free at the primary level? Let the child wait to learn for free in primary" (Interview Lf 4-7). This means that unless the costs of pre-primary education are reduced to be lower than primary level, universal participation in pre-primary education will continue to be elusive. Details are shown in Table 2.2.

Table 2.2: Pre-primary GER in EAC, 2005–2008

Country	2005		2006		2007		2008	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Kenya	59.6	56.2	60.6	56.9	58.8	61.1	59.1	62.1
Uganda	15	14	16	17	17	18	18	19
Tanzania	26.4	26.3	27.1	27.6	28.0	28.2	28.3	28.1
Rwanda	14	15	-	-	16	17	17	17
Burundi	1.8	1.7		-	-	-	-	-

Adapted from many sources: GOK (2010), UNESCO Institute for Statistics (2008 a-e), Education statistics Kenya, Uganda, Tanzania Rwanda, and Burundi and Field data.

Table 2.2 underscores the perennial problem of scarcity of statistical data at the pre-primary level, an indication of how lightly education at this level is taken. In Burundi, for instance, the last updated statistics available on the website are for 2005. A look at the statistics presented shows that Kenya is leading in GER with an average of around 60 per cent, followed by Tanzania at 28 per cent. Uganda and Rwanda are below 20 per cent, while Burundi is still grappling to take off with less than 2 per cent GER. This calls for change of regional government policies within the EAC in order to pay sufficient attention to pre-primary education. Improved participation at this level will support equity objectives, as well as participation and survival rates in primary school education.

Asymmetries in the structure of primary and secondary education

Marked differences can be seen in the primary and secondary education systems in EAC member states, although there are no major differences in terms of the total number of years spent in pre-university education in general terms. Table 2.3 presents the details.

Table 2.3: The structure of education in EAC

Country	Structure (years)	Primary	Secondary				Total secondary	Total pre-university general education	Minimum university
			Secondary	Lower	Upper	A-level			
Burundi	6-3-3-4	6	N/A	3	3	N/A	6	12	4
Kenya	8-4-4	8	4	N/A	N/A	N/A	4	12	4
Rwanda	6-3-3-4	6	N/A	3	3	N/A	6	12	4
Tanzania	7-4-2-3	7	4	N/A	N/A	2	6	13	3
Uganda	7-4-2-3	7	4	N/A	N/A	2	6	13	3

Source: Derived from field data.

The table shows that Kenya offers an 8-4-4 system of education (eight years of primary education, four years of secondary education and a minimum of four years of basic university education). Tanzania and Uganda, on the other hand, offer the 7-4-2-3 system, which encompasses seven years of primary, four years of secondary, two years of advanced levels and a minimum of three years of basic university degree. The structure of education in Rwanda and Burundi is similar. These two countries offer a 6-3-3-4 system (six years of primary, three years of lower secondary and another three for upper secondary), with university education requiring a minimum of four years. For Burundi, although university education takes four years, a student can take up a certificate after two years of university education and proceed to the job market (Interviews Lf 1–3; Lf 4–7; Lf 8–10).

Table 2.3 also shows the duration of primary education, which is sometimes taken as a compulsory education in most East African countries. It can be seen that Kenya has the longest duration of primary school, at least eight years, followed by Uganda and Tanzania with seven years each. Rwanda and Burundi have the shortest duration of primary schooling at six years. The free and compulsory years of schooling have cost implications to the state that funds the programme. Having a longer duration means the state spends more, since most educational costs are funded by the exchequer. It is important to consider the overall advantages and returns envisaged from graduates of primary education, however. If it is basic numeracy and literacy, 6–7 years would be sufficient, but if competency in other skills like self-employment is the goal, as in the Kenyan case, then a longer duration of eight years or more would be justified. Even so, Kenya's system of education has been accused of being expensive and wasteful. The self-employment goal has been elusive ever since the inception of the 8-4-4 system in 1985 (*Daily Nation*, 2010). Since most EAC member states have moved towards free primary education and some like Kenya and Uganda are moving towards free secondary education, the implication is that the long-term goal for basic education will be 12 years. Stakeholders will be keen on the general skills and competencies that go with the compulsory education funded by the state, rather than the structure.

Regarding secondary education, most EAC member states have six years of continuous learning at secondary level, apart from Kenya which has only four years. Rwanda and Burundi have their secondary education subdivided into three years each of lower and upper secondary education. There is no national examination requirement to proceed to upper secondary education. Uganda and Tanzania, on the other hand, have four years of general secondary education after which a national examination determines who proceeds to the Advanced level for a further two years. All EAC member states have pre-university entrance examinations; this occurs after six years of secondary and Advanced level education for Rwanda, Burundi, Tanzania and Uganda and four years for Kenya. The five countries also differ in total pre-university general education. Whereas Tanzania and Uganda have on record a total of 13 years, Kenya, Rwanda and Burundi have a total of 12 years. Similar asymmetries are reflected in minimum university education in the five member states; Kenya, Rwanda and Burundi require a total of four years, while in Uganda and Tanzania university education takes only three years.

Owing to these asymmetries in the structure and total number of years in primary, secondary and university education, some issues need to be highlighted. There are certain competencies envisaged by each member state from graduates of primary education. A very short duration for primary education means that the skills and competencies of the graduates at this level will be limited, all other factors being constant. A system of more years has cost implications, however, especially if education is provided free by the state. Such a system must encourage its primary school leavers to proceed to secondary schools.

Other key questions arise that require discussion. First, why should there be a difference in the structure and number of years? This question is important because there are likely to be differences in terms of the number of subjects taught, which has a bearing on the broadness and depth of the curriculum, country-specific requirements such as age when primary education starts, working age, and others. Another dilemma concerns the minimum requirements for attending one segment of education. For instance, if one would like to join a university in Tanzania, one of the minimum requirements is to have passed Advanced level examinations. This implies a potential barrier for students from other East African members who would be willing to attain a university degree in such a system but lack the necessary qualification.

There are efforts to harmonize credit accumulation and transfer for the EAC states, especially in basic sciences at the university level (CHE et al., 2009). The same efforts will be directed to basic arts and educational courses. Movement of students at the lower level still portends a big challenge, however, owing to the disparities in the structure and curriculum of the education system and may need similar attention. Overall, it is important to note that all education systems should be tasked with producing quality graduates who meet the expectations of the job market, the structure and number of years notwithstanding.

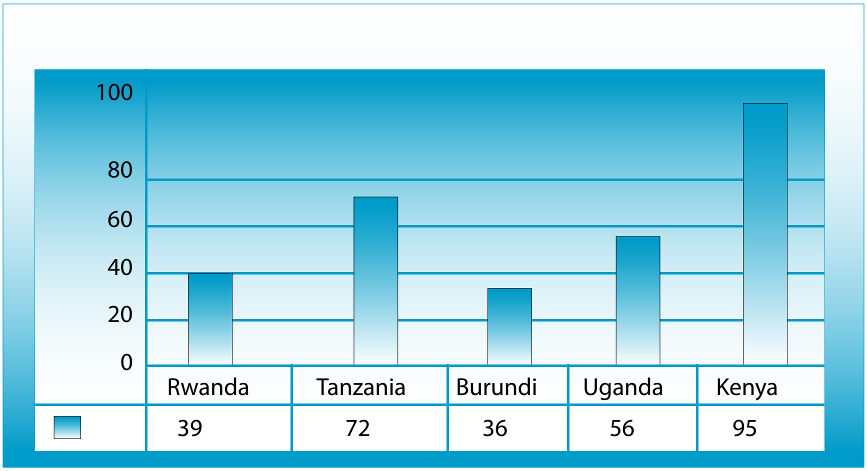
Differences in primary school enrolments in the region are summarized in Table 2.4 and illustrated in Figure 2.2. It can be seen that Uganda, Tanzania and Rwanda were leading with over 95 per cent NER for both boys and girls in 2006 and 2008. However, the NERs for girls are slightly higher than those of boys in Uganda and Rwanda compared with Tanzania, where NER for the boys is higher (98.5 per cent) than that of girls (97.2 per cent). Kenya's NER was lower still at 94.1 per cent for boys and 91 per cent for girls in 2008. When completion rates at the primary school level are considered, however, Kenya leads with 95 per cent, followed by Tanzania at 72 per cent and Uganda at 56 per cent. Completion rates in Rwanda and Burundi are still low at 39 per cent and 36 per cent, respectively, as shown in Figure 2.2.

Table 2.4: Primary school net enrolment rates in EAC by gender, 2005–2008

Country	2005		2006		2007		2008	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls
Kenya	83.80	82.60	86.50	86.50	94.1	89.00	94.0	91.0
Uganda	95.3	96.2	95.1	95.0	95	96	96	98
Tanzania	98	97	98.5	97.2	95.7	95.2	98	97
Rwanda	87	88	88	90	94	93	95	97
Burundi	61.5	55.5	62.7	57.0	-	-		

Adapted from many sources: GOK (2010); UNESCO Institute for Statistics (2008a–e); Education statistics Kenya, Uganda, Tanzania, Rwanda and Burundi; field data.

Figure 2.2: Primary education completion rate by country, 2003–2008



Source: Adapted from UNESCO; World Development Indicators database; UNDP (2001); CIA World Factbooks December 2003 to 18 December 2008.

What this implies is that although Uganda initiated a programme called Complementary Opportunity in Basic Education (COPE), which allows free education of four children per family, half of whom must be girls (if they are there), participation and completion rates in primary education remained remarkably low and wastage rates through repetition and dropout substantially reduced their completion rates. Kenya's blanket free primary education policy instituted in 2003 went a step further than COPE in Uganda or Complementary Basic Education in Tanzania (COBET) in the sense that it offers full coverage of the costs of primary education for all children (Elimu Yetu Coalition, 2003). This led to a change of policy by the Ugandan and Tanzanian governments to cover the educational costs for all children in primary school.

Asymmetries in tertiary education in East Africa

Enrolment at tertiary level is presented in Table 2.5 along with a variety of other statistics. The table shows that Kenya is ahead in student enrolment at tertiary level with over 98,000 students enrolled, followed by Uganda with over 74,000. Burundi has the lowest number of students enrolled at tertiary level with only 11,900. Surprisingly, Kenya and Uganda are at par in tertiary enrolment rates at 3 per cent. Tanzania has the lowest figure, at only 0.7 per cent, ranking lower than Rwanda and Burundi at 1.7 per cent and 1.2 per cent, respectively. Kenya also seems to have higher literacy levels as a percentage of total population at 85 per cent, followed by Tanzania at 78 per cent and Rwanda at 70 per cent.

Table 2.5: Enrolment at tertiary level in EAC

Description	Rwanda	Tanzania	Burundi	Uganda	Kenya
Education enrolment - Tertiary level	20,939	31,049	11,915	74,090	98,607
Education spending (% of GDP)	2.8		3.9		
Literacy - Male (%)	76.3	85.9	58.5	79.5	90.6
Literacy - Total population (%)	70.4	78.2	51.6	69.9	85.1
Public spending on education, total - % of government expenditure	12.25	11.37	17.73	18.29	29.19
Public spending student - primary level	6.9		10.9	7.7	0.4
Pupil -teacher ratio, primary	62.3	55.86	48.7	49.93	39.54
Tertiary enrolment (%)	1.7	0.7	1.2	3	3
Women to men parity index, as ratio of literacy rates, aged 15-24	0.98	0.94	0.92	0.86	1.01

Sources: UNESCO; World Development Indicators database; UNESCO Institute for Statistics; United Nations Human Development Programme; The Geography Zone; All CIA World Factbooks 18 December 2003 to 18 December 2008.

With 28 universities, Kenya also has the highest number of such institutions, followed by Tanzania with 21. Uganda has 17, while Rwanda and Burundi have 3 and 4, respectively (Wikipedia, 2010b). It is important to note that the number of universities seems to be fast increasing in member states. Most governments are turning middle level colleges into full-fledged universities, partly for political capital but also in a bid to expand higher education opportunities in the region. But even so, there has been a lot of cross-border movement in search of higher education opportunities, scholarships and grants in the EAC states. Kenyan students, for example, have benefited more from scholarships offered in Tanzanian and particularly Ugandan universities. Kenyans have also moved to Uganda to seek Advanced level education under the 7-4-2-3 system, which is not offered in their country. This has opened ways for those who did not meet the minimum requirements for university entry under Kenya's 8-4-4 system of education.

Other reasons motivating movement of students from Kenya to Tanzania and Uganda include the cost of education, which is deemed to be cheaper in Uganda and Tanzania than in Kenya. This has been supported by the exchange rate, which has worked in favour of Uganda and Tanzania. Burundi and Rwanda have not been the target of higher education seekers because of the 1994 genocide in Rwanda and the current armed military conflict in Burundi, both of which have caused security fears. Also, the language of instruction – French – is not comfortable for Kenyan, Ugandan and Tanzanian students, but a fair number of highly skilled job seekers with postgraduate education in French from Rwanda and Burundi have found jobs in Kenya, Uganda and Tanzanian universities to teach French (Interview Lf1–3).

Asymmetries in educational expenditure

Table 2.6 summarizes public spending on education as a percentage of government expenditure. As in the previous analyses, Kenya's total expenditure on education as a percentage of total government expenditure is the highest at almost 30 per cent, followed at a distant second by Uganda's at 18.3 per cent. Burundi is third with around 18 per cent. Given Burundi's weak economy compared with other EAC countries like Tanzania and Uganda, this effort should be commended and it shows the importance this small country attaches to human capital development. Tanzania spends the least, at 11 per cent.

The analysis indicates a relationship between government expenditure on education and school participation rates. For example, Kenya seems to have the highest participation rate at almost all levels compared with partner states in the region. Overall, the population literacy rates still fall in favour of Kenya with over 85 per cent, but surprisingly Tanzania follows with over 78 per cent – ahead of Uganda, which has a higher total expenditure on education. Many reasons could explain this, including the many years of political instability, war and turmoil that have a negative effect on school attendance. It could also be because of rampant corruption whereby government monetary allocations to education do not reach the targeted beneficiaries.[2] It could also be because of disproportionate allocation of funds as a result of poor planning.

Table 2.6: Public spending on education

Description	Rwanda	Tanzania	Burundi	Uganda	Kenya
Public spending on education, % of total government expenditure	12.25	11.37	17.73	18.29	29.19
Pupil-teacher ratio, primary	62.3	55.86	48.7	49.93	39.54
Tertiary enrolment (%)	1.7	0.7	1.2	3	3
Women to men parity index, as ratio of literacy rates, aged 15–24	0.98	0.94	0.92	0.86	1.01

Sources: UNESCO; World Development Indicators database; UNESCO Institute for Statistics; United Nations Human Development Programme; The Geography Zone; All CIA World Factbooks 18 December 2003 to 18 December 2008

Table 2.6 also indicates that Kenya has the lowest pupil to teacher ratio at 40:1, followed by Burundi at 49:1 and Uganda at 50:1. Rwanda has the highest pupil teacher ratio at 62:1. Since the pupil-teacher ratio is a function of investment,

2 Uganda was ranked top of Kenya in corruption in the East Africa region by the Transparency International Reports for 2010. However, Burundi is rated the most corrupt of the present five EAC member states.

it must be viewed within the framework of each country's willingness and ability to invest in the recruitment and deployment of teachers. In actual sense, education in strict economic terms is viewed as a commodity that is demanded and purchased. But because of certain returns that accrue to the government specifically, it has an obligation to invest in education through the purchase of inputs such as infrastructure, teachers' salaries, tuition fees, etc. The student-teacher ratio therefore depends very much on the number of teachers deployed by the government, and this in turn depends on the country's economic performance. The relationship between government expenditure on education and student-teacher ratios is clear; countries that spend more on education also seem to have lower pupil teacher ratios.

Asymmetries in language of instruction

The other difference in regional education has also been seen in the language of instruction used in member states. Kenya and Uganda use English right from class 3, but in Tanzania the language of instruction in primary schools is Kiswahili and then English dominates from secondary education upwards. Rwanda and Burundi use French, although Kiswahili is used in some primary schools. But from 2009, Rwanda decided to change its medium of instruction from French to English. This followed its successful application to join the EAC and Rwanda is now predominantly seen as changing its economic policies from francophone to anglophone. This implies that it aims at complete transformation of the state to English speaking; indeed even university students currently (as of 20 November 2010) are required to take lessons in English for a whole year before they can graduate. However, Lunyaruanda is also dominantly used as a medium of communication in the country. Apart from English, Kenya and Uganda also use vernacular languages at early primary level, especially the first three years of schooling.

The question of multilingual literacy dates back to independence, when considerable internal pressure was mounted demanding that the education system be reshaped to reflect the national goals and aspirations of emerging African states. Apart from nationalistic feelings, this pressure centred on the need to provide a type of education that had been denied Africans in the colonial period. Generally, arguments for multilingualism have been founded on the UNESCO declaration of 1953, and the pedagogical principle of cross-linguistic learning. This principle argues that education is best carried out in one's mother tongue and recommends that pupils should begin their schooling through the medium of the mother tongue and this medium should be extended to as late a stage as possible (UNESCO, 1953; Onyango et al., 2007). This view has been overwhelmingly quoted when it comes to the necessity of multilingual literacy and elsewhere it has been translated into the dimension of human rights (Tiffen, 1968).

Despite the decades of long arguments for multilingual literacy, the counter arguments have included cases of negative transfer from the mother tongue to the English language that may lead to such fatal linguistic production mistakes as errors in substitution, claques and alteration of structures (Onyango et al., 2007).[3] More weaknesses were highlighted in a recently concluded conference to review strategies on the war against illiteracy at which it was observed that the problem of using African languages to promote literacy lies in the phobia of entrenching tribal and ethnic chauvinism that may result in a divided nation and possibly cause conflicts (Kigotho, 2006). Nearly all the EAC member states have a testimony to this, especially Tanzania, Rwanda (Hutus and the Tutsis), Uganda, and most recently Kenya, where tribal clashes following the 2007 election left over 1,200 persons dead and over 600,000 displaced. They also highlighted the horror of imagined international isolation in the face of increased mobility and globalization.

In academic and scientific circles, the objections raised to the use of mother tongues in early education include the assertion that if it is indeed educationally and psychologically a sound policy, this has not been sufficiently substantiated by experimentation. Another objection argues that the idea is uneconomical because of the large number of minority languages requiring literary works. Furthermore, the undoubted need for a language of wider communication such as English, French or German will necessarily restrict the scope of education in the mother tongues (Bamgbose, 1976).

Whereas it is true that not a lot has been done in support of the use of mother tongues in education, it does not mean that there has been none. The Iloilo experiment in the Philippines clearly demonstrated the superiority of starting with the mother tongue. The conclusion at the end of the second year was that the local vernacular (Hiligaynon) was a much more effective medium of instruction in the first two primary grades than English (Orata, cited in UNESCO, 1953). Another study in Ghana showed that primary school children had a higher vocabulary in their mother tongue than in English, thereby indicating that for these children, English would be a most inefficient medium of instruction (Dakin, 1968).

Other experiments have led to a negative conclusion, however. According to the Iganga experiment in Uganda in which two classes were taught geography,

3 Substitution involves the use of native language forms in the target language. Ringbom (1986) noted the use of the word bort (away) in an English sentence written by a native speaker of Swedish: "Now I live home but sometimes I must go bort". Claques are errors that very closely reflect the native language structure, including literal translation from mother tongue to English language.

one in English and the other in the mother tongue, the former class performed better than the latter. This type of conflicting evidence led Dakin to conclude that "the evidence of a foreign medium of instruction is inconclusive. The priority of the mother tongue has not been proven beyond any reasonable doubt" (cited in Onyango et al., 2007: 10).

With all these arguments pulling in opposite directions, there is much to gain by EAC member states defining a common language of instruction for the region. Several languages have been proposed, among them English and Kiswahili and several mother tongues. Regardless of reasons given, it is important to remember that the choice of language of instruction should not be for the sake of it, since it will influence not only the integration process but also learners' educational achievements in the region. Whether the region would want to move in the direction of other languages of instruction should be thoroughly considered. Development of a language of instruction has many ramifications, e.g., development of teachers' capacities to teach in different languages and curricula to explain concepts and issues, development of learning/teaching materials, etc. Most importantly, the public in member states may resist the integration process itself if they are denied their cultural identity at the altar of language of integration. Since this support is crucial for the survival of the process of regional integration, inclusiveness should be upheld in the decision making process. Kiswahili, given the extent of its development in comparison with other local languages and the pride in its African origin, is likely to gain acceptance in the region. For it to remain relevant, however, it should be retained as an examinable subject in primary and secondary levels under the concept of additive bilingualism.

Asymmetries in curricula

Education enhances the productivity of an individual; thus those who are able to obtain quality education are in a position to receive better returns and a nation whose population is composed of large numbers of such people is likely going to enjoy higher returns from the skilled workforce. Before independence in the 1960s, East African member states were united by the East African Cooperation. The integrated region had a common labour market with unified system of education and training. There was a unified system of examinations and higher education through a common regional university. After independence, therefore, the need to maintain a uniform education system was one of practical necessity, although each country had its own education plans.

Changes in education systems considered the fact that admission to the university had to be based on some agreed uniform or equivalent number of years of study in primary and secondary education (Bogonko, 1992). Over the years, however, EAC member states preferred formulating educational goals that could suit the countries' specific socio-political needs rather than propagate the colonial system of education. The curriculum was subsequently drawn to address country-specific education goals, which led to the differences in the education systems in the region.

Thus asymmetries have obtained in the curricula used to teach at all levels in the region. The syllabuses and subjects are different in nearly all countries apart from the normal common subjects like geography, history, biology, chemistry, mathematics and Christian Religious Education (CRE). Efforts to unify the primary level system can be seen, however, with the East African heads of state – the late Mwalimu Julius K. Nyerere, Mzee Jomo Kenyatta and Milton Obote – calling for a common seven-year primary education cycle (Bogonko, 1992).

In recent times, some countries in the region have considered having additional subjects of national preference. For example, Rwanda adds conflict resolution and information technology (IT) along with the basic subjects. The same also applies to other countries where additions of some subjects suit country-specific needs. Kenya has all along tried to inject into its curriculum at the secondary school level new subjects like social education and ethics to reduce moral decadence among the youth. But this did not seem to work because the curriculum was said to be overloaded. At the primary school level, Mathematics, English, Kiswahili and social studies are taught as examinable subjects. Physical education (PE), life skills and creative arts are taught as non-examinable subjects. The result of this difference is that the non-examinable subjects have gone unattended on the timetable, or the lessons have been shared by teachers and used to teach examinable subjects to improve a school's mean score. All this has been done with the blessings of the school heads. Thus practical knowledge that would be beneficial to learners in the long run has been sacrificed at the alter of the school's mean score (GOK, 2008b).

The Kenyan curriculum has also been criticized because it has failed to take care of the country's socio-economic needs of the time. For example, the post poll ethnic violence that broke out in 1992, 1997, 2002 and 2007 calls for a curriculum that can address ethnic diversity and bring national cohesion through schooling. Although the main goal of education in the country is national unity, in practical terms the goal has been elusive as tribal, regional and sectarian undertones assume significance (Kadenyi and Kamuyu, 2006). This has been blamed on the schools' selection system and a curriculum that has been unable to fix this gigantic problem. Rwanda, after suffering the worst ethnic-based genocide, did not waste time but included conflict resolution in its school curriculum. Whether this will work to bring cohesion is a matter of time.

In most East African states, high unemployment rates are experienced among the educated youth. Most curricula have emphasized white collar jobs and questions have been asked as to how each country can infuse curriculum content that enables learners to utilize their own environment and natural resources for gainful returns, e.g., farming, fishing, poultry, fruit farming and processing, flower farming, etc.

Asymmetries in educational policies

Since independence, a number of policies have been implemented to facilitate rapid access for those who had been excluded by the colonial government. An immediate policy initiative to expand access in all member states was the abolition of the race-based schooling systems that had existed during the colonial period, and the development of one national education system for all. Well-intentioned as it was, however, this action did not expand access for the majority who had been excluded because fees remained a barrier. In realizing this problem, Kenya, Uganda and Tanzania abolished the Standard IV examination and Uganda, in the early years of independence, put in place a policy for six years of uninterrupted primary education without paying fees and for two-year junior secondary education, which was open to all who could pay for it. This placed Uganda ahead of both Kenya and Tanzania in transition rates to some form of secondary education, although in reality very few managed to go past the six years of primary education (Bogonko, 1992: 24; Government of Tanzania, 2009; GOK, 2008a). Kenya also had a free primary education policy that was introduced in 1974 and free milk programme starting in 1978. These policies were in response to the high social demand for education. In 1988, budgetary constraints experienced by the government and World Bank fiscal policies led to the introduction of cost-sharing policies in the education sector (and others). This led to a decline in access to education because of the high costs especially at the university level. In response, the government came up with a student loan scheme that was meant to cushion the needy at tertiary level.

Under Mwalimu Nyerere, Tanzania championed the idea of a federal East African state and was willing to delay Tanzania's attainment of independence by one year if this would facilitate the formation of such a community. Kenya and Uganda were lukewarm to the idea, however, and as a result independence was attained by each country separately (Southall, 1974). Still, the spirit of an East African community remained and the leaders of the newly independent countries felt that a common education would be instrumental to the achievement of this goal. Moreover, by the time of independence the only university available in the region, which was shared by the three countries, was the University of East Africa at Makerere in Uganda with campuses in Nairobi and Dar es Salaam. The need for a uniform education system was therefore one of practical necessity, if the countries were to share the university in an effort to quickly meet their workforce needs. Admission to the university had to be based on some agreed uniform or equivalent number of years of study in primary and secondary education. To deal with this problem, as noted above, Nyerere, Kenyatta and Obote, the heads of state in the three countries, called for a common seven-year primary education cycle. This resulted in a rapid increase in the number of children proceeding to the Kenya Primary Examination (KPE) taken at the end of the primary cycle, from 62,000 in 1964 to 133,000 in 1966 (Bogonko, 1992: 24).

Uganda also introduced changes leading to the merging of the six-year primary education and the two-year junior secondary schooling into one seven-year primary education system by 1967. This had a significant impact on access, as "formerly only about one out of three or four primary-school pupils obtained places in junior secondary school" (Bogonko, 1992: 24–5). Tanzania followed in 1966 when the Standard IV examination was scrapped in towns and then in rural areas in 1973. Bogonko argues that Tanzania's separate treatment of rural and urban education reflected the scant attention paid to the expansion of primary education to the masses. The move by Tanzania in 1973 to eliminate the Standard IV examination for the entire nation meant that all three East African countries had an uninterrupted seven years of primary education. This had a significant impact in promoting access to education.

The uniform system of education continued in the three countries until Kenya changed its education framework to the eight-year primary, four-year secondary and four-year university (8-4-4) system in 1984 (Bogonko, 1992: 25). In Burundi, education for all has been reflected in education development strategies since the early years of independence. Free education has also been guaranteed in Rwanda, for example, where achieving nine-year basic education for all is one of the main goals of the Government of Rwanda. The intention is to raise the general level of knowledge and skills in the population, a move that has the potential to reduce poverty. The Nine-Year Basic Education programme, which has been passed by the Cabinet, is expected to lead to universal primary education and to lower repetition and dropout rates. The implementation of the programme will demand increased numbers of trained teachers, more learning materials and more classrooms. The challenge will be to develop effective implementation strategies for a large-scale investment in improved quality, expanded capacity and managed growth. A major challenge will also be to access the required financial resources.

Effects of education policies on access to education

As it has been demonstrated, since independence the education systems in all East African states have gone through distinct regimes, partly influenced by political and economic structures and priorities. For instance, before independence, even though Kenya, Tanzania and Uganda implemented a unified education system, access to education was generally low and most restricted beyond primary level. Examination requirements and financing drastically reduced access. A similar situation is traceable in Burundi and Rwanda. Each of these education systems had potential implications for the returns to schooling and training.

The analysis of policy movements in the education systems reveals a range of similarities. First, in all countries there were fairly well contained enrolments in higher education mainly aimed at filling some higher education requirements in the workforce. Even so, there has been substantial growth in education enrolments at all levels. These are driven by a number of factors including population growth over time, reforms in education that brought in more providers besides the public sector, and obligations imposed by both national and international objectives such as the MDGs.

In particular, there is evidence that almost all East African countries are currently implementing education sector development plans that will feed into long-term education and training development policies. This follows comprehensive social, political and economic changes that have affected these countries since the beginning of the 1980s and into the 2000s. The severe economic crises of the 1970s and 1980s, global economic changes including globalization, and economic reforms – along with political and social changes in the region – have necessitated changes. All East African states have the so-called Education for All (EFA) as a major education policy objective. Key policy parameters (GOK, 2008a, 2009; Government of Tanzania, 2009) focus on:

- Expanding access and retention at the primary level to reach universal completion.
- Improving education quality at all levels.
- Improving equity and efficiency in the allocation of education resources.
- Improving human resources and administrative and information management.
- Managing the transition between education cycles to ensure a sustainable path.

The policy changes have been part of poverty reduction strategies and long-term development papers such as national vision statements, as well as MDGs implemented at country level. The resources for education development have been used to show areas of improvement in access to and quality of education. Most of these countries have also designed policies for rehabilitating facilities, building new facilities, re-deploying personnel to areas where there are shortages, privatizing at least segments of the education sector (especially the formal centrally managed), ensuring the availability of minimum supplies and teaching materials, organizing teacher-training courses, and examining in-depth reforms to the system.

The other policy focus has been on education levels that are compulsory. So far all East African economies regard primary education as a compulsory attainable level of education. In this regard, education policies have aimed at universal enrolment at primary school level. The achievement has focused on ensuring every eligible child gets free primary education. In Tanzania and Uganda, the education policies for secondary school levels have involved the establishment of community and private secondary schools and colleges. In all five countries there has been a sharp increase in contributions by individuals and companies to support schooling. In Tanzania, for instance, Gasby Company provides sponsorship to engineering students, several commercial banks provide financial support to graduate students and a number of NGOs provide support to vulnerable groups of students.

In all countries, however, support from government and donors is still required as most of the newly opened schools suffer inadequate teaching materials, ill-equipped laboratories for science subjects, insufficiently qualified teaching staff and lack of other facilities. There are observations that in every country, secondary school enrolments have grown spontaneously by more than twofold. At the higher education level, education policies in all countries have emphasized expanding carrying capacity. This is witnessed by a rapid rise in the number of higher learning institutions. In Tanzania, for example, the number of universities has increased from 5 to over 20 in the last ten years. Similar growth can be seen in Uganda and Kenya. And, after an almost contained enrolment growth in higher education, there has been a substantial increase in the number of students enrolled. Tertiary enrolment in Tanzania increased from 3,000 before the 1990s to over 30,000 in 2008 – a tenfold rise. There are other waves of change, as well, from "academic" knowledge-based training to competent "practical"-based training. In this respect, some old institutions have been transformed from competency-based polytechnics or college level institutions to universities. Research and development activities have also assumed greater importance in the higher education reforms.

Finally, there are common factors in all East African states that justify a common education approach to assist labour mobility in the region. First, all East African countries are linked geographically and historically. There is a lot of similarity in cultures, tribes and ethnic aspects. One can easily move from one country to another, on foot, by bike, by motorcar, by marine or air transport, or any existing mode of transport. This brings to the fore the importance of facilitating such movement through a harmonized system of education and labour quality. Second, the languages spoken in the region are common. At least Kiswahili and English form a nucleus as they fall within each of the country's list of languages. French is another language; for Burundi and till lately Rwanda where it has been the official language. It is taught as a subject in all five states of East Africa. Kiswahili has also been used as an academic language, especially in Tanzania, Kenya and most recently Uganda, and could easily be adopted by Rwanda and Burundi. Third, all the states benefit from movement of labour in terms of filling skill gaps. There are remittances that each country gains from labour mobility. Fourth, the economic development of East African economies is grounded in similar economic activities. An agriculture-dominated GDP in all five member states is followed by a service sector. Finally, the income levels are different among these states, creating a pull and push factor for labour mobility.

Constraints to Access to Opportunities, Performance and Outcomes in East Africa

Economic analyses of the determinants of access to educational opportunities in East Africa, as well as of performance and outcomes, must take into account a number of factors that contribute to demand. Among others, these are family income, gender and the policy framework.

Family income

One of the most powerful influences on access to educational opportunities from the pre-primary level all the way to university education in most developing countries, Kenya, Uganda, Tanzania, Rwanda and Burundi included, is the level of family income. Poor families in the East Africa region have found it difficult to meet the direct and indirect costs of education even at lower levels of schooling, leading to high wastages and low participation rates. This has been recognized by the EAC regional governments, leading to the introduction of free primary education policy in Kenya, Uganda and Tanzania (GOK, 2008a; GOT, 2010; ROU, 2007).

But even with free education, a substantial financial burden is imposed on poor families through earnings forgone when their children are not available to contribute to the family income. This is in addition to out of pocket expenses for clothes, travel, books and other materials. Moreover, poor families, on average, tend to have more school-age children than wealthier families. Again, most poor families are found in rural areas where schools are sparsely distributed, thus making them inaccessible to learners.

The income that even very young children may generate is needed by poor families. This means that children aged 5–6 years of both sexes make important contributions to the household through housework and childcare as well as productive work (Safilios-Rothschild, 1980). In the Philippines and Bangladesh, children in poor households start contributing to family income at a much lower age than children in high income households. This translates into less chance for the poor to attend school. According to Psacharopoulos and Woodhall (1985), this reinforces the conclusion that the value of earnings forgone or unpaid work at home accounts in large part for the lack of demand for education among the poor. Additionally, with high rates of unemployment currently reaching crisis situations in developing countries, poor households may not be convinced that formal schooling can yield sufficient returns to their children. The situation has been compounded by corruption in the job market requiring bribery and high level connections, which still work to the disadvantage of the poor.

Gender

Another powerful determinant of access to educational opportunities and outcomes is gender. In EAC member states, just as in many developing countries, girls are expected to contribute to childcare or home production at a much earlier age than boys. This becomes a reason for girls being unable to enrol for education. With the prevalence of HIV and AIDS, some families have been left without the parents who are the breadwinners. In many families the roles of caregiver and breadwinner have been transferred to young girls, who opt out of school to engage in odd jobs to sustain their siblings. Moreover, many poor families regard the education of girls as a low priority; while the investment of boys' education is considered as an investment or security in old age. The dowry or bride price system also helps to explain the difference in male-female participation in education in the East Africa region. Poverty and reluctance to bear the costs of educating girls reinforce each other as determinants of access to opportunities, performance and outcomes.

Some scholars have argued that the differences in education costs may not necessarily be economic in origin,they have a lot to do with cultural orientation. Other factors include early and forced marriages, female genital mutilation (FGM), unwillingness to allow girls to inherit property from their parents, and so on (Motari, 2009). Ruto-Korir and Chelang'a (2006) summarized cultural and gender issues that threatened educational opportunities, participation and outcomes for women as being cultural, where women across countries occupy a subservient status as opposed to men. Also, poor performance relative to boys' in maths and science subjects, among others, predisposed them to take less challenging subjects whose qualifications pay less. Other issues include attitudinal dispositions ingrained in women and socialized perceived differences in male and female roles, as well as capabilities that lower women's confidence and motivation to achieve. There is also the issue of situational barriers such as family commitments, lack of partner support, financial constraints and the challenges of rural life, which continue to disadvantage women in their quest for higher education.

From the economic point of view, some studies have shown that the low employment potential for girls has contributed greatly to the low demand for girls' education and aver that an increase in female employment opportunities could lead to increased demand for their education. In nearly all countries in the East Africa region, employment opportunities for women are still remarkably low. In Kenya, for example, women form less than one-third of the total workforce in public universities (Educational Management Society of Kenya, 2010).

Educational policies

One of the most powerful determinants of educational opportunities, participation and outcomes in developing countries is the educational policy framework. Some educational policies may lead to high wastage, while others may open up more opportunities for students' participation. Teenage pregnancy, for example, is known to be a major cause of dropout in education among girls in schools within the EAC, so a re-entry policy that allows teenage mothers to be re-admitted into the school system could minimize their wastage. A recent survey (Ashioya et al., 2010) indicates that although some countries in the region, notably Kenya, have introduced a re-entry policy for teenage mothers, it has faced daunting challenges. It was noted that girls were not keen to return to their previous schools for fear of stigmatization associated with falling pregnant while in school. In African culture, early pregnancy was associated with loose morals for the girl-child and this constituted a stigma she would have to contend with if she were to be re-admitted back to her former school. This means teenage mothers preferred to join other schools to complete their studies. Many were incapable of securing chances in other schools, hence opted out of school. It also emerged that the education of teenage mothers can be expensive owing to the additional costs of day care for the child, feeding, and medication over and above tuition fee requirements and this could hardly be afforded by average families. Ashioya et al(2010). recommend that these young mothers, their teachers and other students be sensitized to change their attitude towards teenage motherhood; provision should be made at policy level to allow for teenage mothers re-entry into different schools.

For a number of reasons, such as increased population size, high demand for education, economic reforms and privatization of education provision, all East African countries have since the 1990s seen rapid expansion of university education in terms of increased number of universities, growth in university enrolments and opening up of new institutions that provide higher education. These changes have added new challenges. According to the UNESCO World Conference on Higher Education (UNESCO, 1998), universities in East Africa face numerous problems. Among these are low funding from the exchequer, increased enrolment, limited access compared with the population level and increased enrolment without commensurate improvement in available facilities. Gender inequality and a low research capacity add to the constraints. These problems have led to fears that the quality of tertiary education is in a downward trend in most of these universities.

Political economy and education opportunities in East Africa

Cooperation in East Africa, as noted earlier, dates back to the early 20th century when, for instance, Kenya and Uganda signed a customs union in 1917. Tanganyika joined this union in 1927. The inter-territorial cooperation by Kenya colony, Uganda protectorate and Tanganyika territory was first formalized in 1948. It provided a customs union, a common external tariff, currency and postage, and common services in transport, communication, research and education. The East African High Commission existed between 1948 and 1961 and graduated to the East African Common Services Organization from 1961 to 1967. The East African Community was formed in 1967 and existed for ten years, until 1977.

Following independence, the East African Common Services Organization was envisioned as transforming into a political federation of the three territories. The new organization ran into difficulties because of a lack of joint planning and fiscal policy, separate political policies, and Kenya's dominant economic position. The East African Community of 1967 aimed at strengthening ties between member states through a common market, a common customs tariff and a range of public services so as to achieve balanced economic growth within the region.

The EAC was reconstituted in 1999 by Kenya, Uganda and Tanzania; Rwanda and Burundi joined in 2009. Efforts to build the competitiveness of the economic bloc included revival of the customs union in March 2004, to commence operations in January 2005. Under this arrangement Kenya would continue to pay duties on goods entering from the other four countries until 2010. This was based on a declining scale. A common system of tariffs would apply to goods imported from third party countries.

This history of collaboration since the colonial days is crucial. It depicts the goodwill that has existed among the East African countries to cooperate and work together, and thus gives impetus to the current thinking and conceptualization of the East African Community. The strength of the East African regional integration lies in the realization that the foundation of a strong regional partnership lies in strong education institutions and well harmonized education policies and practices. Major challenges arise, however, because the East African nations have varying levels of education opportunities, processes and output. The factors described below are some that account for the differences.

Missionary activities

The foundation of modern education in East Africa was laid by missionaries who introduced reading to spread Christianity and who taught practical subjects such as carpentry and gardening. The early educational activities began around the mid 1800s along the coast. Expansion inland did not occur until the interior was opened up by the construction of the Uganda railroad at the end of the 19th century. By 1910, thirty-five mission schools had been founded in Kenya alone. In 1902, a school for European children was opened. A similar school for children of Asian workers opened in 1910. A British government-sponsored study of education in East Africa, known as the "Frazer Report of 1909", proposed that separate educational systems be maintained for Europeans, Asians and Africans. A system for native Kiswahili speakers and Arabs was added later, and education followed a four-system pattern until independence. Besides education, the missionaries were deeply involved in health care and economic development, a situation that obtains to this day.

Colonial education policies

The colonial education policies and practices in East Africa were all laced with racist and prejudicial undertones towards Africans. It is important to note, however, that the colonial approaches to education matters in the individual East African regional states were different and this influenced the levels of education opportunities and output within the states. Thus British and German colonies had different policies regarding education. In essence, access to education for Africans was heavily restricted to the rudimentary education needed to assist European governments to administer their colonies.

Post independence national educational policies

At independence, the new national East African governments faced a dilemma in education that led to different national education policies. The different policies were based on the immediate socio-economic needs of each state, the urgency to erase the colonial legacy in education, and the different national education philosophies and goals. The pressing need to train Africans for middle and upper level government service and for the commercial and industrial sectors of the economy called for a restructuring of secondary and higher education. In this regard, many Kenyans believe that the goal of formal education is to prepare the student for work in the modern sectors of the economy. Thus, government plans to redirect education toward the needs of a still predominantly rural economy and of an African society have not always been well received. Despite these goals, the educational system remains generally urban oriented, and largely European in its assumptions and methods.

The Tanzanian development path under the first president, the late Mwalimu Julius Nyerere, was socialist. The socialist orientation was embodied in the Arusha Declaration of 1964, which placed the government squarely on the "commanding heights" of the economic system. Socialism needs strong governmental control of goods and wages in order to function effectively. Among the characteristics of the socialist system are the following: Private ownership of property curtailed, large businesses owned and controlled by the state, small enterprises allowed for usable profit, a reciprocal driven business model with service to the state as the ultimate goal. Basically, socialism reduced private sector participation in education provision as it reduced overall investment in education. It also reduced individual desire for self-fulfilment through education: The youth lacked the drive to aspire for higher ideals in education. The education burden was on the government as the private sector took a laidback position.

Capitalism, with its political and governmental infrastructure being representative democracy, allows for trial and error utilization of a myriad of social, economic and legal experimentations. In no other system can an individual with enough determination and a solid idea formulate a plan for action and see it to fruition. The journey may be a hard one, but opportunity, not necessarily success, is guaranteed. Once successful, though, individuals can enjoy their prosperity without interference from the state.

Political stability

The varying levels of education opportunities in East Africa states can be attributed to the level of political stability each country has experienced since independence. Ong'ayo (2008) states that there have been problems in Africa for several decades as most countries in the continent went through transitions from colonialism to independence. In terms of political instability in Africa, it is also undeniable that the continent has had some difficult moments during the last 50 years or so. What is evident in the many analyses of events in Africa is the fact that in almost all the cases of political instability in Africa the major problem is leadership and governance. Moreover, these problems have been pointed out and fought gallantly by ordinary Africans, who have over the years expressed their discontent with regimes imposed upon them, including at times through the complicity of the international community.

Osei Tutu (2004) avers that African political instability and other related problems are basically a consequence of the leadership problem. At domestic level, African governments are run in ways that have been regarded as far from the modern western state systems, upon which they are supposedly modelled. It should be noted, however, that leadership per se is not a new concept to African traditions or cultural practices. The forms and context may be different, but systems of governance in many traditional cultures had characteristics that can be found in modern systems of governance. But in the context of adoption of the modern western state system, many African communities abandoned their ways during the colonial period, and where they embraced the western models with the ushering in of independence, the implementation was distorted and entailed a lot of arm twisting at the height of the transition from colonialism to independence. The colonialist did not leave the continent willingly. Nor did most of the independence era ruling elite willingly share power with the common folk; they adopted many of the most egregious attitudes of the colonialists towards their own compatriots, especially the poor.

The ensuing instability has greatly affected the levels of opportunity and outcomes in education. Uganda suffered the worst dictatorship in Africa under President Idi Amin Dada in the early 1970s. This was after the failure of President Milton Obote to address the underlying social and political problems of the country. Obote took a head-in-the-sand approach to the problems instead. The turbulent undercurrents of the seemingly stable Rwanda came to the fore after the assassination of President Juvénal Habyarimana in 1994. This was followed by the one of the worst genocides in modern world history, at least in terms of the speed with which it was carried out. Kenya's repressive regimes of President Moi and his predecessor Mzee Jomo Kenyatta contributed to the flight of intellectuals who would otherwise have participated in the development of education in the country. The periodic election-related civil strife illustrates the serious leadership problems this country has undergone. The burning of schools, the displacement of populations, and victimization and suppression of civil society have characterized the Kenyan political landscape.

Economic conditions and policies

The existing economic conditions based on western policy prescriptions also play a significant role in depriving African populations of the essential services that are key to development. While it can be argued that it is not the responsibility of the "investors" to improve the living conditions of the people in the regions where they make profits, notwithstanding the calls for, or cosmetic expression of, corporate responsibility policies of multinational companies, the integrated nature of the global economy, coupled with security concerns, dictates that such factors cannot be ignored.

Economic policies in the form of the structural adjustment programmes (SAPs) imposed by the World Bank and International Monetary Fund (IMF) beginning the early 1980s entailed sweeping economic and social changes designed to siphon the indebted country's resources and productive capacity into debt payments and to enhance the international competitiveness of transnational corporations (Hong, 2000: 14). Examples included massive deregulation, privatization, currency devaluation, social spending cuts, lower corporate taxes, export driven strategies (i.e., export of agricultural products and natural resources) and removal of foreign investment restrictions. The consequence of these economic conditions in Africa has obviously had serious ramifications for essential services such as health, education and infrastructure.

Varied levels of economic development

The level of political stability goes hand in hand with economic development, with instability undermining economic potential. Each East African state has had its fair share of economic problems, just like the rest of the African continent. Rodney (1984), however, says that despite the bleak predictions, most African economies are doing well – for example in terms of trade volumes and foreign investments, both of which have increased over time – even though some country cases are still experiencing difficult times in terms of political stability, economic development, and challenges posed by poverty and disease.

Often the political instability in Africa also has strong links to internal and external special interests. Ong'ayo (2008) argues that Africa's resources, which could have contributed so much to its development, have never been its blessing, but a curse save for perhaps Botswana, which is an exception to this norm. There is no explanation for the underdevelopment of the continent while it sits on massive natural resources. For decades, western companies involved in extraction in Africa have never declined in numbers nor have their profits plummeted. Rodney (1984: 244) asserts that "previous African development was blunted, halved and turned back" by colonialism without offering anything of compensatory value. Moreover, even since the colonial era these profits have rarely trickled down to the very basic level in Africa where they could be used to improve the living conditions of populations whose resources are being exploited.

Levels of political interference in education

It is common knowledge that the politicization of decision making in the education sector in the region since independence has affected the sector's opportunities and output. In Kenya, for example, the major political decisions that have influenced trends and patterns of educational growth and policy formulation since independence have interfered with the running of education (Chiuri and Kiumi, 2005). The ideas of politicians are privileged in decision making even when they are shallow and myopic. These political decisions have marginalized the role and contribution of professionals and thus negatively affected policy formulation and implementation (Educational Management Society of Kenya, 2010).

Amutabi (2003) cites the introduction of the *harambee* schools in Kenya, which he described as noble in concept, but in reality an attempt to divert state funds to politically correct areas in the republic. He also talks of the populist and wasteful school milk programme that was meant to provide a market to selected milk producers and to induce certain selected communities to appreciate school. He contends that the implementation of the 8-4-4 education system in the 1980s was hurried and did not take into account the opinions of key stakeholders. Certain education commission recommendations were doctored to suit political expedience. Amutabi concludes that all these were done with a political and not an intellectual or scholarly approach. It is no wonder the Dr. Koech-led commission report (GOK, 1999) recommended the abolition of the 8-4-4 system of education and the reintroduction of the 7-4-2-3 system. Although the idea was not accepted by the government, it would have resonated well with the structure of education obtaining in EA.

Impact of the regional integration process on education provision in East Africa

Regional integration is seen as the process in which neighbouring countries promote and/or reduce barriers by common accord in the management of shared resources and regional goods and services. The drive for integration in various regions (e.g., European Union, East African Community, Association of Southeast Asian Nations) has internal, e.g., regional stability and economic development, and/or external drivers, e.g., geopolitical weight, trading blocs (UNECA, 2006). The various mechanisms to support the integration process reflect the ultimate goals and the degree of integration, which are discussed below.

Increased access to higher education

Ogachi (2009) says internationalization of higher education in East Africa raises various questions related to its magnitude and intensity, as well as its capacity to address issues of access, equity, regional research and developmental needs. Internationalization and regionalization as processes in higher education can be mutually reinforcing, but can also be mutually constraining, depending on their focus. In East Africa, internationalization has mainly involved new forms of provision of higher education. Students from the five member states may access higher education, especially university education, in any of the universities available in the region. They may also transfer their credits from one university to the other without much restriction.

Efforts to harmonize the university credit accumulation and transfer system in Kenya, Uganda and Tanzania are spearheaded by the Inter University Council of Eastern Africa (IUCEA), where science programmes have been considered and discussed. This is expected to ease the movement of students, especially in subjects in sciences for which criteria have been agreed on (CHE et al., 2009). But a critical look at the criteria reveals clearly that the committee set up to undertake this task chose to avoid controversies surrounding the structure of education in the member states, which feature a longer duration of university education in Kenya (four years) and a much shorter duration in Tanzania and Uganda (three years). Critically speaking, issues of structural inequity may put the efforts of IUCEA to serious scrutiny.

At lower levels of education, the East Africa regional cooperation will also enhance access to primary and secondary institutions. It may no longer be necessary for students to travel long distances in search of schools within their country boundaries. Students who reside near the borders may opt to enrol in schools near their homes even if it means in a neighbouring country.

Harmonized education curricula

The old East Africa Cooperation occasioned many interactions amongst the people of East Africa, but with the break-up of the original East African Community in 1977, this interaction was curtailed. The break-up also weakened the instruments of harmonization of the basic education and training programmes, thereby facilitating diversity in approach and implementation by the separate states. As noted, Tanzania and Uganda retain the 7-4-2-3 system whilst Kenya adopted an 8-4-4 system of education, and the newer members have systems that are different still. The EAC may renew the drive for a harmonized education curriculum among the member countries. The integration may call for wider consultation that may lead to a harmonized education system. This goal is debatable, however, since each partner state has its own needs specific to its people. If the goal of a harmonized curriculum is adopted, a lot of allowance should be encouraged to enable partner states to infuse in the curriculum needs specific to their citizens.

Free movement of educated personnel

According to Ndung'u (2010), the East Africa Protocol will eliminate the vast amounts of restrictions and regulations often required to do business in the region. In addition to the elimination of trade barriers and border taxes, citizens of East Africa will be able to freely relocate within the community, bringing education and expertise where they are needed most. The labour market demands have changed over the years, allowing a free movement of human resources across countries within the region and outside it.

To facilitate the regional integration process and especially the free movement of human resources, the EAC partner states have identified the harmonization of the teacher training approaches, with education curricula, standards, assessment and evaluation of education programmes as a priority issue. Once these aspects of education harmonization are in place, it should be easy for teachers, administrators, and education quality assurance and standards officers to work in any country within the region without restrictions. Also, countries that have a shortfall of human capital such as Rwanda and Burundi could benefit from the movement, while those with over supply of human capital such as Kenya, Uganda and Tanzania could export their human resource.

Impact of education on employment options

Labour quality influences the mobility and likelihood of getting gainful employment and even earning levels. Many aspects of labour quality have a link to the general levels of education and training qualifications for the labour force. Highly educated workers therefore tend to select and fit in high paying jobs with relatively pleasant working conditions, employment security and clearly defined work discipline regulations.

Since independence East Africa member states have adopted strategies in their education sectors intended to ensure an education system that accelerated economic growth, alleviated poverty and built social capital. The economic implications of fulfilling such a goal serve as a minimum threshold for poverty reduction and a foundation for further education. A wide range of scholars perceives quality education as a mechanism for attainment of local poverty alleviation and international development goals such as the MDGs (Bulimo et al., 2010a, 2010b; Munda, 2008). Others view quality education as related to what is taught and learnt, and whether it fits the present and future needs of learners in question (Ngecho, 2010). Alemayehu et al. (2001) found that poverty status is highly correlated with the levels of education. They observe that extreme poverty falls as levels of education increase. This view has been hotly contested by other writers, however, especially in the wake of the high unemployment levels bedevilling African nations. Nafukho (1998) argues that unemployment in African nations has reached alarming proportions despite spirited government efforts to provide vocational training and provide technical skills among the educated. This is a situation that raises many rhetorical questions on the question of educated unemployment in Africa. In a more recent publication, Nafukho and Muyia (2010) found that most industrialized nations in the world such as the USA, South Korea, Malaysia and Taiwan have developed because entrepreneurship was given a free hand to flourish. This means that the question of unemployment in EAC should be seen in light of entrepreneurial skills.

As shown in Table 2.7, however, in 2000 Kenyan households without education had the highest poverty rates, of 72.02 per cent and 69.05 per cent, respectively, in rural and urban areas. This is a clear indication of the inverse relationship between education and poverty levels. Any disparity in access to education, in both qualitative and quantitative terms, becomes the basis for observed differences in employment options available to the different groups involved. Thus some studies conducted within the EAC member states explain the problem of inequality in education as a potential impact on labour placement.

Table 2.7: Poverty head-count indexes by education levels in Kenya (1997–2000)

Education	1997 actual poverty rates		2000 predicted poverty rates	
	Rural	Urban	Rural	Urban
None	64.00	66.0	72.02	69.05
Primary	53.60	63.90	60.32	66.86
Secondary	33.40	38.80	37.59	40.60
Higher	6.80	14.30	7.65	14.96
Technical	38.90	42.40	43.78	44.36

Source: Head-count indexes are from GOK (2000b) as cited in Mwabu et al. (2002).

In the Tanzanian education system (AUC, 2004; UNESCO, 2004) questions have been raised as to whether there are differences in demand and discriminatory practices in households, communities, schools and education systems as a whole. It was observed that every child and family in Tanzania was suffering from an acute shortage of the supply of educational services both quantitatively and in terms of diversity of choice, robustness, efficiency and effectiveness. A sample in the age bands 7–14, 15–20 and 21–25 representing the three levels of schooling (primary, secondary and tertiary) showed that the proportion of children who were in school was 63 per cent, 39 per cent and 5 per cent, respectively. This suggests that placement in the labour market will follow similar trends.

At this point it becomes imperative to be aware of the latent contributors to this state of affairs. Simons (1980) identified factors that inhibit children of the poor from proceeding to higher levels of education, effectively turning education into a sieve that certifies or discards them.

The determinants of attainment and access to scarce resources have been changing over time in East Africa. At some stage educational attainment was the critical consideration. There are, however, emerging patterns in which inscriptive factors such as birth lineage and gender are becoming important discriminants. The Government of Kenya's directive requiring at least 30 per cent of employees to be women, although laudable in addressing gender-based employment disparities, may effectively tilt the playing field against a large pool of males with similar educational attainment but with better qualitative skills to offer to organizations. Blanket policy pronouncements that simply declare that a certain number of employment positions be reserved for women (or other previously marginalized group) may require serous equity-efficiency trade-offs (Psacharopoulos and Woodhall, 1985). Consequently, there is an emerging school of thought holding that efficiency in output should not be curtailed by policy pronouncements, rather by competitiveness that does not put obstacles in the way of any social group or gender (Educational Management Society of Kenya, 2010). Proponents of this position conclude that some positions in society are more important to the healthy functioning of society than others. Such positions may require special talent or training. Directives requiring women's participation should also require competitive selection (among women) of those who take up those positions (Educational Management Society of Kenya, 2010).

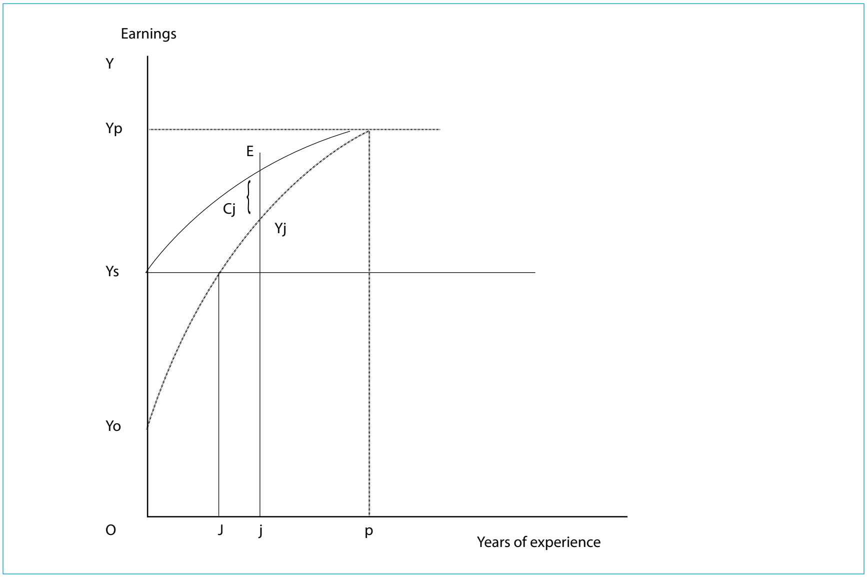
Historical uneven distribution of skills

The distribution of human capital between the genders is of considerable policy interest. A significant gap between educational attainment of men and women is an indication of under-investment in human capital affecting a sizeable proportion of the population. Motari (2009) points out that there has indeed been under-investment in women in the past, but that is not generally the case today, at least in terms of the quantity of education available to young people. However, there is evidence that regional secondary school and higher levels of education attainment have remained low for women as compared with men. The worst is university education, but attainment levels are reversing with age. According to the Government of Kenya's First Medium-Term Plan (2008–2012) for accomplishing Kenya's Vision 2030 (GOK, 2007, 2008a), of the 118,239 students enrolled in public and private universities in the country, only 31 per cent are women. Under the Vision's social pillar, the plan observes that access to highly marketable degree programmes and science-based programmes is still limited to women because of high costs and regional disparities (p. 88). The reversing of this trend, although still low, is a clear indication of policies taken to improve educational opportunities available to women over the past few decades.

Education and training level of the workforce is one of the main features that characterize a labour market. Evidence suggests that the quality of the East African labour force is still remarkably low. Majority of the workforce have less than secondary education. Therefore poverty is very likely among the workforce because of low levels of earnings and productivity anticipated by the human capital theory, which posits that an individual's earnings usually increase with each year of schooling and experience (Shultz, 1963; Becker, 1980). The theory holds that the educated earn more than the less educated, all other things remaining constant, and that education makes an individual very productive by providing certain skills as shown in age-earning profiles.

For example, from Figure 2.3 it can be seen that earnings increase with years of work and experience. At point *j* an educated worker's earnings are at *Ys*, but would increase to *Yj* when the worker gets more experience. The educated worker with *P* years of work and experience earns even more at point *Yp*.

Figure 2.3: Age earning profile



Source: Adapted from Jacob Mincer's schooling experience and earnings in Polachek (2007), *Earnings over the Life Cycle: The Mincer earning cycle and its applications,* Discussion paper No. 3181, November 2007, Institute for the Study of Labour, Bonn, Germany.

Some scholars have capitalized on the unemployment levels in developing countries to devalue the significance of education in poverty reduction. Simons (1980) argued that unemployment levels in developing countries may continue to rise until they become a political crisis. Simply put, as countries in East Africa invest heavily in education, similar commitment must be shown to solving the problem of educated unemployment. Edwards (1980) observed that education investment in developing countries is consistent with political behaviour. He further observed that unemployment is fast becoming a threat and the sooner it is socially attended to the better. The dominant social signal is that there are so few jobs for those emerging from education system in all the EAC states. This means that a larger share of future development expenditure should be used to create jobs and that the rate of expansion of education at the higher levels should be reduced or matched with investment in job creation. As long as developing countries continue heavily subsidizing higher education at an "exaggerated rate", the private demand for education will continue to exceed the social need for it. Only when unemployment emerges as a threat to political stability will the challenges of job creation be given priority.

Many job market analysts agree that earnings usually increase with age but at a declining rate and that both the rate of increase and the rate of retardation tend to be positively related to the level of skill. Unemployment rates tend to be inversely related to the level of skill. Becker (1980) argues that younger persons change jobs more frequently and receive more schooling and on-the-job training than older persons do, and that abler persons receive more education and training than persons with disabilities (PWDs).

In labour economics, education is said to be a proxy for labour quality in terms of employment (Educational Management Society of Kenya, 2010), which may explain why there has been and will continue to be debate on why the number of foreigners especially in skilled jobs continues to rise. Education encourages the tendency of employers to source educated or skilled labour beyond local boundaries.

The right mix of training in EAC member states is therefore crucial for the education and training sector to enable it to play a significant role in economic growth and the fight against poverty. Already two noticeable issues have emerged in the labour market for education completers. There has been a rapid expansion of job seekers with a wide range of education qualifications during the last two decades, and a less expanding need for labour with lower levels of education. A number of studies (World Bank, 1995; GOK, 2008a; Polachek, 2007) argue in line with the training or capital models predicting that earnings will increase with years of education since schooling increases students' skills that are valuable to performance. Therefore efforts to reduce poverty must be entwined with efforts to equip students with relevant skills through education, with planned and effective investment in job creation. Such efforts should target regions of the country and population groups where poverty is concentrated. It is like a business investment approach that dictates investment in those activities that have the highest return. In the context of EAC partner states, this implies focusing efforts on rural areas, particularly arid and semi arid areas, women and children, street urchins, the landless, single parents, women in polygamous marriages, the unemployed, and slum dwellers (Mwabu et al., 2002).

Scholarly reports show that there is convincing evidence that effective poverty reduction requires a significant reduction in income inequality within social groups that will lead to intergenerational mobility (SID, 2004). If effective policies that meet the characteristics of growth with equity are adopted, inequalities within a particular generation will not be perpetuated and this will lead to social and intergenerational mobility. Among the EAC member states, Kenya is reported to have an extremely skewed income distribution partly because of bias against rural areas and also because of barriers of access to production assets particularly land (SID, 2004). Other EAC member states have not attained equity either, with gender inequalities being highest in higher education access and participation with a spiral effect on jobs that require high-level skills.

Education conditions

This refer to the wealth and resilience of the national economy in which education institutions are operating, including the budget cutbacks, insufficient funding and ad hoc funding of these institutions that affect the quality of teaching and limit research activities. A World Bank survey of development indicators (World Bank, 2000) revealed that of the world's 1.2 billion people living in absolute poverty, 813 million (68 per cent) live in Africa and South Asia. The population living below the poverty line in these regions is 46 per cent and 40 per cent, respectively. Watkins (1999) projected that over 75 million children from these regions will be out of school by 2015; two-thirds of these cadres will be living in sub-Saharan Africa. Fuller (1990) observed that inadequate educational inputs undermine the quality of education output and by extension the individuals' skills or productivity in the labour market.

Since earnings are tied to skills, any improvements in people's status via education could have a critical impact on breaking the vicious circle of poverty, which is associated with inadequate schooling. Greaney and Kellayhan (1996) are of the view that few systems in either developed or developing countries systematically collect and make available information on education output. In East Africa there are expressions of dissatisfaction with the levels of performance of "today's students", although there may be little evidence that standards are in fact falling. But there is a strong case of mismatch that relates to those students who had been able to find employment in unskilled work even though they performed poorly in an education system, but can no longer find such employment because jobs that require minimal literacy are fast disappearing from the labour market.

On-the-job training

Recent trends and developments have provided a case for on-the-job training especially for women. There is evidence that many workers increase their productivity by learning new skills and perfecting old ones while on the job. In developing countries, women bear the brunt of high wastages while in school and are most likely to enrol for higher education later in life (CHE, 2010). This, as discussed earlier, is caused by a variety of factors. On-the-job training affords women the chance to develop their skills and returns. People from low income families are also likely to benefit from on-the-job training as it can provide them with an opportunity to increase their income and move out of poverty. With the advent of parallel degree programmes in public universities, however, care should be taken to maintain the quality and relevance of the education provided. Despite the significance of on-the-job training in increasing opportunities for women and people from low income families, government policy initiatives and recommendations in EAC have not targeted these groups for assistance (GOK, 2008b; Republic of Tanzania, 2000).

The links among education, HR development and returns from regional integration

Education and training are fundamental building blocks of regional integration (Farirai, 2009). Indeed, education is an indispensable tool for the continued growth that creates a dynamic workforce and well-informed citizens able to compete and cooperate globally, hence, opening doors to economic and social prosperity (Ajayi and Mbah, 2008). Besides, educational institutions are viewed as critical factors in the realization of national economic competitiveness and thus of integration of national economies into the global economy. In Africa, political and economic integration has been an important strategy for overcoming fragmentation and marginalization and improving the continent's position in the global political economy (Sarbo, 2010).

The basic objectives that have underpinned the pursuit of regional integration are to merge economies, that is, integrate them, and, as a derivative, form a monetary union (Oyejide, 2000; Adetula, 2004). This requires a harmonization of economic policies to pave way for merger, hence convergence. Other derivatives of integration objectives are the enlargement and diversification of market size, and tapping of related opportunities, and the promotion of intra-regional trade and free movement of the factors of production. Combined, these also result in stronger bargaining positions for member states in relation to other regional and international blocs and the fostering of socio-economic progress, political stability, and peace and security (Ndung'u, 2010).

In East Africa specifically, regional integration is particularly strongly viewed as a crucial mechanism for accelerating the economic, social, cultural and political development of the member states (Mwapachu, 2009). In essence, economic synergy could be gained from economic integration since the economic advantage of a whole regional community is greater than the sum of the economic advantages of its separate member states. Specific links that could accrue from education, human resource development and the returns from regional integration process are discussed below.

Human capital movement

The essence of a regional integration is the free flow of factors of production, especially capital and labour, across member states (Ndung'u, 2010; EAC, 2005). Labour mobility can only be significant and beneficial if it is backed up by labour laws that encourage movement of labour among the member states. Work permits and immigration rules need to encourage rather than discourage movements. Along with these factors, income repatriation and worker protection rules should apply equally across the region.

One of the biggest challenges for the EAC continues to be a lack of trained human capital, especially in Burundi, Rwanda and Tanzania. This can be explained invariably by brain drain, poor public perception of science subjects and a lack of sufficient training institutions with industry linkages. As this situation obtains, the coming into effect of regional integration presents the best opportunity for member states with oversupply of trained human resources to sort out their unemployment problems at a time when their neighbours experience acute shortages. A case in point is the oversupply of teachers in Kenya. While previous agreements with other countries to have Kenyan teachers work in the region have helped ease the pressure, it is expected that the common market will remove the imbalances. Currently, there are over 50,000 trained but jobless teachers, most of whom could be absorbed in the regional market in countries like Rwanda and Burundi (Godia, 2010). It is anticipated that member states will be free to hire teachers from outside their national borders to plug the skills gap.

Besides, many more opportunities are expected to come along as the integration process continues. For instance, among workers, the common market can only mean increased job opportunities. It will open the borders for easy movement of professionals within the region. As banks seek to expand and increase their presence in the region, this will create further job opportunities and support sustainable growth, which will in turn help the population in the region to improve their standards of living.

Another determinant of mobility is infrastructure. East Africa has developed good road transport to link the member states, but the potential has not been fully harnessed in other aspects of the transportation sector. Most of the member states have very few modern airports except in large cities. Railway transport is nearly non-existent and marine transport is seriously underdeveloped and under-utilized. The efforts to enhance the movement of labour should thus consider significant transport sector development with speedy and adequate equipment. Concern has also been raised about the security of workers. With constant ethnic tensions propagated by politicians for selfish gains, increased xenophobia and inadequate investment in the security of the people, human capital exchange could be severely limited if regional governments do not invest in these concerns.

The Economic Community of West African States (ECOWAS), for instance, has recorded significant progress in the area of free movement. Six countries (Benin, Côte d'Ivoire, Guinea, Liberia, Niger, Nigeria, Senegal and Togo) are already using the ECOWAS common passport introduced in 2000. The passport allows individuals from ECOWAS member states to travel to any country of the region without a visa, in lieu of the national passports. The Common Market for Eastern and Southern Africa (COMESA) also approved two protocols, one on the free movement of persons, labour, services, right of establishment and right of residence, which was adopted in 2001 during the 6th COMESA Summit, held in Cairo, Egypt, and the gradual relaxation and eventual elimination of visas, adopted in 1984 when COMESA was still under the banner of the PTA (EAC, 2005; Ng'eno et al., 2003; COMESA, 2010; Ndung'u, 2010; Godia, 2010).

Promotion of collaboration in scientific research

Scientific cooperation between countries within particular regions that have either undergone extensive integration or are embarking on an integration path plays a role in the broader economic and/or political integration process and how that integration affects extra-regional cooperation in science (UNECA, 2006). The East Africa region has immense opportunity for knowledge creation and dissemination through such bodies as the East Africa Regional Integration and Scientific Cooperation (EARISC), the Inter University Council of Eastern Africa (IUCEA), the Organization for Social Science in Eastern and Southern Africa (OSSREA), and even the Council for the Development of Social Science Research in Africa (CODESRIA).

Regional scientific cooperation, which features shared responsibilities and resources for mutual benefit, can play a role in the integration process and has the potential to not only build positive ties among the various science stakeholders within the region but also may help develop broader norms of partnership between countries in the socio-political-economic context. Further, research collaboration will contribute to experience sharing, addressing local problems (Farirai, 2009). The EAC member states have not invested sufficiently in scientific research to address local problems. Many research bodies that have excelled in the region have been foreign funded with foreign undertones and intentions, with the result that local problems have not been addressed scientifically.

Expanding access and investments in education

The increased propensity for higher education, the need for internationally recognized qualifications, and the demand for highly skilled labour in both developed and developing countries, as well as the inclination by several countries towards promotion of foreign collaborations to improve the quality of domestic higher education, are among the factors that have propelled rapid demand for foreign higher education services (Bashir, 2007). As a result of this increased demand, international trade in higher education services has grown rapidly in recent years and the supply of these services has taken a variety of forms.

Thus, with the tremendous increase of student mobility within East Africa, the common market could provide an avenue for member states to invest more in their education systems to expand access as regional students could come calling more than is the case currently (Godia, 2010). Universities for example, are expected to have a wider reach. The Uganda 7-4-2-3 education system could be a remedy to an average of 60,000 students per year who miss out on the university's Joint Admissions Board (JAB) list, besides private universities and middle level colleges in Kenya's 8-4-4 education system (Mutai, 2010). According to Kenya's Foreign Affairs Minister, there are already more than 40,000 Kenyan students enrolled in Ugandan universities and other educational institutions (Kimani, 2010).

In Uganda, Makerere University, Kampala International University and Mkono University receive the bulk of Kenyan students, but Kenyans are found in learning institutions even as far as Northern Uganda. High schools including Mbale High School, Bugema Adventist School and St. Laurence High School have over a decade trained a large number of Kenyan students who have done their A-levels and successfully proceeded to universities in either Uganda or other countries. "There are more than 3,500 Kenyan students at Makerere University at the moment", notes Nicholas Langat, a telecommunication engineering finalist at the university (cited in Mutai, 2010). Consequently, Uganda's education system is drawing in up to Ksh2 billion per annum from Kenyan students learning in Uganda (Mutai, 2010). Tanzania has also recorded a significant number of Kenyan students in its universities and other higher education institutions.

This should be something of concern to Kenyan education authorities. Reasonable questions must be asked to establish the reasons behind this flight. Some people have argued that the main reasons are the costs associated with favourable exchange rates that act in favour of Kenyan currency. Kenyan authorities have also argued that the country has benefited in a way, training some students from member states in technical areas associated with military training. Enrolment in Kenya's public and private universities currently stands at about 177,735 students (CHE, 2010). This includes 110,328 students enrolled in public universities and 67,407 in private universities. This, and having over 40,000 Kenyan students enrolled in Uganda alone, means that Uganda is providing access to 23 per cent of higher education opportunities to Kenyan graduates with far-reaching ramifications for the economies of both countries.

The high number of student exchanges across the EAC member states has not been free of challenges. The lack of policies in place to ensure quality of the education provided might explain the suspicion that some institutions are cashing in on the high demand for university education at the expense of quality. Already the Teachers Service Commission (TSC) in Kenya is known to have rejected some Kenyan university graduates from Ugandan universities on the account of quality and their inability to deliver (Odebero and Barasa, 2010). There is also uncertainty as to how Kenyan KCSE graduates with mean scores of as low as D+ have ended up in Ugandan universities to study degree courses. Also, some Kenyan universities have admitted students into degree programmes with mean scores below the approved government grade of C+, and sadly, some have suffered rejection by the job market notably TSC (Odebero and Barasa, 2010).

The 8-4-4 system of education currently in use in Kenya. There are chances that it may constitute a disadvantage to the country when it comes to student exchange. Free movement of persons requires that education systems be compatible, but in the current situation Kenya may continue to lose out on education investors to Tanzania and Uganda. When a commission of inquiry into the education system in Kenya was appointed (GOK, 1999), it decided to re-introduce the 7-4-2-3 system of education. This was after an extensive inquiry into the perceptions of Kenyans on the best education system for the country, and with the signing of the East African Common Market Treaty, it may just be time for the country to reconsider the recommendations of the Koech Report on *Totally Integrated Quality Education and Training* (TIQET).

Another opportunity has been in the financing of education. In Kenya, the Higher Education Loans Board (HELB) is already taking advantage of the East Africa regional integration. Although foreign students are not entitled to educational funding, HELB recently announced its intention to extend funding to Kenyan students studying in the region. With the latest developments for integration of EAC, ratification of sponsorship of students taking their studies in the region will bolster the regional common market. About 10 per cent of Kenyan students studying in Uganda get into Uganda's market system. This is likely to support the envisaged common market where professional know-how and products move tax-free in the region and benefit largely from membership.

A number of initiatives have been taken to attach regional programmes to national institutions with regional standards. A case in point in West Africa, for instance, is the regional graduate training programme in agricultural economics run by the Ivorian Centre for Social and Economic Research (CIRES), which is attached to the University of Abidjan. Another is the Collaborative Master sof Science degree in Agricultural and Applied Economics (CMAAE) operating through six institutions in Eastern and Southern Africa. Other initiatives include the West African Examinations Council and the African and Malagasy Council of Higher Learning. Specifically in the discipline of economics, the African Economic Research Consortium (AERC), based in Nairobi, operates a continent-wide collaborative programme of postgraduate training as well as research into a wide range of economic policy relevant issues, and has published significant findings on regional integration and trade.

The Nouveau Programme de Troisième Cycle Interuniversitaire (NPTCI – New Inter University Graduate Training Programme in Economics for Francophone Africa), of which some constituent universities are participants in the collaborative PhD training programme run by AERC, also builds on national training programmes, but offers regional support for improved facilities and higher standards under the umbrella of the Conference of Economics Research and Training Institutions in Francophone Africa (CIEREA). Other interuniversity collaboration programmes of various sorts are also being developed under the Association of African Universities based in Accra. The African Capacity Building Foundation, based in Harare, Zimbabwe, provides support to many training programmes in Africa and could be another ally in the regional integration effort (Sarbo, 2010). Some NPTCI universities were among the original partners in the AERC collaborative Doctoral programme, but withdrew when they tried to make a go of an independent francophone-only programme; that effort did not take off and they rejoined the AERC network.

Internationalization of education systems and learning institutions

With the free movement of persons, the East Africa regional integration has brought into focus the nature of education offered by the member states. The question is whether the type of education available in one member state would be consumable by citizens of another state. In a bid to address the concern, it is imperative for the member states to assess the quality of the education offered and gauge it with that which is offered by sister countries. The remedy here is internationalization of education. Key elements of the system are recognition of course structures, mutual recognition of degrees, and provision for the mobility of academic faculty and students. The benefits of internationalization of education systems cannot be overemphasized. Through internationalization, students and staff will move easily, researchers will collaborate, and standards for academic quality will be set (and hopefully enforced). Further, cooperation and development assistance, curriculum development, international and intercultural understanding and promotion, and institutional profiling are all benefits of internationalization. Other gains include diversified faculty and students, regional integration, international student recruitment, and diversified income generation.

It is therefore important that the member states redefine their internationalization goals. According to the Secretary General of the East African Community on harmonization of higher education for socio-economic development in the region, if internationalization of learning institutions is done effectively, the output indicators will be myriad. It will be reflected in the diversity of staff and student body, international publications (through collaboration), collaborations with regional and international bodies, joint teaching opportunities, joint degrees, opportunities for staff/student exchanges, and the overall international culture of the universities (Mwapachu, 2009).

Key to internationalization is, of course, the harmonization of education systems, with efforts in this direction already going on in EAC member states. For instance, the IUCEA is now properly constituted by a special law passed by the East African Legislative Assembly in 2008. Under this Act, the Council is mandated to spearhead the harmonization of higher education amongst the member universities with the collaboration of national regulatory agencies dealing with higher education. Focus of this harmonization is the promotion of comparability of qualifications, setting of standards of higher education through quality assurance, and promotion of mobility of lecturers and students. The overall aim is to establish an East African higher education and research space that fosters mobility and employability of human resources. This is timely in the context of the establishment of the EAC Common Market, which will allow free movement of labour in the region (Mwapachu, 2009).

How to correct historical imbalances of education and skills in East Africa

A primary step in this endeavour would be to develop a harmonized history curriculum to address common historical developments. This would enable learners to learn the regional scope of the history that shaped their communities and the development of the East Africa regional integration and the EAC. Such a history curriculum should focus on positive aspects of East African society, with less emphasis on some of the issues that do not portray the true traditional and indigenous traits, such as cooperation, coexistence and brotherhood. For instance, the report on *African Socialism and Its Application to Planning in Kenya* (GOK, 1965) emphasized "Africanization" of the history and geography syllabuses, and the promotion of African art, crafts and music in the school system.

There could be affirmative action in redistribution of education to communities affected by historical inequalities. Addressing inequalities of skewed development and effects of violent conflict are crucial in this case. In instances when international organizations come into the conflict transformation and reconstruction processes, local and regional initiatives – especially in the wake of the East African cooperation and integration – are crucial. Setting aside resources to develop those areas and improve provision of education is crucial. Where the government of Kenya gives grants and special bursaries to children from marginal areas, this could be borrowed and improved on by the other countries in the region.

Further, the curriculum should introduce peace education as a prerequisite to peaceful coexistence and perpetuation of a common development and cooperation agenda. At the core would be studies of success stories of the implementation of peace education initiatives in the region, as in Burundi and Rwanda; this can be enhanced through the innovation and creativity of the teachers who are implementers of the curriculum. The integration of peace education into the school system in the Burundi case, for example, had activities in both French and Kirundi as art and sport classes (Aguilar and Retamal, 1998). Regional sporting activities should equally be encouraged with sporting themes bent on cooperation and coexistence.

2.4 Conclusions and Recommendations

This study sought to identify the asymmetries that exist in the different education systems in modern-day East Africa. In particular it looked into the key factors determining access to opportunities, performance and outcomes in the region, particularly from a gender perspective. From this analysis, the study endeavoured to propose ways in which the region can deal with the historical issues of uneven distribution of education and skills in each state, and how these can be corrected to ensure that social integration leads to convergence rather than divergence. This section therefore presents a series of conclusions and recommendations for specific action by the stakeholders in the formulation of a curriculum for the region. It also offers recommendations on possible employment and labour policies that could enhance regional equity.

General conclusions and recommendations

EAC member states should lay a strong foundation for educational integration and the process should be governed by unified education policies backed by strong laws and an independent judicial system for the region. This will safeguard any gains realized in educational integration and could fortify political integration and in this manner, the United States of East Africa (USEA) will not be a farfetched dream.

Education enhances the productivity of a person and thus individuals who are able to obtain quality education are in a position of receiving better returns, and a nation with a population composed of large numbers of such people is likely to enjoy high returns from the skilled workforce. In East Africa, as elsewhere, regional integration efforts will very much depend on education systems that prepare the workforce for the integrated labour market. Thus a common approach to the challenges and problems of education in East Africa is crucial. There is need for unified efforts towards an equitable education system that ensures fairness in access and retention, as well as in labour training and output through harmonized curricula. Access to regional education facilities will be enhanced if the entrants pass through a harmonized education background.

In this regard:

- To ensure that the historical differences are narrowed, there could be a deliberate effort in redistribution of education to communities affected by historical inequalities. Of particular importance here are skewed development and the effects of violent conflict. In instances when international organizations come into the conflict transformation and reconstruction processes, local and regional initiatives especially in the wake of the East African cooperation and integration are crucial. Setting aside resources to develop those areas and improve provision of education is a prerequisite. The Kenyan model of government grants and special bursaries to children from marginal areas could be borrowed and enhanced by the other countries in the region.
- Stakeholders in the member states should help to reduce the differences in the various education systems. This will help to build a system that brings convergence rather than divergence in human capital development within the region. Of particular importance is investment in early child hood development education. Member states should prioritise investment in ECDE in order to give equal opportunities to all children and ensure a good education background. Equally, the special needs group require special attention not to mention the importance of lifelong education for the adults.
- As countries in the EAC increase their budgetary allocations to education in order to raise participation and output at all levels, similar commitment should be shown to solving the problem of educated unemployment. This means that a larger share of future development expenditure should be used to create jobs and that the rate of investment in the expansion of education at the higher levels should be paced to match the investment in job creation.
- Some educational policies may lead to high wastage while others may open up more opportunities for students' participation and retention in the region. Teenage pregnancy, for example, is a major cause of dropout of girls in schools within the EAC. A re-entry policy allowing teenage mothers is already being implemented in some EAC countries, and should be adopted community-wide to reduce wastage.
- The cost of higher education was seen to contribute substantially to cross border movement of students in the region. It was noted that some countries were preferred as destination for higher education studies than others. In order to ensure equitable distribution of costs and benefits of education, tuition fees at the university level should be harmonised.

Recommendations on the formulation of a curriculum for the region

Education structure

The structure of education from primary to higher levels in East Africa is non-unified. Differences in the number of subjects taught, duration of the various levels of education, country-specific requirements such as age when pre-primary and primary education starts, definition of working age are evident. It was also found that the minimum requirements for joining university in Tanzania and Uganda included passing Advanced level examinations. This implies a potential barrier for students from other EAC members who would be willing to attend a university degree courses in such a system but lack such qualifications.

The following points are made:

- A credit accumulation and transfer system should be developed for the EAC member states in all courses offered at university level. This should be accompanied by policy change in university admission requirements in the member states to give recognition to students from other systems in the region.
- The structure of education in the region should be harmonized, and should be accompanied by a harmonized curriculum at all levels so as to allow for the smooth transfer of pupils and students from one country to another. This will have a net effect on free movement of labour in the region and will minimize biases and egocentric tendencies that may arise from differences in education structures. However, the structure of education in the region should be guided by competencies, standards and the quality of the graduates resulting from the education system.

Language of instruction

Differences in language of instruction can be seen across the member states. Kenya and Uganda strongly emphasize the use of English beginning at lower levels, and in Tanzania English dominates from secondary education upwards but the language of instruction in primary schools is Kiswahili. Rwanda and Burundi have strong emphasis on French, although Kiswahili is used in some primary schools. Lunyaruanda is also dominantly used as a medium of communication. Apart from English, Kenya and Uganda also use vernacular and Kiswahili where it is predominantly the language of catchment area at primary level, especially during the first three years of schooling.

Therefore:

- While there is much to gain by having EAC member states define a common language of instruction for the region, it is important to remember that the choice of such a language should not be for the sake of it, since it will influence not only the integration process but also learners' educational achievements. Whether the region would want to move in the direction of other languages of instruction, when it is presently a challenge contending with the current many languages, should be thoroughly debated.
- Determination of a language of instruction has many ramifications, e.g., development of teachers' capacities to teach in different languages and curricula to explain concepts and issues, development of learning and teaching materials, etc. This study notes, however, that English, given the extent of its development in the region and the world, and Kiswahili, given the extent of its development in the region and its African origin, could be considered for use as official languages in the region.
- Notwithstanding the foregoing, since some research has shown that children learn more effectively if taught in their first language, the region should consider the use of the local mother tongue or language of the catchment area at lower levels of teaching.

Curriculum adjustments

The study also observed that syllabuses and subjects are different in nearly all countries apart from the usual common subjects (geography, history, biology, chemistry, mathematics and CRE). Some countries in the region have additional subjects of national preference in the curriculum, for example conflict resolution and information technology (IT) in Rwanda and social education and ethics in Kenya. Even so, efforts to integrate the region will be more fruitful if they are supported by more or less common school curricula in all member states.

To support regional cohesion the following curriculum-related measures are recommended:

- Since many of the social and economic problems facing individual community members are actually common to most of them, emphasis should be on a curriculum that addresses specific needs of the time and projections for the future. This could include issues of unemployment, moral decay among the youth, corruption, ethnicity and regionalism, and information technology.

- Member states should ensure harmonization of curriculum content at all levels of education. This could be implemented by including certain core subjects in the curriculum in all countries. Member states can then have additional subjects that address country-specific needs. The harmonized subjects will be significant in assisting movement and transfer of learners in different schools and countries in the region.
- Policy guidelines on movement and transfer of students should be put in place and documented to guide regional movement across schools. For example, in order to assist students' movement within the school cycles, entrance examinations should be introduced for the basic subjects, so as to support regional certification and accreditation in examining and determining entry levels for pupils and students. This will not only build confidence in the labour market, it will also enhance free movement of persons and labour in the region
- Policy guidelines on movement and transfer of students should be put in place and documented to guide regional movement across schools. For example, in order to assist students' movement within the school cycles, entrance examinations should be introduced for the basic subjects, so as to support regional certification and accreditation in examining and determining entry levels for pupils and students. In addition, there is need for a regional institution that will harmonise the accreditation and recognition of certificates. This will not only build confidence in the labour market, it will also enhance free movement of learners, and skilled labour in the region..

Quality of higher education

The study noted that there has been a huge upsurge of private universities in all countries in the region. Also, nearly all public universities have privatized their programmes. This has resulted in very high enrolment in both public and private universities. There is need for a regional based quality assurance institution to monitor the quality of education provided in public and private universities in the region. Such an institution could work with country based quality assurance institutions such as Commission for Higher Education in Kenya, National Council for Higher Education in Uganda and Tanzania Commission for Universities among others. The institution could ensure equity in the quality of graduates from both public and privately owned universities.

Recommendations on employment policies and labour laws

Virtually every modern state depends on its education system to produce well-rounded citizens who are familiar with the culture, operation, history, government and other aspects of the common polity. The products of the system must also be capable of taking their place as productive members of the workforce. Within the system itself, labour and employment equity is essential so as to ensure a level playing field for all the players in the sector. This study therefore makes a number of recommendations for articulating education policies throughout the region that:

- ***Support efficiency in employment:*** Education policies in the region should support the aim of harnessing the highest possible skills in the labour market to spur growth. This is because some positions in society are more important to the healthy functioning of society than others and such positions may require special talent or training. It is important to allow such positions to be filled as competitively as possible without political interference, nepotism, tribalism or regionalism. This employment policy will enhance efficiency in education system and will make regional education systems aspire to be as competitive as possible.

- ***Support gender equity in employment opportunities:*** In nearly all countries in the East Africa region, employment opportunities for women were relatively low. In Kenya, for example, women formed less than one-third of the total workforce in public universities. From the economic point of view, the study finds that low employment possibilities for girls has contributed greatly to low demand for girls' education. The implication, and thus the push for action, is that an increase in employment of women could lead to greater demand for girls' education, participation and outcome.

- ***Ensure equity in labour laws:*** Enhanced employment opportunities for women should be implemented without sacrificing efficiency in the labour market to a grave extent. Indeed, such policies should be implemented hand in hand with equitable educational opportunities that do not put obstacles in the path of any social group, region, tribe, country, gender or persons with disabilities to allow them to acquire skills for placement in the job market.

- ***Recognize on-the-job training:*** This should be for women especially and those from deprived backgrounds in order to enhance their skills and returns. Women and people from low income families benefit from on-the-job training that provides an opportunity to increase their income and break the vicious circle of poverty. Current statistics in privately sponsored programmes in private universities in the region indicate that the trend in women's enrolment is on the increase compared with enrolment in direct admissions in public universities. Employment policies should therefore encourage work place study programmes for both men and women. This will increase their productivity by imparting new skills and perfecting old ones while on the job. Since earnings are tied to skill improvements, on-the-job training could increase people's earnings substantially and have a critical impact on breaking the vicious cycle of poverty associated with inadequate schooling for women and low income earners.

However, with the advent of parallel degree programmes in public universities and expansion of private universities, care should be taken to maintain quality and equity in the provision of higher education. Despite the significance of on-the-job training in increasing skills and opportunities, government policy initiatives and recommendations in EAC have not targeted women and people from low income families for assistance and this is unreservedly recommended.

- ***Facilitate labour mobility:*** There is need for the region to develop employment policies that enhance free movement of the graduates of education systems within the region. This could be achieved by harmonizing the education system and having in place a common regional certification and accreditation system. Labour mobility can only be significant and beneficial if it is backed up by labour laws that encourage movement of labour among the member states. Work permits and immigration rules need to encourage rather than discourage movements and mobility of labour. Along with this factor, income repatriation and worker security and protection rules should apply equally in the region.
- ***Address education related issues of unemployment:*** The study observed that unemployment is fast becoming a threat to political and social stability in many developing economies, and East Africa is no exception. The dominant social signal is that there are few jobs for those emerging from education systems in all the EAC states. The study recommends that a larger share of future development expenditure should be used to create jobs and that the rate of expansion of education at the higher levels should be matched with investment in job creation in all regional states. Education systems should target production of skills that match the job market demands. This can be achieved by regional states engaging in identification of skill gaps and market needs which higher education institutions can use to plan for their future curriculum changes and designs. Above all, education systems should

target production of skills that match the job market demands. This will render graduates of education systems equitably relevant and marketable on a regional scale.

- ***Development of entrepreneurial skills:*** The study also recommends that regional governments should encourage self employment for school leavers to curb the problem of educated unemployment. This can be actualized by encouraging investment in small business enterprises. However, for such business enterprises to be started and sustained, school leavers should be equipped with entrepreneurial skills which can be acquired in schools. In essence, this means that school curriculum in the entire region must as of necessity teach entrepreneurial skills right from primary to the highest levels.

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Coded Interviews

Lf 1–3: Interview with education experts from Rwanda and Burundi

Lf 4–7: Interview with education experts from Kenya

Lf 8–10: Interview with education experts from Uganda and Tanzania

Annex A: Definitions Used in this Study

The study adopted the following definitions for selected terms and concepts:

- **Access to educational opportunities:** The admission into different schools and colleges of a cohort of eligible students in different countries within the EAC. In this study, access has been defined in terms of the number of students enrolling in educational institutions from pre-primary to university. The number of female students has been indicated to show gender differences.
- **Asymmetries:** Refers to unevenness or inequalities and differences within the education sector in the EAC region that could have an effect on labour market performance.
- **Convergence:** Refers to educational policies that can lead to social cohesion and integration among people in the EAC.
- **Divergence:** Refers to educational policies that can lead to disintegration or disunity among people in the EAC.
- **Economic bloc:** Refers to the unity of the EAC member states motivated by financial gain or trade and industry.
- **Educational inequalities:** Refers to unequal distribution of educational resources and opportunities. In this study it denotes disproportionate treatment based on gender, social-economic background, region of origin, disability status, etc., in the distribution of educational resources and opportunities within the East Africa region.
- **Educational performance:** Refers to the behaviour of educational institutions with regard to meeting quality expectations. Quality is measured by the number of students graduating from educational institutions in the region and with good grades.

- **Educational outcomes:** Refers to the skills and attitudes of the graduates of educational. In this study, educational outcome was assessed through positive skills and attitudes gained by the graduates of different educational systems within the East Africa region.
- **Educational output:** Refers to qualitative and quantitative indicators of efficiency within the varied school systems in East Africa. The rate of retention and the number of years needed to produce a qualified school leaver through the normal cycle were used to indicate efficiency in educational output. The quality of achievement is determined by pupils' test scores in national examinations or the use of specially administered tests to measure cognitive tests.
- **Educational provision:** Refers to the ability of the society and regional governments to provide educational opportunities to meet the prevailing social demand for education at the prevailing costs by different states within the EAC.
- **Employment opportunities:** Implies the number of job vacancies available in the labour market.
- **Equity:** The fairness with which educational opportunities are distributed among various groups of people in each of the EAC member states. Such groups could include but are not limited to those with special needs, gender, socio-economic status and geographical representation. In this study equity was also perceived through social and economic policies pursued by the EAC government aimed at achieving equal opportunities for all.
- **Income distribution:** Refers to the way the wealth of a nation or nations is shared out within a specific country or within EAC.
- **Intergenerational mobility:** Acknowledges that mobility does exist within one generation. In this study, intergenerational mobility explains the fact that a generation may move up or down the social status depending on educational attainment. This means the study puts a lot of premium on the effect of education on the overall earnings of an individual within a generation. However, with the prevailing unemployment rates in the region, educational attainment may cause a generation to move down the social status and if employment and higher earnings are guaranteed, then education will cause generation to up the socio-economic ladder.
- **Language of integration:** Refers to the language used to bring people together. Such language should be acceptable to the majority of the people in the region such that they readily accept its use in communication.

- **Labour productivity:** Refers to the performance of the work force as result of the skills and training got from educational institutions and from own experience. This is measured by their income, rate of absorption and performance in the labour market.
- **Link between education and human resource:** Refers to the relationship between one's education levels and training and the supply of skilled labour force.
- **Regional equity:** The degree of fairness in the distribution of educational resources within the East Africa region.
- **Regional integration:** Refers to socio-economic and political cohesion among people in the EAC.
- **Returns to regional integration:** Refers to the benefits that could accrue to member states and individuals within the EAC as a result of educational, socio-economic and political cohesion.
- **Socio-economic status:** Refers to the social and economic class enjoyed by people in East Africa as result of educational attainment or non-attainment.
- **Social integration:** Refers to cohesion among people within the East Africa region resulting from educational interaction.
- **Social mobility:** Refers to upward movement including progress in social/ economic class as a result of education attainment.
- **Uneven distribution of education:** Refers to inequalities in the distribution of education opportunities in the East Africa region. Unequal distribution of education means education resources are distributed disproportionately among the various groups that need to benefit from education.

Annex B: Interview and Focus Group Discussion Guide

1. What the main areas of asymmetry in education are?
2. Why?
3. What factors explain the varying levels of education opportunity and output within the EAC?
4. How is the regional integration process impacting on education provision in East Africa?
5. How does education in East Africa affect employment options and opportunities for the different genders and social groups?
6. How do education systems in the region affect labour productivity, income distribution and social/intergenerational mobility?
7. What are some of the links that could be gained from education, human resource development and the returns from regional integration process?
8. How could the region deal with the historical issues of uneven distribution of education and skills in each state, and how these can be corrected to ensure that social integration leads to convergence rather than divergence?
9. Whether there are any policy recommendations to the stakeholders in the formulation of a curriculum for the region
10. Whether there are any policy recommendations on probable policies on employment and labour that would enhance regional equity in this sector.

CHAPTER III

Enhancing Equity in the East African Regional Integration Process: Role of the Media

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3.1 Introduction

Among the most cited reasons for the importance of mass media to a society, two stand out: that media are the source of the information people need to make informed choices and decisions (Fortunato, 2005), and that they serve as the channel through which mass communication is achieved (see, for example, McQuail, 2005).

As a source of information and a platform through which people can articulate and aggregate their opinions, there is no doubt that the media, however modestly, have helped East Africans make sense of integration and regionalism under the rubric of the East African Community (EAC). Also without doubt is that the quality and depth of coverage and content in individual member states (Burundi, Kenya, Rwanda, Tanzania and Uganda) vary depending on editorial policies, target audiences, ownership and management, among other factors. Even though there are exceptions, like the weekly *The EastAfrican* published by the Nation Media Group, one of the largest media companies in the region, most print and broadcast media focus on national issues, and thus regional issues are secondary. As a result, the quality of media coverage of East African issues as a collective remains disparate, and mostly skewed in favour of national matters. This observation is based on the fact that a casual and even scientific inquiry into the East African media landscape reveals that the majority of the news organizations have a national outlook, and thus their primary target audiences are those within individual state boundaries. In other words, target audience interests influence editorial policies, which determine content.

Besides, as some aver, the concept of integration is often not clearly or indeed deeply internalized, and many people, particularly the ordinary populace in member states, remain ignorant of the benefits accruing from the current EAC. In his column in the *Sunday Nation* recently, Mukhisa Kituyi, who once served as Kenya's Minister for Trade, argued that:

> *With the coming into force of the common market last July [1 July 2010], the floodgates have been flung open. The movement of goods and services across*

our borders has intensified even further. Yet this growing integration remains relatively unknown to many Kenyans. The challenges and opportunities it portends for us remain modestly addressed. Apart from the Ministry of East African Community and members of the associations of business, we remain broadly disengaged in the goings-on. (Kituyi, 2010: 21)

Kituyi's reservations are commonplace. These concerns may be assuaged, however, if the benefits derived from the East African Common Market trickle down to the grassroots. This is based on the premise that the common market is meant to promote free movement of factors of production, particularly labour and capital, and goods according to the Protocol. The Protocol in effect means that more than 126 million citizens of the East African countries of Burundi, Kenya, Rwanda, Tanzania and Uganda can travel freely, find jobs or invest in member countries. Essentially, the Protocol is meant to enhance trade, facilitate cooperation, and harmonize taxes and laws, among others.

Even so, there are warnings that the coming into force of the EAC Common Market Protocol will not immediately deliver the expected goodies (particularly free cross-border movement of people and factors of production, especially labour). Indeed, as Kenya's East African Community Permanent Secretary David Nalo explained in a recent article in *The EastAfrican*, the people in the EAC will still need documents to travel to member countries as only Kenya and Rwanda have identity cards (Riungu, 2010). What this means is that although the EAC Common Market is now a reality, effective integration and benefits generated from the same will take a little longer to be realized. In fact, some believe it will be many years before citizens start enjoying the "real" benefits of the EAC Common Market.[1]

What then is the role of the media in the integration process? As the preceding observations contend, the media have a significant role to play, particularly in providing important information and analyses upon which people can base their decisions and choices. It also has the capacity to help in the formation of public opinion by setting and building public agenda (McCombs and Shaw, 1972; Lang and Lang, 1983; Dearing and Rogers, 1996), and providing the platform or arena (public sphere) (Habermas, 1989[1962]) through which this can be achieved. The media can also help to mobilize action or activity on various issues by offering reportage and analyses of events and information relating to the EAC and the integration process (Protess et al., 1991).

1 Giving a speech at the commissioning of the new printing press and celebrations of ten years of the founding of Mwananchi Communications Limited in Dar es Salaam on 30 July 2010, the Secretary General of the East African Community, Ambassador Juma Mwapachu, acknowledged that "realising the full potential of the Common Market will take years, not months".

Despite these arguments, however, there is an overarching but seemingly correct, view that the media can play only a limited (albeit vital) role (Klapper, 1960) in the integration process. This view arises because cultural backgrounds, different laws and policies among member states, disparities in national political and economic achievements, among others, may in fact determine how effective the integration process is. It is therefore fundamentally important to critically examine the role of the media in the EAC integration process, and the purpose of this chapter is to present such an examination. In doing so, the chapter offers insights into the structure of mainstream and alternative media in East Africa and the factors informing coverage of East African issues, such as regional harmony and equity in development.

The chapter proceeds as follows. It first briefly theorizes media's role in the integration process. It then discusses the methodology and techniques used to collect data to inform and test some of the assumptions related to the effects of the media on the integration process. This is followed by an examination of the salient issues related to the remit of this research – the role of the media in the EAC integration process.

3.2 Theorizing Media's Role in the Integration Process

Regionalism and integration are, as Grant and Söderbaum (2003) hold, "enjoying a renaissance" in a changing, globalizing world. As countries seek to develop closer economic and even political ties with those near them, regionalism has become desirable, as is evident in organizations like the Southern African Development Community (SADC), Economic Community of West African States (ECOWAS), South Asia Association for Regional Cooperation (SAARC), Association of Southeast Asian Nations (ASEAN), North American Free Trade Agreement (NAFTA), and the European Union (EU), among others. Like other regional blocs, and as set out in its mission statement, the EAC seeks to "widen and deepen economic political, social and cultural integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investment" (Mushega, 2006: 7).

In this quest, several actors are considered key to regionalism and integration. One of these is the media, which help make sense (see, for example, Luhmann, 2000; Erll and Rigney, 2009) on behalf of the public the meaning of integration and regionalism, as well as drawing attention to the opportunities and challenges of such state initiatives. The media role is based on the premise that disseminating ideas of regionalism and integration, how such a regional body works, and what benefits accrue to the citizenry, would lead to a greater regional consciousness among the mass population and consequently generate an EAC culture (Garza, 2009). The role is supported by the idea that the media, as a sense-making and disseminating agent of integrationist ideas, can help initiate integrative trends, and that increased awareness about the process contributes to an acceptable regional identity (Garza, 2009).

For many years various theoretical arguments have been advanced to explain the impact the media have on society. Among these are agenda setting and agenda building (see, for example, McCombs and Shaw, 1972; Lang and Lang, 1983; Dearing and Rogers, 1996), mediation between society and the state (public sphere, according to Habermas 1989[1962]) and watchdogism (Curran, 2002). The media also have an effect on the mobilization (Protess et al., 1991) and even reinforcement (Heath, 2005) of particular viewpoints.

Agenda setting (and by extension agenda building) as a role of the media relates to the notion that the media cannot tell us what to think, but it is always successful in telling us what to think about (McCombs and Shaw, 1972; Lang and Lang, 1983) by selecting what content to publish, where to publish it (placement), and the type of language (framing) to use in the articles. Accordingly, agenda setting may lead to agenda building, defined as a "collective process in which media, government, and citizenry reciprocally influence one another" (Lang and Lang, 1983: 58–9), leading to formulation of policies like those related to the EAC. In essence, the way stories are presented means the media can determine what East Africans think about, although the people's readings or interpretations (Hall, 1980, calls it decoding) of the texts are based on cognitive abilities, context, background and lived experiences, among numerous other factors. Overall, the framing, priming and presentation of content may inform the relationships among the various actors key to the research presented here, including "ordinary" people, the government and the media, and may in the end influence policy formulation and acceptance of the EAC.

In most instances, however, people do not consume all that is "thrown" at them by media managers and editors – or what may be collectively called gatekeepers. Rather, they are selective, choosing what to consume based on their needs and the utilities or gratifications they hope to derive from such information. This resonates with the uses and gratifications theory first proposed by Blumler and Katz in 1974. The theory suggests that media consumers play an active role in choosing and using the media. In effect, this suggests that East Africans do not necessarily consume (read newspapers and similar publications, listen to radio, or watch television) media products merely because they are available; when there is a choice, people are self-selecting and their consumption of the various written, audio or visual content is based on the notion of importance and the utilities that may be derived therefrom.

What's more, the content they prefer may reinforce rather than change their views or beliefs on the East African Community. Fifty years ago Joseph Klapper (1960) originally proposed the reinforcement argument to challenge the dominant media effects theory commonly referred to as the hypodermic needle theory or the magic bullet perspective. The media effects argument holds that people are influenced by the texts they consume (Perse, 2001; McQuail, 2005; Bryant and Oliver, 2009; Nabi and Oliver, 2009), although it is almost commonsensical that there are other socializing influences that determine people's decisions, behaviour, attitudes, beliefs and motives. These socializing agents include political, state and non-state actors like government officials and civil society whose deeds, views, and pronouncements or statements in the media may influence people's perspectives on what EAC integration, for instance, may mean to them.

Related to these arguments is the notion that the media play a watchdog role by monitoring state activity and "fearlessly" exposing abuse of official authority (Curran, 2002: 217). Whereas in agenda setting the media see their role as that of informing the public about the goings-on in society, as a watchdog the media ensure that wrongdoings (through, for example, investigative journalism) are unearthed, and that the wrongdoers are then subjected to public scrutiny and action. The media ostensibly mobilize the public, civil society, professional bodies and other actors to demand action against individuals or organizations implicated in wrongdoing. As such, the media in East Africa may from time to time provide information (or set the agenda) and also ensure that journalists constantly monitor (watch) on behalf of the "public" whatever these actors do, particularly state actors. Such exposure may in turn promote accountability, transparency and good governance, as the Second EAC Annual Conference on Promotion of Good Governance, held in Nairobi on 19–20 August 2010, suggested.[2] A communiqué issued after the conference indeed acknowledged that East African media as a watchdog institution are significant in promoting good governance.

The media are, as well, said to give space and platform to people to articulate their positions on various issues. In other words, the media constitute a public sphere. The concept of the public sphere was introduced by the German critical philosopher Jürgen Habermas to represent the space that mediates between society and the state "in which the public organises itself as the bearer of public opinion" (Habermas, 1974: 50). The public sphere represents an open and autonomous forum for "rational" public debate and political engagement that contributes significantly to public opinion formation and by extension the democratic control of state activities (Habermas, 1974). The current culture of commerce and elite control of news organizations oftentimes limit the conceptualization of media as the public sphere in which genuine public discourse takes place. More often than not, as Chomsky and Herman (1988) posit, the media tend to represent the interests of the elite in society. In effect, like other regions where liberal economic ideologies dominate, media content in East Africa tends to "conform with the agendas and frames of reference of government officials where government

2 The meeting brought together senior government officials from member states and EAC Secretariat officials. Mutula Kilonzo, Kenya's Minister for Justice, National Cohesion and Constitutional Affairs, officially opened the conference. The opening session was addressed by Prof. Hellen Sambili, Kenya's Minister for EAC Affairs, and Dr. Diodorus Kamala, Tanzania's Minister for EAC Affairs and Chair of the EAC Council of Ministers. It was attended by among others Eriya Kategaya, 1st Deputy Prime Minister and Minister for EAC Affairs, Uganda; Amason Jeffah Kingi, Kenya's Minister for Fisheries Development (and the country's former Minister, EAC Affairs); Guillaume A. Bunyoni, Minister for Public Security, Burundi; Sam Kutesa, Minister for Foreign Affairs, Uganda; Crispus Kiyonga, Minister for Defence, Uganda; Mathias Chikawe, Minister for Justice and Constitutional Affairs, Tanzania; Germaine Niyoyankana, Minister for Defence and War Veterans, Burundi; Augustin Nsanze, Minister for External Relations and International Cooperation, Burundi; and Mohammed Yusuf Haji, Minister for Defence, Kenya.

officials are mostly members of the executive" (Robinson, 2001: 525). Even so, the media sometimes give space, however modest, to the laity to express their issues, illustrating in some sense the notion of public interest.

Clearly, there are numerous theoretical arguments or frameworks within which the media's coverage of and effect on the EAC integration process can be examined. Of course, some arguments offer a better lens than others for viewing the issues. Mobilization, reinforcement and agenda setting (and agenda building), as well as the public sphere arguments, inform the research and the arguments presented in this chapter. And even though the chapter does not dwell deeply on these theoretical positions, they do help frame the arguments advanced (albeit not always explicitly). Nonetheless, this chapter advances the idea that agenda setting – the way media frame, prime and present content – has a way of influencing behaviour, including how people view regionalism and whether to accept the EAC.

3.3 Methodology

Arguments as well as generalizations advanced in this chapter are based on data generated using qualitative and quantitative techniques. Specifically, this research used content analysis and survey methods. Questionnaires were administered to key informants (see further discussion below). The information generated from these methods was augmented with that derived from face-to-face and email interviews with various editors working for the print media in East African countries. Each of the techniques used is discussed in turn.

Content analysis

The content analysis focused on media reports in four of the five East African countries between January 2009 and March 2010. The analysis was limited specifically to issues on the EAC presented in media reports in English language. This means that Burundi, which is French-speaking, was excluded. The issues examined include common market, trade, integration, political federation, elections, customs union and EAC Secretariat affairs. Other issues were conflict, legislation, economy, energy, employment, education, defence, judiciary, language, foreign aid, sports, migration, corruption and entertainment. In addition to these were the EAC protocol treaty, land law, taxation, rights, human and cargo traffic, media, and the monetary union. These variables were identified as being fundamental to effective EAC integration besides being the focus of most media reports.

For practical purposes and because of resource constraints, articles were located online (oftentimes, however, what is online reflects what is in print). Only articles in English were examined partly because many mainstream newspapers are published in English, a language that is becoming the lingua franca in the region. Print media were also chosen over other types of media because newspaper archives were more readily available and far easier and quicker to access than broadcast material. Unlike print media, many radio and television media hardly archive their news material.

The determination of the period and dates for analysis was informed by the presumption that at least one year of coverage would be adequate to generate sufficient material from whence reliable and valid information could be generated. Focusing on the most recent calendar year at the time the content analysis was conducted was meant to simplify the search, the idea being that newer stories would be more accessible in online archives. The first quarter of 2010 was included to ensure that the analysis was not unduly skewed by events that might have been unique to 2009.

The sample of the newspapers was derived purposively. The first criterion was to select two main newspapers in each country. The second criterion was diversity of ownership; the two newspapers selected had to be owned by different individuals or entities. *Arusha Times* in Tanzania was a natural inclusion as it is published in the city where the headquarters of the EAC Secretariat is located. The *Nation* and *The EastAfrican* were included because their focus is different. While the *Nation* focuses largely on Kenya, *The EastAfrican* covers regional issues (see list of organizations, including newspapers surveyed, in Annex A). The analysis was done using SPSS.

Survey

Some of the primary evidence for this study came from a survey of selected media organizations with institutional knowledge, attitudes and editorial practices related to the EAC. Engaging the producers of content – the journalists and media managers – yielded insights into the factors that affect the quality and quantity of coverage the EAC receives in the region's media. The survey also made it possible to broaden the scope of evidence by including new member states of the EAC (Rwanda and Burundi). Most extant research focuses on the original member states (Kenya, Tanzania, and Uganda).

The purpose of the survey was to gather information about the factors that shape the coverage of EAC affairs by selected media organizations in each member state. The media organizations included in the survey were chosen purposively with the aim of having at least one media house representing each of the major sectors of the industry (radio, television, print), types of media (mainstream, alternative, new media), and forms of ownership (public, private, community).

The sample was designed to gather data from ten media organizations in each of the traditional EAC members and five in the new member states. A sample of 40 was the target (see list of organizations surveyed in Annex A). Table 3.1 shows the distribution of the actual sample size (37), which yielded a response rate of about 93 per cent.

Table 3.1: Sample distribution by country

Country	Frequency	Percentage
Kenya	9	24.3
Uganda	8	21.6
Tanzania	10	27.0
Rwanda	5	13.5
Burundi	5	13.5

The majority (56.8 per cent) of media organizations surveyed were privately owned (see Table 3.2). Forty per cent reported that newspapers were their primary media activity or business, followed by radio at 35.1 per cent (see Table 3.3). Most media houses (78.4 per cent) considered themselves mainstream, while none regarded itself as community media (see Table 3.4). The majority of media houses (67.6 per cent) indicated that their coverage was not regional, with only 32.4 per cent describing their coverage as such (see Table 3.5).

Table 3.2: Ownership of media organization

Ownership	Frequency	Percentage
Private	21	56.8
State/Public	13	35.1
Community	2	5.4
Unclassified	1	2.7

Table 3.3: Primary media activity/business

Media type/Activity	Frequency	Percentage
Newspaper	15	40.5
Magazine	1	2.7
Radio	13	35.1
Television	6	16.2
Not indicated	2	5.4

Table 3.4: Type of media

Type of media	Frequency	Percentage
Mainstream	29	78.4
Alternative	8	21.6
Community	0	0

Table 3.5: Geographical coverage

Coverage	Frequency	Percentage
Regional	12	32.4
Not regional	25	67.6

3.3 Interviews

As Bower (1973: vi) observes, "the best way to find out what people think about something is to ask them". This view is augmented by Punch's (1998: 174) argument that interviews give people the opportunity to express their own "perceptions, meanings, definitions of situations and construction of reality", as well as "their own understanding" of issues (Corbetta, 2003: 285).

For this research, we interviewed journalists, editors and media managers to get their views on what informs coverage of EAC. The respondents (see Annex B for a list of interviewees) selected for interviews on behalf of their organizations had to be individuals in senior managerial or editorial positions. The survey questionnaire was administered face-to-face by local interviewers between November 2009 and January 2010. The questionnaire was designed to collect three categories of data: the organizational profile of the media house; coverage of EAC integration; and issues of equity. But the interviews specifically sought to know how the region's media houses view the integration process, how the perceptions affect the integration process, and, more importantly, what role the media can play in promoting greater debate, understanding and sensitization of the East African integration process.

The information generated using the three methods informed the discussions in the following section, more specifically the structure of the media in the region, the role of the media in the integration process and the promotion of equity issues.

3.4 The Structure of the Media in East Africa

A critical review of "traditional" electronic and print media (newspapers, radio, television) in East Africa reveals that the majority are private commercial enterprises with a strong profit motive. This was revealed in Table 2.2, which shows that more than 56 per cent of media ownership is private although the fact that nearly 44 per cent are not commercial should offer good insights into how, for instance, public or state media cover the EAC.

Nevertheless, if we proceed from the premise that the culture of commerce informs the organization and performance of most media, then it is clear that the selection of content is based on the notion that it must sell in what has become a hugely competitive media market with seriously fragmented audiences occasioned by the proliferation of print and broadcast media. Most content, with the exception of very selective media, is chosen for publication on the premise that it must prompt consumers to buy the paper and advertisers to buy advertising space. This may explain in part why negative stories and those about "elite" people and organizations predominate (see, for example, Galtung and Ruge, 1965).[3]

Recent examples illustrate the conclusion above. The public spat between Kenya and Uganda on the Lake Victoria Migingo Island, for example, was replete with highly nationalistic if "negative" language, with Uganda's President Yoweri Museveni regularly described in Kenya's media as an expansionist and even "blindly" ambitious. This may have served to promote public perceptions of Uganda's leadership, and especially its relationship with Kenya.

A loose moratorium in late 2009 based on efforts to determine the "real owners" of Migingo Island seems to have temporarily quelled tensions between the two

[3] In this work, Galtung and Ruge (1965) identified twelve factors that determine newsworthiness. These are: frequency, threshold, unambiguity, meaningfulness, consonance, unexpectedness, continuity, reference to unique nations, reference to elite people, composition, personalization and negativity.

countries.[4] Lacking, however, has been in-depth discussion in the media about the consequences of such state and/or leadership suspicions for the EAC and the integration process. Owino Opondo, a journalist who has worked for the Nation Media Group for over 15 years in various editorial positions, chides the media for the lack of depth.[5] On this score, Opondo argues that the "media must ditch social, economic and political patriotism and openly – but truly – address themselves to the issues of integration".[6]

Opondo's position is that journalists who cover East African issues must possess knowledge about and interest in integration issues. "Media houses with presence across the borders are likely to be more proactive to integration than those that don't", Opondo says, noting that this is so because journalists rely mostly on political sources for their stories.[7] He posits that a majority of EAC news invariably focuses on national (mostly political) matters at the expense of other equally important issues. This is because most audiences are perceived to prefer national rather than regional issues, content that is more relevant and that meets their immediate needs (Galtung and Ruge, 1965).

Moreover, what the coverage of the issues surrounding Migingo Island, for example, reveals is that journalists often resort to nationalistic, jingoistic and "patriotic" language when it comes to territorial and sovereignty issues. Oftentimes, the media and journalists who cover EAC or indeed other issues argue that theirs are "truthful" accounts informed by public interest. What they do not do, however, is explain whether the issues really are of interest the public. Neither do they critically reflect on the "truth" they seek to sell.

For those who have worked in media organizations, it is clear that such "truth" is never universal. Rather, the "truths" or perspectives of elites in the region ostensibly reflect the views of their subjects. This resonates with Chomsky and Herman's (1988) "manufacturing consent" argument, which holds that the media mainly mobilize support for the policy preferences of dominant elites. For this reason, it

such report published by the *Nation*, it was claimed on 31 March 2010 that Uganda had given up its claim on Migingo Island and apologized for what it said was an inaccurate decision based on wrong interpretation of a 1962 map. The newspaper quoted President Museveni's spokesman Loofapril Kabalagala saying: "It is an old map and not as accurate as modern maps". He also said President Museveni had spoken to President Kibaki on the matter. See report, Nation Correspondent (2010) 'Uganda surrenders Migingo Island', *Nation*, 31 March [online].

Available at <http://www.nation.co.ke/News/Uganda%20surrenders%20Migingo%20Island/-/1056/890740/-/1tsytez/-/index.html> [10 July 2010].

5 Views based on email interview with Owino Opondo. (hopondo2000@yahoo.com) *Re: EAC Integration Process* [email to. G. Nyabuga] (gnyabuga@yahoo.co.uk), 24 July 2010.

6 Opondo, interview.

7 Opondo, interview.

sometimes does not matter whether the issues the sources claim to interest the laity are really of interest. On this score, Opondo feels that journalists must take time to deeply understand the issues and "regularly [invite] experts to comment on them through columns and radio and TV studios [discussions]".[8] Wallace Maugo, the managing editor at *The Guardian* in Tanzania, shares this view. Maugo contends that the media ought to give more space to experts, particularly from the EAC Secretariat, to enlighten people on the work of the Community and what the integration process entails.[9]

By offering disparate coverage of EAC issues, discussions and analyses, among other products, the media implicitly subscribe to ideas of agenda setting based on the way they place, prime, frame or present stories, and agenda building by mobilizing various actors to make decisions on issues covered (McCombs and Shaw, 1972; Lang and Lang, 1983; Dearing and Rogers, 1996). They also provide a platform (the public sphere) via discussion programmes, live shows, call-ins, letters to the editor and other opportunities through which people can engage with the issues covered, the sources of the information and other audiences. Yet, the quality rather than quantity of these participatory activities is sometimes fundamental, as it is the value rather than the volume (although this is sometimes crucial) of information generated and shared in and through such forums that may inform people's thinking and decisions. As Opondo explains, the inclusion of experts in live discussions or newspaper commentary may help explain and make sense of issues for ordinary people.[10] Among other things, it could make the issues less boring and technical, as William Pike of Kenya's *The Star* suggests.[11]

Accordingly, issues of what informs content, and how the content is framed, primed and presented, may influence public thinking and reaction to EAC issues. These concerns may generate further debate on the media's role as a public sphere, and whether ordinary people's issues are indeed represented in commercial media where profitability sometimes determines the kind and level of coverage as well as the topics of discussion.

Granted that a majority of especially mainstream (even "community" or alternative media like the Internet, community radio stations and community newspapers) media organizations in the region can be broadly classified as "commercial", this orientation does not always negate the fact that they oftentimes offer accurate, impartial and balanced stories reflective of the goings-on within the region. What this study reveals is that there is often no overt or intentional bias other than when

8 Opondo, interview.
9 Personal interview with Wallace Maugo, Managing Editor of Tanzania's *The Guardian* newspaper, Dar es Salaam, 24 July 2010.
10 Opondo, interview.
11 Interview with William Pike, Chief Executive Officer, *The Star,* Nairobi, 2nd December 2009.

issues of extreme nationalism (for example the Migingo issue) arise. Even then, there is a clear differential in the quality of coverage offered by different media, which may be a consequence of numerous factors including individual journalists' and editors' comprehension of and interest in specific issues.

As information gatekeepers, editors' and other editorial or indeed media managers' own thinking and comprehension of EAC determine the kind and depth of coverage given to regional integration issues (Shoemaker and Vos, 2009). In other words, the capacity of journalists or editors to offer in-depth coverage of issues is determined by numerous factors, chief among them being how knowledgeable they are about the issues, their interests in those issues, the sources of the information, editorial policies and target audiences. This assertion resonates with Opondo's observation that media viewpoints differ and that it is difficult to get a collective standpoint on the integration process. To him:

> *Media houses view regional integration differently depending on, among other things, ownership, the country of operation, including their social, economic and political cultures; the quality of reporters and editors (and this includes their level of education, training, and general social and political orientation); [and] the relationship between a media house and policy makers and politicians rooting for integration (this determines whether or not they get timely and correct insider information on integration).*[12]

As evident from Opondo's argument, ownership is a major factor when analysing the quality and quantity of coverage accorded particular issues. Thus media content is often determined by what owners, and their managers and editors, think will interest their target audiences (i.e., sell papers). Issues of "public" interest, language and audiences' ability to make sense of the information are important to how media products are packaged and modes of dissemination. Such conclusions are also based on the notion that people will consume or indeed listen to radio stations, watch TV or read newspapers that often cover "their" issues rather than everything contained therein. This can be explained by the uses and gratifications argument (Blumler and Katz, 1974), which holds that people are selective – with selection based on the value and relevance placed on particular media products.

Of course, even though issues of EAC are important to East Africa's citizens, the citizens will select for consumption from among those offered by various media. This means that although there are key issues relating to the integration process, people will remain ignorant of the salient issues, particularly if those issues are not covered or if they are not given prominence. This may explain why Maugo thinks there are "myths" that ought to be urgently demystified before

[12] Opondo, interview.

the integration process is implemented.[13] The myths may include the "boring" technical issues that Pike thinks are difficult to decipher.[14] Without clear or simple explanation, issues and consequences of, for example, free movement of labour as spelt out in the Common Market Protocol, will remain problematic and obstacles to the integration process. Consequently, such issues as the monetary union, the common market, the political federation and other protocols may not mean much to ordinary media consumers unless news and other media content explain their meaning, relevance and benefit. Reaching those ordinary readers and viewers could be achieved by using less technical language (including local languages) as some of the respondents, for example Pike, suggest.[15]

What these arguments show is that even though we may consider "traditional" media to have effects and acknowledge that they influence opinion, it is vital to critically assess or measure such effects. This is because other socializing agents or actors (public opinion shapers including political, economic, business and other leaders) are also important to the integration process. In effect, it is imperative to use other media, face-to-face meetings and civic education to ensure that people are aware of the integration, and, more importantly, that they feel part of and own the process and end products. The discussions in the next section make this clear by analysing the primary data generated by this study and juxtaposing it against existing works.

13 Maugo, interview.
14 Pike, interview.
15 Pike, interview.

3.5 Evidence from Analysis of Media Coverage

The content analysis done for this study reveals an interesting array of issues that the media are concentrated on. It also shows how such topics are framed, portrayed and reflected in coverage, and what the main areas of contention and media interest in the EAC are. In addition, the analysis identifies the most contentious points and issues of public interest and how these are reported, as well as what accounts for the coverage. The results also reveal which newspaper has the most interest in East African issues.

According to the content analysis, more articles (32) were published in Kenya than in any other country. It should be noted, though, that these include the 14 that appeared in *The EastAfrican,* which was coded as a Kenyan newspaper because it is published in Nairobi where its parent company, the Nation Media Group, is based. So, although based in Kenya, *The EastAfrican* is a regional weekly that tends to spread its coverage into the traditional EAC countries of Kenya, Tanzania and Uganda. Thus *The EastAfrican* gives substantial coverage to East Africa simply because it is a regional publication – in fact, "the only truly regional paper" according to Ali Zaidi, the newspaper's managing editor at the time of the survey.[16] This means that more than any other newspaper, it has made a "significant" contribution to the understanding people have of the East African Community. Given that its circulation is only 60,000, however, its effects as an agent of integration can be said to be only modest.[17] But the fact that the newspaper considers EAC coverage as a core element of its editorial policy and operations reveals the value of the regional grouping to some media organizations. This is particularly key because *The EastAfrican*'s parent company, the Nation Media Group, is the largest in the region and has spread its wings into Uganda where it owns *The Monitor* and Nation TV Uganda, and to Tanzania where it runs Mwananchi Communications, the publishers of *The Citizen*.

[16] Interview with Ali Zaidi, Managing Editor, *The East African,* Nairobi, 30 November 2009.

[17] This figure is derived from Project Syndicate's website, available at <http://www.project-syndicate.org/member_papers/k> Accessed 6 October 2010.

The results further reveal that the largest body of articles published (numbering 30 and equivalent to 43.5 per cent) consisted of "straight news" stories, followed by those that were classified as "news analysis" (numbering 17 and equivalent to 24.6 per cent). Straight news is conventionally defined as "hard" news, meaning that it is by and large a record of time-bound events or occurrences. This is the definition applied to straight news in this study. News analysis refers to reports that explain the issues or events reported in the news. The same definition was used in this study. The predominance of straight news accounts speaks to the fact that newspapers in the region do perceive the newsworthiness of EAC issues, as reflected in the treatment of these issues as news that merits timely dissemination. The news analyses give in-depth treatment of the issues and events in the news and often provide the necessary context and background information that can give readers a more rounded perspective of the issues.

As the data in Table 3.6 show, the single most frequently occurring topics were: common market, trade, integration, political federation, customs union and elections. Obviously, the descriptive categories that were used do overlap to some degree, but the aim was to capture the widest possible range of individual topics covered by the region's newspapers. The frequency of occurrence of some of these variables somewhat demonstrates the importance of issues, for example, the common market, and the interest shown in such matters by the citizenry or the newspaper buying public.

Even though the number of occurrences may not tell us whether people actually were interested in the issues and why, the assumptions based on agenda setting show that these are the issues prioritized by editors who ostensibly serve their public through their publications. The inference from this analysis is that the newspaper content reflects the interests of the public and if that criterion were not met, people would not buy the papers.

Table 3.6: Main topics of EAC coverage

Topics covered	Frequency	Percentage
Common market	7	9.9
Trade	7	9.9
Integration	6	8.5
Political federation	5	7.0
Elections	4	5.6
Customs union	4	5.6
EAC Secretariat affairs	3	4.2
Conflict	3	4.2
Legislation	3	4.2
Economy	3	4.2

Topics covered	Frequency	Percentage
Energy	3	4.2
Employment	2	2.8
Education	2	2.8
Defence	2	2.8
Judiciary	2	2.8
Language	1	1.4
Foreign aid	1	1.4
Sports	1	1.4
Migration	1	1.4
Corruption	1	1.4
Entertainment	1	1.4
EAC protocol	1	1.4
Treaty	1	1.4
Land law	1	1.4
Taxation	1	1.4
Rights	1	1.4
Human and cargo traffic	1	1.4
Media	1	1.4
Monetary union	1	1.4

The analysis also looked at whether the focus of stories was the newspaper's home country or another EAC state. Summative, the degree to which the media pay attention to what is happening in other EAC countries is a measure of what the media and ostensibly the people may consider important. This supports the notion that the media are inward-looking, reflecting nationalistic rather than regional issues to cater for their primary audiences; thus EAC issues feature only when they touch on developments in or the concerns of the homeland.

Nonetheless, there were 112 specific references to other EAC countries in the articles sampled. Tanzania received the most attention, followed by Burundi and Rwanda, as Table 3.7 shows. Although there is clear reason for this focus, the assumption is that being the host of the headquarters of the EAC, Tanzania could have drawn relatively more interest from the media, while Burundi and Rwanda might have been of particular interest as new members of the bloc.

Table 3.7: Other EAC countries as the primary focus of reporting by home country newspapers

Country of focus	Number	Percentage
Kenya	14	12.5
Uganda	20	17.9
Tanzania	32	28.6
Burundi	24	21.4
Rwanda	22	19.6

3.6 The Role of the Media in the EAC Integration Process and as Catalyst for Integration

From the arguments advanced above, it may seem that the media are not yet greatly persuaded about the EAC integration process, and consequently their effect on the integration agenda is limited. This observation is based on the notion that most of the current media organizations have given the EAC only "cursory" coverage, and that has mainly been about "elite" people and organizations and negative stories. Moreover, a majority of existing media largely cover individual country issues, with few if any pages reserved for East African issues. This reflects the fact that ownership and editorial policies favour national issues.

Paradoxically, the regional bloc is becoming more interesting and important to the citizens of member countries, particularly since the Common Market Protocol came into effect. Furthermore, the benefits of an expanded market seem to excite even media owners, managers and editors, who see the opportunity for growth. The investments made by the Nation Group lend credence to the idea that the EAC would become interesting to the media when the benefits were clear. If so, this may support claims that the media are really not interested in the issues per se, but in the attendant monetary gains of the expanded market – a perspective that may raise concerns of media corporatism and obsession with the bottom line instead of journalistic excellence.

Ironically, the belief that an expanded market would deliver "goodies" for the media may inform an increased engagement with integrationist issues. In fact, some respondents suggest that they have upped their coverage in their quest to enhance people's awareness of the goings-on in member states. For example, according to William Pike, the chief executive officer of *The Star* newspaper in Kenya, the media have been advancing integrationist ideas, a stance that he believes has the capacity to influence public opinion and consequently the public's acceptance of the EAC.[18]

Interest in EAC issues is demonstrated by the fact that most media houses, or 54.1 per cent, now carry EAC news at least once a week, as this study found out.

18 Pike, interview.

Although this figure remains low given the import of regionalism, the interest and coverage are encouraging. They are particularly significant in a highly competitive commercial environment where the media and journalists focus largely on issues that sell, even in media claiming to be interested in the EAC. The point is reinforced by evidence indicating that more than 72 per cent of sampled media practitioners thought EAC issues were either very important or important. The figure somewhat dispels arguments that journalists are indifferent to issues of EAC integration.

What's more, most of the media managers (81.1 per cent of those interviewed) believe their audiences are interested in EAC news. Perhaps this is the reason that the media have shown the growing interest in EAC issues identified by this study. Specifically, almost 92 per cent (or 34 of the 37) of the respondents indicated they were ready to promote equity in the EAC integration process. Of all issues of equity in an integrated East Africa, employment and education were seen as the most critical. Issues of land, tariffs and good governance were also mentioned as being of interest not only to respondents but also to citizens.

Issues of economy received significant coverage, according to our findings. As indicated in Table 3.8, the economy, politics in general and the movement of labour featured most. This alone may indicate the importance given to such issues by media, and how these issues may determine the efficacy of the EAC integration process. The fact that negative news, particularly that related to conflict, did not reach the top positions may be telling evidence that people may be tired of conflict. Nonetheless, it is sometimes impossible to divorce political issues from conflict, and the fact that together the two issues account for almost a quarter of the media coverage is indicative of how politics and conflict may influence the integration process.

Table 3.8: Most featured stories about the EAC

Issues covered	Frequency	Percentage
Economy	12	19.35
Politics	10	16.13
Free movement of labour	8	12.90
Advantages of integration	6	9.68
Common market	6	9.68
Business	5	8.06
Conflict	5	8.06
Education	5	8.06
Health	5	8.06

Despite the optimistic view that the media have become interested in positive issues, the fact is that most of the EAC coverage originated mainly from media/

press conferences and press releases (see Table 3.9), a situation that does not indicate the depth or quality of available media articles. Even so, the reliance on press releases and other similar sources confirms views expressed above that journalists and the media are increasingly paying attention to material originating from the EAC Secretariat. The fact that almost 48 per cent of the stories come from press releases and media events at the EAC Secretariat should spur the body into engaging the media more. EAC officials would thereby have the opportunity to lobby media organizations and journalists to give greater, better informed and more authoritative coverage of issues related to the integration process. Such an approach would perhaps address Pike's concerns that the technical aspects of integration issues make it difficult to decipher and interpret especially for the common populace who may see the issues as boring if presented in esoteric jargon – as they are wont to be.

Table 3.9: Origin of last news item about the EAC

Source(s) of stories	Frequency	Percentage
Media/press conference	14	37.8
Own initiative	13	35.1
EAC	7	18.9
Newsroom assignment	7	18.9
Media/press release	4	10.8
Own source	2	5.4
Other sources	2	5.4

Moreover, as Table 3.10 indicates, problems of access to information and journalists' fears of being mistreated in other EAC countries may explain the quality and quantity of EAC coverage. Compounding the unease are assertions that the levels of press freedom in some countries may limit the amount of engagement media have with various individual state governments. For example, Katua Nzile, the managing editor in charge of news at the Kenya Television Network (KTN), indicates that limited press freedom in countries like Uganda, Tanzania, Rwanda, Burundi and to some extent Kenya sometimes limits access to information on the EAC.[19] Press freedom issues are further compounded by what Peter Ntimba of Uganda's WBS TV feels is a lack of informed staff at the EAC Secretariat.[20] This, he argues, means the media sometimes do not get the kind of information they seek, contributing to the lack of active media engagement with the EAC integration process.[21] To address such challenges, Burundi's Léonce

19 Interview with Katua Nzile, Managing Editor, News, Kenya Television Network, Nairobi, 1 December 2009.

20 Interview with Peter Ntimba, Head of News, WBS TV, Kampala, 17 December 2009.

21 Ntimba, interview.

Ntakarutimana posits that the EAC Secretariat should hold regular workshops for their personnel to help enhance their knowledge of regionalism and integrationism as well as their media handling skills.[22]

Table 3.10: Challenges faced by media in EAC

Challenge	Frequency	Percentage
Access to information	10	28.57
Mistreatment in partner countries	10	28.57
Language barrier	8	22.86
Funding	7	20

With all that, the existence of facilities like the EAC media centre at the Secretariat in Arusha may improve the flow of information to the media and individual journalists covering the regional body. Nineteen (or 51.4 per cent) of the respondents speaking on behalf of media houses said they were aware of the EAC media centre and the EAC Secretariat in Arusha, although only about half of the 19 had interacted with it. The flip side is that 48.6 per cent had no knowledge of either body, suggesting that the EAC needs to do much more to market itself to the media. This would enhance the interaction and engagement demanded by the media and, in turn, give the media access to both human and other resources key to meaningful and informed coverage of EAC issues.

Table 3.11 demonstrates, however, that few media houses have explicit editorial policies to encourage or prioritize EAC coverage. Only 9 per cent of those surveyed said they had any editorial policy on the coverage of the EAC integration process. Whatever coverage is granted focuses on supporting their countries to integrate with the EAC through highlights of best practices in partner states; increasing regional coverage by having correspondents in member states; treating the EAC as part of the core editorial content; promoting the EAC; and supporting efforts towards regional integration. The lack of explicit editorial policies in effect determines the quality and quantity of media coverage.

Table 3.11: Media houses with an EAC editorial policy

Presence/absence of EAC policy	Frequency	Percentage
EAC editorial policy present	9	24.3
EAC editorial policy absent	28	75.7

As the Second EAC Annual Conference on Promotion of Good Governance recommends, it is important to "develop and implement regional mechanisms that guide development of a media that is responsible, responsive, professional

22 Interview with Léonce Ntakarutimana, Director, Radio Star FM, Bujumbura, 15th December 2009.

and accountable".[23] Although responsibility, responsiveness, professionalism and accountability are themselves subjective criteria, the involvement of the media in coming up with such guidelines and policies would promote good working relations and undoubtedly encourage media houses to be more proactive in their coverage of EAC issues.

[23] Second EAC Annual Conference on Promotion of Good Governance, conference communiqué.

3.7 Summary and Conclusions

The arguments presented in this chapter acknowledge that the media and journalism play critical roles in the EAC integration process. In addition, the study found that there is sufficient, albeit modest, interest in EAC issues not only from media, journalists, editors and media managers but also from citizens who increasingly rely on the media to make sense of issues beyond their experiences. In a sense then, it is correct to state that the media contribute to people's decisions and levels of engagement with political and other processes in East Africa.

Although the levels and qualities of media usage vary with the user's socio-economic status, location (urban or rural), education, age and even gender, it is an inescapable fact that significant sections of the EAC population regularly and increasingly acquire information about public affairs from the media. Moreover, the media do successfully act as disseminating agents of integrationist ideas, vehicles for filtering, crystallizing and disseminating the collective national conversations within and across borders, thereby facilitating and sustaining regional understanding. Mwapachu's argument bears this out: that East Africans have been "empowered thanks partly to the media", which have a critical role to play in the success of the community.[24]

In effect, in East Africa, communication via the media is central to regional integration as it contributes to the creation of linkages between national and supra-national political institutions, on the one hand, and the citizenry on the other. It would also confer legitimacy on the actions of governments, leaders and other actors. Thus, there is little doubt that the extent to which citizens are engaged with public affairs and the political process depends significantly on the quality and volume of communication that is transacted on issues in the public domain. It is this communication that nurtures citizens' interest in public affairs. In fact, there is a correlation between interest in public affairs and exposure to the media, such that the degree of citizens' attention to public affairs can be taken as a measure of their level of contact with the media (see, for example, Johnson et al., 1998; Norris, 2000). But it certainly would be easier to draw citizens' attention to regional affairs originating outside their own country if, to begin with, they were

[24] Mwapachu, interview.

interested in the affairs of their homeland. A broad-based national conversation would be hard to trigger and sustain with a citizenry that is overwhelmingly apathetic towards public affairs or focused primarily on narrow political issues. This would also apply to public interest in the affairs of the EAC. In such an environment, issues relevant to individual member states' audiences carry more weight and as a result are more likely to be published than those of concern to other members.

Even though numerous issues may determine the efficacy of the integration process, including movement of labour, capital and goods, the media and the information they provide rank among the most critical determinants. This is because people consider information and knowledge fundamental to the way they perceive the EAC, and what it means to them. The fact that the media provides the channel through which people receive and send information, and a platform from which they can share and aggregate opinions, means that the media collectively have become a key driver of integrationist ideologies and processes. The media also may help mobilize political and other action as well as monitor the activities of public officials and thus promote transparency and accountability by the way they frame, prime and present issues, or the agenda they set through their content.

Media and journalism have their own failings, of course, but they have done well thus far, and are in fact becoming increasingly more interested in the EAC integration process. What's more, there is empirical evidence that they do indeed provide the space and the platform, albeit modest, through which East African citizens can engage not only with the issues but also with each other as they endeavour to promote relationships and understanding among the region's disparate nationalities, cultures, histories and states with different political and economic ideologies.

Yet, these optimistic conclusions are tempered by evidence showing that most East African media are increasingly profit-driven, and that owners, editors and journalists are themselves guided by the interests of their immediate or primary audiences rather than the merits of integrationism and regionalism. Besides, in highly liberalized capitalistic economies, the media have become hyper-commercialized, meaning that they are primarily interested in issues that sell or those that attract the most advertising. Advertising is, after all, the lifeline of most commercial media. What this means, however, is that elite-people's issues and positions receive more space than those of the laity. Nonetheless, the fact that political and business elites have been at the forefront of the integration process because of either their knowledge of the issues or their involvement with the EAC through their governments, civil society or other organizations means that they are wont to get more and oftentimes better coverage.

The advent of "citizen" journalism driven by the availability of new technologies and media such as the Internet and mobile telephony, as well as alternative media like community newspapers and radio, may change this situation, but the diffusion or availability of such facilities is still low. Even where facilities such as mobile telephony are ubiquitous, the general populace may not yet possess the necessary knowledge, skills and monetary resources to use the technologies to engage more actively with issues relating to the EAC integration process. In some instances, people may not have the capacity to navigate through the maze that is the Internet, and more importantly make sense of the information contained therein. As such, even though the EAC has a website, there is little empirical evidence to show what effect it has had on ordinary people's engagement with the integration process, or its overall impact on the process.

Moreover, available evidence suggests that media interest in covering the EAC is sometimes determined by the level of engagement that the EAC Secretariat has with the region's media houses. As evidence presented above shows, most media managers cited regular press releases from the EAC Secretariat as their main motivation for reporting on EAC issues. Beyond press releases, the Secretariat seems not to have a viable communication strategy aimed at building confidence in the process and outcomes of regional integration. There is no gainsaying that such a strategy would help create a more coherent and "beneficial" approach to engaging the media and the public. A public engagement would undoubtedly raise the profile of EAC among the ordinary populace and improve the perceptions people have of the integration process. Through proactive engagement, the process would become partly people-driven. As it is now, it seems to be driven by the elite, some of whom are doing it for personal or vested interests that may not resonate with those of the laity. Numerous recommendations arise from this research for enhancing media involvement in the integration process; some of these are detailed in the next section.

3.8 Recommendations

Two sets of recommendations are presented here. The first comprises policy and strategic recommendations meant to enhance the EAC's utilization of the media in the integration process. The other recommends how civil society organizations (CSOs) can utilize the media to disseminate the outcomes of their activities, including studies on important equity discussions affecting the regional integration process.

Policy and strategic recommendations

One of the major concerns raised in this exposition is the growing commercialization of the media. Although public service media are declining, even undesirable because of the notion that they would require "public funding", they may be the best alternative to commercial media, which may not be overly interested in integration issues. In other words, profit-driven media may not always provide the positive coverage desirable in driving the integration process forward. Instead, news that sells will be given priority. As seen above, issues of conflict, tensions between member states and even tussles within individual member states will be given wider coverage than more positive issues that may promote the integration process. As such, EAC member states may consider investing in a media organization, preferably a professionally-run and "independent" radio station that can broadcast in East Africa. Operating along the lines of the British Broadcasting Corporation (BBC), it should broadcast in languages that can be understood widely in the region. This is because broadcasts made in local languages seem to be generating wide interest from listeners, some of whom cannot understand other languages. Radio is seen as the best media as it is the widely accessible in most parts of Africa. Besides, radio stations are easier to set up and run, the sets are relatively cheap, and the cost of maintaining them is often low compared with television and "new" media like the Internet and mobile telephony.

In addition to radio, a professionally-run and "independent" EAC-owned news agency could advance the integration process and integrationist ideology.

This would without doubt work if there is sufficient funding, if its operations are divorced from the interests of individual member countries and if it is independent from the sometimes manipulative political elites.

Granted, these suggestions would be difficult to implement, particularly when longevity and self-sustenance are seriously considered. Drawbacks would relate largely to lack of funding, given the budgetary constraints experienced in a majority of African countries with other priorities like health and education. Thus innovative thinking, and application of new technologies, particularly creative utilization of mobile telephony and Web 2.0 social networking sites like Twitter, Facebook and YouTube among others, may help advance the integration process especially among younger, technology-savvy audiences.

More than any other technology, mobile telephone technology and wireless Internet, for instance, would promote EAC ideologies and integrationist ideas even among communities living in the remotest parts of East African countries. For example, text messages (SMS) to EAC citizens could provide information on the community, as well as how they stand to benefit from the body. (This technique was used in Kenya with some success during the run-up to the recent referendum on the new constitution.)

Moreover, astute applications of appropriate technological approaches would ensure that the grassroots are part of, and partly own, the integration process and that they are constantly informed about it. Implementing such measures would require heavy investments in the development of infrastructure and provision of either free or subsidized access to broadband Internet. Infrastructure development could be complemented by encouraging people to acquire "modern" mobile phone handsets, facilitated for example by removing or lowering tariffs to make them affordable. Such initiatives would undoubtedly raise the uptake and use of modern technologies. Subsequent use of such technologies by organizations like the EAC Secretariat and other stakeholders to disseminate integrationist messages and ideologies, and the benefits accruing from the same, would enhance understanding, ownership and participation in the integration process.

The EAC should also consider advertising its website on social networking sites like Twitter, YouTube and Facebook. As things stand, there is very little knowledge of the existence of the website, much less how it can be used to access information on the EAC, the meaning of various protocols and their benefits. Given the interest in technology, especially among the younger techno-savvy network members, a Facebook or similar presence pointing to the website would undoubtedly generate some interest among East Africans.

What's more, the EAC Secretariat could consider enlisting media houses and indeed other organizations, especially civil society and professional bodies in the region, to be more proactive in promoting the regional body. Among other actions, the Secretariat could consider employing people with connections in existing regional media houses as well as competencies in lobbying so as to cultivate close and effective working relationships among the EAC Secretariat, journalists and the media. Given that citizens have shown greater acceptance of messages emanating from existing private and sometimes "independent" media houses, the public would likely be more accepting of messages from these houses. Compared with state run-run media organizations (like the Kenya Broadcasting Corporation, for example), the independents are likely to be regarded as more reliable than the latter, which may be seen as propaganda tools.

Holding regular workshops and training sessions for media personnel is another vehicle for sensitizing them on the importance of regionalism and integration and providing messages they can in turn disseminate to mass audiences. Recommendations arising from the Second EAC Annual Conference on Promotion of Good Governance acknowledge that to promote political debate and dialogue, there is need for the EAC to commission research,[25] which among other things could focus on citizens' knowledge, attitude, practice and behaviours (KAPB) relating to the EAC. Research findings could, as the conference suggested, form the basis for short, precise, policy papers targeting key actors in the governance sectors to guide policy formulation and implementation in all areas of governance and development. Attendant dissemination workshops would then target policy makers and implementers to create awareness and mobilize allies in the state and CSOs for both implementation and monitoring of good governance programmes.[26] Such research could also contribute to the formulation of a cross-national or regional information and communication policy, as well as information, education and communication (IEC) and advocacy strategies to enhance information provision and build relationships between the media and the EAC Secretariat and its personnel.

In addition, as Opondo suggests, the media should be encouraged to conduct or commission their own surveys to determine the KAPB levels and concerns of the citizenry.[27] Opondo proposes that the research focus on the more technical issues that ordinary people find difficult to understand.[28] Intelligence derived from the research can inform the kind of coverage given EAC issues and whether that coverage addresses people's needs, fears or concerns.

Opondo's views resonate with those of Maugo, who observed that the integration

25 Second EAC Annual Conference on Promotion of Good Governance, conference communiqué.

26 Second EAC Annual Conference on Promotion of Good Governance, conference communiqué.

27 Opondo, interview.

28 Opondo, interview.

process is replete with myths that need to be debunked if the EAC is to become acceptable particularly to people in "lesser" developed member countries.[29] Of particular concern are fears in parts of the region that the easy movement of labour will have negative consequences, especially in countries without sufficient skilled labour. Such suspicions have been rife, and a newspaper in Tanzania recently claimed that Kenyans had "invaded" Dar es Salaam seeking simple menial jobs that Tanzanians could do.[30] It is noteworthy that such simplistic arguments may influence opinion about the EAC integration process and promote xenophobic or bigoted views of people from other EAC member states. Urgently and seriously tackling such thinking through media, face-to-face meetings, focus group discussions, and national and civic campaigns would help reduce tensions between peoples at the grassroots, and help them understand the benefits they stand to enjoy as a consequence of the integration.

Moreover, it is clear that the media need to put in place explicit editorial policies favourable to the EAC integration process as part of their social responsibility function. Encouraging editors, journalists, and media owners and managers to engage more with the issues related to the integration process would undoubtedly ensure that such media managers understand the benefits of the EAC both to them as individuals and to their businesses. An expanded regional market would mean access to more resources – human, monetary and others. As mentioned above, employment opportunities, increased links with different cultures, organizations, and state and non-state actors, as well as free movement of capital and goods, will undoubtedly follow. To the media, the bloc would also bring bigger audiences and the benefits attendant on such larger viewership, readership and listenership, particularly advertising revenues.

As evidence from various initiatives has shown, public and face-to-face meetings are quite effective in promoting certain agendas or ideologies. EAC and individual countries' officials and CSOs should take this cue and organize civic education and other public forums to promote EAC issues. State and non-state actors could thereby provide and be provided with ideas on how to advance the integration process and how to promote it among citizens whose input is without doubt key to the success of the integration process.

Recommendations for civil society organizations

Although many CSOs continuously engage the media and media personnel in discussions and dissemination of research findings, other reports and activities,

29 Maugo, interview.

30 A headline in the 24 July 2010 edition of *Mwananchi* newspaper, p. 31.

there are various ways in which this symbiotic relationship can be strengthened. First, CSOs should identify and work closely with specific media owners, managers and journalists to ensure that the organizations have a ready list of media people on whom they can rely for publication of their activities. Actions needed here include maintaining a listserv to enable sharing of information through, for instance, emails and even mobile telephony (preferably via text messages – SMS – and occasionally calls). This would ensure that information is disseminated quickly, efficiently and effectively. Other than being involved in the activities of the various CSOs working in the media, development and other related sectors, the media partners can be invited for regular formal and informal briefing sessions and to other informal and social activities to maintain good working relationships.

Secondly, to ensure effective and meaningful coverage of EAC issues, CSOs can work with the EAC Secretariat and other stakeholders to hold capacity building or training sessions to enhance the knowledge levels of media personnel. The CSOs would thereby be involved in improving the capacity of journalists and media to offer knowledgeable, informed and meaningful coverage of EAC issues, and at the same time would position themselves as contact and reference points for those wishing to cover regional issues. This may involve setting up a media resource centre accessible to journalists and those interested in the EAC.

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Annex A: List of Media Organizations Surveyed

Arusha Raha, Tanzania

Arusha Times, Tanzania

Burundi Press Publications, Burundi

Citizen TV, Kenya

Clouds FM, Tanzania

Daily Monitor, Uganda

Daily Nation, Kenya

Daily News, Tanzania

Imvaho Nshya, Rwanda

Inooro FM, Kenya

Iwacu, Burundi

KBC Radio, Kenya

KTN, Kenya

Mwananchi, Tanzania

Orinfor/Radio Rwanda, Rwanda

Radio Burundi, Burundi

Radio Ituba Kibunoo, Rwanda

Radio Lake Victoria, Kenya

Radio Star FM, Burundi

Rema FM, Burundi

TBC, Tanzania

The Citizen, Tanzania

The East African, Kenya

The Independent, Uganda

The New Times, Rwanda

The New Vision, Uganda

*The Observe*r, Uganda

The Star, Kenya

TV Rwanda, Rwanda

UBC Radio, Uganda

UBC TV, Uganda

Uganda Radio Network, Uganda

WBS TV, Uganda

Weekly Citizen, Kenya

Annex B: List of Interviewees

A. Singu – TBC, Tanzania

Alex Atahaire – *Daily Monitor*, Uganda

Ali Zaidi – *The EastAfrican*, Kenya

Boniface Mutakha – Citizen TV, Kenya

Bryon Kimenyi – *The New Times*, Rwanda

Charles Musana – UBC TV, Uganda

Claude Nkurunziza – Rema FM, Burundi

Didier Bekure – *Le Journal Iwacu, Iwacu Weekly*, Burundi

Doreen Ndeezi – UBC Radio, Uganda

Edward Theti – *Arusha Times*, Tanzania

Eric Shimoli – *Daily Nation*, Kenya

Henry Makokha – KBC Radio, Kenya

James Tumusiime – *The Observer*, Uganda

John Kuletana – *Daily News,* Tanzania

Joseph Ajal – *Daily Monitor*, Uganda

Joseph Ngilisho – *Arusha Raha*, Tanzania

Joseph Were – *The Independent*, Uganda

Katua Nzile – Kenya Television Network, Kenya

Leon Nzabandora – Radio Ituba Kibunoo, Rwanda

Léonce Ntakarutimana – Radio Star FM, Burundi

Mungwara Karama Emmanuel – Radio Rwanda, Rwanda

Onesime Niyungeko – Radio Burundi, Burundi

Owino Opondo – *The Nation*, Kenya

Peter Ngotho – Inooro FM, Kenya

Peter Ntimba – WBS TV, Uganda

Sam Gummah – Uganda Radio Network, Uganda

Seth Oloo – Radio Lake Victoria, Kenya

Thadde Siryuyumusi – Burundi Press Publications, Burundi

Thadder Siryuyumusi – Burundi

Tom Musaba – *The Citizen*, Tanzania

Twahirwa Maurice – *Imvaho Nshya*, Rwanda

Umutoni Carine – TV Rwanda, Rwanda

Wallace Maugo – *The Guardian*, Tanzania

William Okoth – *Weekly Citizen*, Kenya

William Pike – *The Star*, Kenya

(NB: This list excludes respondents who did not give their names or those who gave only one name.)

Annex C: Media Survey Instrument

Questionnaire NO. ______________
Date of survey: ___ /___ / 2009
Country: _________________
Name of interviewee: _______________________

Introduction

Hello, my name is……………………………..and I am an enumerator for the Society for International Development (SID) Regional Office which is conducting a survey seeking to ***gain a better understanding of the media's role in the integration of the East African Community (EAC).*** The study covers the EAC member countries. Your participation will be highly appreciated. The survey will last for about 20 minutes. All answers you provide are confidential.

MEDIA HOUSE DETAILS

1. What is the name of your media house?_________________________________

2. What is the nature of ownership of the media you work for?
   Private ☐ State ☐
   Public ☐ Community ☐
   Other(specify) :……………………………………………..……………………………

3. What is your main activity?
   Newspaper ☐ Radio ☐
   Magazine ☐ Television ☐
   Online ☐
   More than one (specify) :…………………………………………..…………………………
   Others (specify) :…………………………………………………………………………..

4. How many years have you been in operation? :………………………………………..……….

5. Do you consider yourself:
   Mainstream ☐
   Alternative ☐
   New media ☐

6. What is your coverage/reach?
   Regional (Specify countries) ☐ :………………………………………..……………………..
   National ☐
   Local (Specify reach) ☐:………………………………………..………………………
   Other(Specify) :……………………………………..…………………………

7. Do you have a sister media house?
Yes ☐ No ☐
If yes;

Name	Activity (see code below)

Newspaper=1, Magazine =2, Radio=3 Television=4, Online=5, more than one(specify)=6Others (specify) =7

8. In your media house, how many of your journalists are

Qualification	Male	Female
Trained		
Semi-trained		
Untrained		

9. How would you rate the quality of journalism in the region?
Excellent ☐ Below Average ☐
Very Good ☐ Poor ☐
Good ☐ Very Poor ☐
Average ☐

EAC INTEGRATION

10. Have you featured EAC news in the last one year?
Yes ☐ No ☐

If ***yes***,
a. How many times? _____
b. When was the last time? ________
c. How often?
At least once a week ☐
At least once every two weeks ☐
At least once a month ☐
At least once every two months ☐
Not regularly/once in a while ☐
d. What motivated you to feature them/it? ....
....

11. What was the origin of your last news story, news analysis, feature, programme and comment or opinion about the EAC?
1. My own initiative ....
2. Media/press conference ....
3. Media/press release ....
4. Newsroom assignment ....
5. My source(s) ....
6. My beat ....
7. Other ....

12. What are your other sources of EAC stories beyond your journalists?
Freelance journalists ☐
Alternative media ☐
Community ☐
Others ....

13. Describe the subject of your last news story, news analysis, feature, programme and comment or opinion about the EAC.
Use a one-line phrase or sentence as provided for in the space below.
....

14. List the subjects of up to five news stories, news analyses, features, programmes, and comments or opinions you have ever done about the EAC.
    1. ………………………………………………………………………………………….....
    2. ………………………………………………………………………………………….....
    3. ………………………………………………………………………………………….....
    4. ………………………………………………………………………………………….....
    5. ………………………………………………………………………………………….....

15. Suggest up to 10 things that would have to be in place or to happen in order to trigger your interest in covering the EAC or to improve your current coverage of the EAC.
    Use one-line phrases or sentences as provided for in the space below.
    1. ………………………………………………………………………………………….....
    2. ………………………………………………………………………………………….....
    3. ………………………………………………………………………………………….....
    4. ………………………………………………………………………………………….....
    5. ………………………………………………………………………………………….....
    6. ………………………………………………………………………………………….....
    7. ………………………………………………………………………………………….....
    8. ………………………………………………………………………………………….....
    9. ………………………………………………………………………………………….....
    10. ………………………………………………………………………………………….....

16. Are you informed on the EAC integration process?
    Yes ☐ No ☐

    a. If ***Yes*** on what issues or areas? Please list.
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………

    b. If ***No***, on what issues or areas? Please list.
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………

17. Suggest aspects of the EAC integration process that you would wish to be (more) informed about?
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………

18. What is your perception of the EAC integration process? ………………………………………
    ……………………………………………………………………………………………

19. How important do you consider yourself as a media outlet in the EAC integration process?
    Very important ☐ Not important ☐
    Important ☐ Indifferent ☐
    Slightly important ☐

    Why? ……………………………………………………………………………………….

20. What opportunities do you think exist for the media outlets in the region in the EAC integration?
    ……………………………………………………………………………………………

21. What weakness exists in the current East African media in light of EAC integration?
    ……………………………………………………………………………………………
    ……………………………………………………………………………………………

22. Are you familiar/aware of the EAC media centre?
    Yes ☐ No ☐

    a. If ***Yes***, have you interacted with it? Yes ☐ No ☐
    b. If ***Yes***, how? ……………………………………………………………………………...............
    ………………………………………………………………………………………………..

23. Would you be interested to engage with the EAC secretariat in their activities?
Yes ☐ No ☐

a. If ***No***, why? …………………………………………………………………………………...
………………………………………………………………………………………………

24. Do you know of any initiative in EAC member countries engaging the media in reporting on the process or playing a role like engaging/informing citizens?
…………………………………………………………………………………………………
…………………………………………………………………………………………………

25. What role would you prefer to take in the EAC integration process?..
…………………………………………………………………………………………………
…………………………………………………………………………………………………

26. How would you classify coverage of EAC issues
Most important ☐ Less important ☐
Important ☐ Indifferent ☐
Somehow important ☐

27. In your opinion, are the media houses promoting the EAC integration?
Yes ☐ No ☐
…………………………………………………………………………………………………
…………………………………………………………………………………………………

28. Do you think the EAC Integration will succeed?
Yes ☐ No ☐

If ***Yes***, give at least 5 reasons
1. ………………………………………………………………………………………………
2. ………………………………………………………………………………………………
3. ………………………………………………………………………………………………
4. ………………………………………………………………………………………………
5. ………………………………………………………………………………………………

If ***No,*** give at least five reasons
1 ………………………………………………………………………………………………
2 ………………………………………………………………………………………………
3 ………………………………………………………………………………………………
4 ………………………………………………………………………………………………
5 ………………………………………………………………………………………………

29. To what extent, in your personal judgment, is your average viewer/listener/reader interested in reports or discussions about the EAC?
Seriously interested ☐ Not very interested ☐
Interested ☐ Not interested ☐
Somewhat interested ☐

What influences your decision to cover a given story/event? ……………………………………...
…………………………………………………………………………………………………

30. In your opinion, what drives media houses in deciding on what story to cover?(guide-Politics of the day, profits, truth) ……………………………………………………………………………
…………………………………………………………………………………………………

EQUITY AND EAC

31. Considering EAC integration process is already on going, what issues of equity in the region in your view are paramount and deserve more coverage?
    1. …………………………………………………………………………………………
    2 ………………………………………………………………………………………...
    3 ………………………………………………………………………………………...
    4 ………………………………………………………………………………………...
    5 ………………………………………………………………………………………...

32. How can the media intervene to promote equity in the EAC integration process?
    1. …………………………………………………………………………………………
    2 ………………………………………………………………………………………...
    3 ………………………………………………………………………………………...
    4 ………………………………………………………………………………………...
    5 ………………………………………………………………………………………...

CHAPTER IV

Labour and Employment Inequalities in the Context of the East African Regional Integration Process

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4.1 Introduction

International economic integration has been growing in importance for some time now, as virtually every region in the world has formed some type of regional trade bloc. The blocs have varying degrees of cooperative arrangements, from simple trade agreements to common markets to more ambitious joint government decision making. A critical issue in any regional integration process is the promotion of free movement of labour, but this must be situated within a context of equity and efficiency in all facets of employment.

Study context

The East African Community (EAC) is the regional intergovernmental organization of the republics of Kenya, Uganda, Tanzania, Rwanda and Burundi. The treaty to establish the EAC was signed on 30 November 1999 and became effective on 7 July 2000 following its ratification by the original three partner states: Kenya, Uganda and Tanzania. The republics of Rwanda and Burundi acceded to the EAC Treaty on 18 June 2007. They became full members of the Community with effect from 1 July 2007.

The EAC pact envisages a prosperous, competitive, secure, stable and politically united East Africa. The treaty seeks to widen and deepen economic, political, social and cultural integration amongst the member states. The goal is to improve the quality of life of the citizenry through increased competitiveness, value addition, trade and investments. To actualize this, in November 2009 the EAC partner states entered into a Common Market Protocol, which became effective in July 2010. Its objective is the realization of accelerated economic growth and development within the region. This is to be attained through removal of restrictions on the movement of goods, persons, labour, services and capital, and the rights of establishment and residence.

The significance of the labour and employment sector in attaining the EAC vision cannot be gainsaid. Attainment of regional competitiveness and improvement in the standards of living of the population hinges greatly on how the region nurtures and utilizes its human resources. In return, promotion and sustainability of the EAC integration depends on the degree of efficiency and equity of the region's labour market. A critical issue in any regional integration process – and particularly in the promotion of free movement of labour as envisaged under the EAC Common Market Protocol – is the degree of equity, perceived or real, of the region's labour and employment sector. At the same time, equality in all facets of employment is a key pillar of the Decent Work Agenda to which all the EAC member states subscribe. An assessment of labour and employment inequalities within the EAC integration process is thus an important ingredient in promoting integration within the region.

Objectives of the study

The broad objective of this study is to explore labour and employment inequalities within the EAC regional integration process. Specifically, the study seeks to:

- Document the state of labour and employment inequalities in the EAC;
- Establish the impact of EAC integration on labour and employment in the region; and
- Suggest appropriate policy recommendations to promote labour and employment equity in East Africa.

Methodology

The development of the study presented in this chapter followed an integrated and participatory approach, involving a desk analysis of secondary information, i.e., relevant literature, government policy documents, and other publications and reports published by international agencies such as the International Labour Organization (ILO) and the World Bank. These data sets were augmented by national data from some of the EAC states where such data were available. It is emphasized that the paucity of national-level data was a key limitation of the study. This necessitated reliance on the ILO database. Both qualitative and quantitative approaches were used in analysing and interpreting the data. A first draft of the study was thereafter developed and presented for a peer review. Comments received through this peer review process were used to finalize the study.

Organization of the study

This chapter is structured into four sections. Following this introduction, the chapter provides situational analyses of the trends and status of labour and employment in East Africa, and then looks at the impact of EAC integration on labour and employment within the region. The last section identifies possible policies and interventions that can be made to tap the opportunities arising from regional integration in order to enhance labour and employment equity within the region.

4.2 Situational Analysis

Creation of productive and sustainable employment opportunities remains the core of employment policy interventions in all the countries of East Africa. Recognition of employment as a means of elevating people out of poverty in Africa was formally stated by the Ouagadougou Summit of 2004. The Summit called for the strengthening of the capacity of Africa's regional economic communities (RECs) to promote creation of productive and durable employment opportunities.

In 2008, the East African ministers responsible for labour matters resolved to prioritize employment promotion as a key development agenda for the EAC. At the same time, individual partner states of the EAC have also variously made policy pronouncements to place employment creation at the centre stage of their national development agendas. Yet, even though East African governments have identified employment creation as the key to the region's development, employment issues have not yet received the priority they deserve. This is manifested in the dearth of labour and employment data across all the countries of the region. What follows is a review of the labour and employment status in the region based on the data that are available.

Labour force participation rates in East Africa

Working age population and labour force participation rates are important determinants of employment. The working age population includes all persons between 15 and 64 years. Labour force participation rate is a measure of the proportion of a country's/region's working age population that engages actively in the labour market. Within this context, active engagement in the labour market can be through work or job search. The labour force participation rate, therefore, provides an indication of the relative size of the labour supply in a country or region. When contrasted with the rate of job creation, a labour force participation rate can provide an indication of the rate of unemployment in a country or region.

Table 4.1 provides a summary of the labour force participation rates for the EAC for the years 1980, 1990, 2000 and 2008. The data presented in the table show that labour force participation rates for the working age population (15+) in the region increased by about 1 percentage point between 1980 and 1990, before recording marginal declines in 2000 and 2008.

Table 4.1: Labour force participation rates for the East African Community by sex, 1980–2008

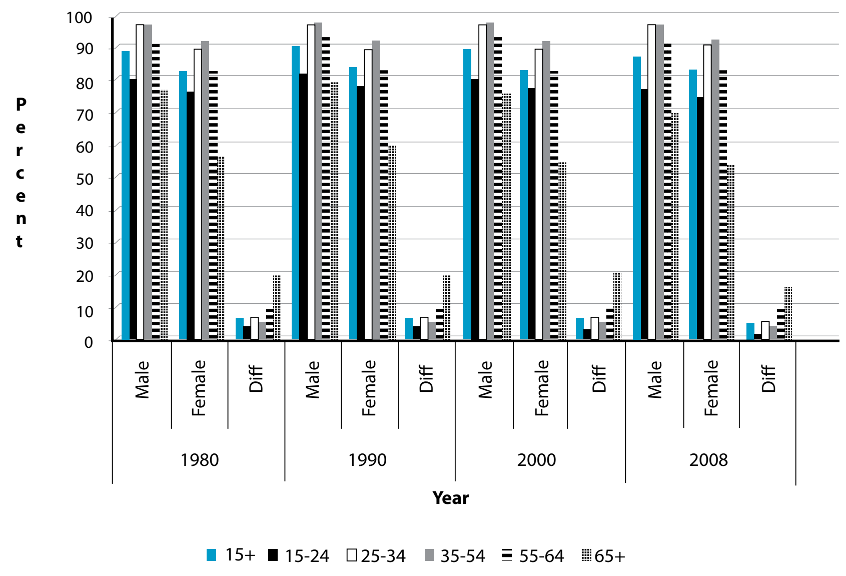
Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	89.1	82.8	6.3	90.4	83.9	6.5	89.5	83.3	6.2	87.6	82.6	5.0	6.0
15–24	80.3	76.3	4.0	81.7	78.3	3.4	80.5	77.6	3.0	76.7	74.6	2.1	2.1
25–34	96.7	89.5	7.2	97.1	89.6	7.5	97.2	90.0	7.2	96.8	90.9	5.9	6.9
35–54	97.0	91.8	5.2	97.6	92.2	5.4	97.6	92.3	5.2	97.4	93.1	4.3	5.0
55–64	92.0	83.0	9.0	93.5	83.3	10.3	93.5	83.0	10.5	92.8	83.3	9.5	9.8
65+	76.4	56.3	20.1	79.0	59.2	19.8	75.5	54.5	20.9	69.3	53.4	16.0	19.2

Source of data: ILO (2009b).

Overall, the labour force participation rates for the youth (15–24 years) were lower than those of the age cohorts 25–34, 35–54 and 55–64, but higher than that of the 65+ category. For this category termed 'youth', there exists no universal definition. The United Nations (UN) defines youth as those aged 15–24 years (UNDP, 2010), and the Commonwealth focuses on the age range 12–29 years (Curtain, 2001). In Kenya, youth comprises persons aged 15–35 years (GOK, 2008a). Rwanda defines youth as those in the age cohorts of 14–35 years (http://www.author.me.com/nonfiction/childrights.htm), while Uganda lowers the range even further, to encompass all young persons, male and female, aged 12 to 30 years (GOU, 2001). Tanzania sets the limits of youth as the age bracket of 15–24 years (GOT, 2001). This study adopted the UN and ILO definition of the youth as those aged 15–24 years.

Table 4.1 also shows a gender gap in the labour force participation rates in favour of males. The age category that recorded the lowest gender disparity was that of the youth, with a male–female labour force participation differential averaging 2.1 per cent. In other labour force cohorts the gender gap in participation rates was: 5 per cent in the 35–54 age group, 6.9 per cent in the 25–34 age group, 9.8 per cent for those aged 55–64 years and 19.2 per cent for the 65+ age group (where it was most pronounced). Overall, the EAC working age population exhibited a male–female labour force participation differential of 6 per cent for the period 1980–2008. From the data presented in Table 4.1, it is evident that the greatest disparities in the male–female participation rates were realized in the 1980s and 1990s. This then eased off gradually in 2000 and 2008 as the region became more integrated. Figure 4.1 gives a schematic representation of labour force participation rates, disaggregated by sex and age, and the gender gap in the participation rates for the region.

Figure 4.1: Labour force participation rates for East African Community by sex, 1980–2008



Source of data: ILO (2009b).

Tables 4.2 to 4.6 illustrate the labour force participation rates for each of the five countries of the EAC over the years 1980, 1990, 2000 and 2008.

Table 4.2: Labour force participation rates for Burundi, 1980–2008

Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	87.0	86.3	0.7	90.1	90.6	-0.5	92.1	90.6	1.5	90.5	89.3	1.2	0.7
15–24	78.1	78.9	-0.8	79.0	84.4	-5.4	84.3	86.5	-2.2	80.5	81.8	-1.3	-2.4
25–34	96.3	95.7	0.6	98.0	96.3	1.7	98.6	95.4	3.2	98.5	95.8	2.7	2.1
35–54	95.7	94.3	1.4	98.5	96.5	2.0	98.8	95.2	3.6	98.8	95.9	2.9	2.5
55–64	88.0	89.7	-1.7	94.9	92.7	2.2	96.3	92.5	3.8	95.8	92.8	3.0	1.8
65+	70.4	59.0	11.4	78.8	73.8	5.0	81.0	76.9	4.1	76.9	77.2	-0.3	5.1

Source of data: ILO (2009b).

Table 4.3: Labour force participation rates for Kenya, 1980–2008

Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	90.5	74.7	15.8	89.9	74.6	15.3	88.0	74.4	13.6	87.2	74.1	13.1	14.5
15–24	83.8	70.6	13.2	82.3	69.5	12.8	78.0	67.9	10.1	75.1	65.1	10.0	11.5
25–34	97.2	78.8	18.4	97.1	79.6	17.5	97.0	80.7	16.3	96.9	82.0	14.9	16.8

35–54	97.1	84.6	12.5	97.2	85.1	12.1	97.0	85.7	11.3	97.0	86.7	10.3	11.6
55–64	93.2	74.3	18.9	93.0	74.4	18.6	92.6	73.1	19.5	92.4	73.8	18.6	18.9
65+	76.7	44.6	32.1	75.7	44.1	31.6	72.7	41.4	31.3	69.3	41.4	27.9	30.7

Source of data: ILO (2009b).

Table 4.4: Labour force participation rates for Rwanda, 1980–2008

Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	83.5	83.7	-0.2	87.8	85.5	2.3	85.2	83.5	1.7	80.1	81.4	-1.3	0.6
15–24	70.3	73.6	-3.3	78.5	79.2	-0.7	73.7	74.1	-0.4	62.7	66.5	-3.8	-2.1
25–34	95.0	94.3	0.7	95.5	93.6	1.9	95.8	93.7	2.1	95.0	95.0	0	1.2
35–54	97.0	95.3	1.7	97.2	94.4	2.8	97.4	94.8	2.6	97.1	95.9	1.2	2.1
55–64	88.3	84.8	3.5	89.3	83.3	6.0	89.0	83.7	5.3	87.7	84.9	2.8	4.4
65+	59.0	51.7	7.3	64.5	52.2	12.3	60.2	53.5	6.7	50.6	52.7	-2.1	6.1

Source of data: ILO (2009b).

Table 4.5: Labour force participation rates for Tanzania, 1980–2008

Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	93.2	89.2	4.0	92.7	88.9	3.8	91.2	86.9	4.3	90.1	86.7	3.4	3.9
15–24	85.1	84.6	0.5	84.1	84.0	0.1	82.2	82.1	0.1	81.8	82.2	-0.4	0.1
25–34	97.7	93.8	3.9	97.6	94.0	3.6	97.6	94.2	3.4	97.1	94.8	2.3	3.3
35–54	97.7	94.2	3.5	97.7	94.4	3.3	97.7	94.7	3.0	97.4	95.2	2.2	3.0
55–64	96.7	85.4	11.3	96.6	85.5	11.1	96.5	85.7	10.8	95.5	85.2	10.3	10.9
65+	99.6	76.0	23.6	99.5	75.6	23.9	84.3	54.3	30.0	70.7	50.0	20.7	24.6

Source of data: ILO (2009b).

Table 4.6: Labour force participation rates for Uganda, 1980–2008

Age cohort	1980			1990			2000			2008			Ave dif
	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	Male	Female	Diff.	
15+	91.3	80.3	11.0	91.4	80.0	11.4	90.8	81.0	9.8	90.1	81.3	8.8	10.3
15–24	84.2	73.9	10.3	84.7	74.5	10.2	84.5	77.3	7.2	83.2	77.4	5.8	8.4
25–34	97.5	84.9	12.6	97.5	84.7	12.8	96.9	86.0	10.9	96.4	87.0	9.4	11.4
35–54	97.5	90.6	6.9	97.5	90.5	7.0	97.0	91.3	5.7	96.8	91.9	4.9	6.1
55–64	93.8	80.6	13.2	93.9	80.4	13.5	93.2	80.2	13.0	92.5	79.9	12.6	13.1
65+	76.1	50.0	26.1	76.5	50.1	26.4	79.1	46.6	32.5	79.2	45.5	33.7	29.7

Source of data: ILO (2009b).

At country level (see tables 4.2 to 4.6), Burundi had a relatively lower mean male–female difference in participation rates at 1.6 per cent, followed by Rwanda (2.0 per cent) and Tanzania (7.6 per cent). Uganda and Kenya had large gender participation gaps at 13.2 and 17.3 per cent, respectively. It is also noted that in Burundi and Rwanda the females in the youth category had relatively higher participation rates than their male counterparts, while in Tanzania there was an almost parity condition for this category of the labour force.

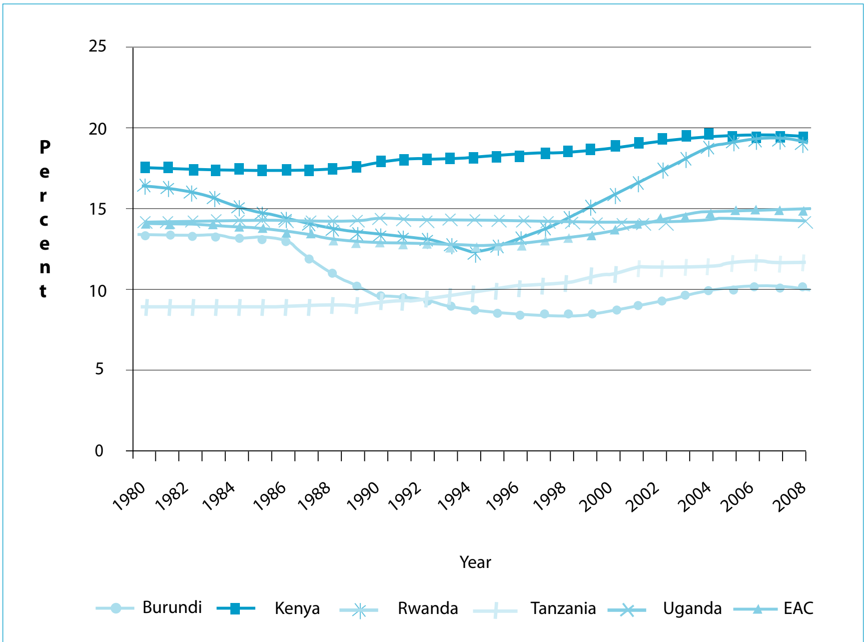
Trends in the EAC labour force participation rates as depicted in tables 4.1–4.6 appear consistent with theory. It is held that labour force participation rates in developing countries decline with initial growth (ILO, 2009b). It is argued within this context that economic growth in developing countries is associated with expanding educational facilities and longer time spent by the population studying, thereby dampening the labour force participation rates. During this phase of development, countries also experience shifts from labour intensive agricultural activities to urban economic activities with manifest increases in earnings, thus reducing people's propensities to work.

The male–female gap in labour force participation rates can also be explained within the framework of the different gender roles of men and women. Most women tend to leave the labour force, particularly at a prime age, to give birth and raise children before making a gradual return to economically active life in the labour force. A distinction should be made, however, between paid employment and other work. When domestic labour, child care, collecting firewood and water, and undertaking other household chores are taken into account, women work more hours than men. Since the participation of women in such household maintenance activities is not properly accounted for, their activity rates are underestimated.

Apart from childbearing, all other divisions of labour between men and women are socially determined. Thus, occupational segregation and differences in access to education and training opportunities between males and females can further explain the male–female gap in labour force participation rates. The relatively low female participation rates can also be attributed to underestimation of the participation of women in economic activities. This is more critical in the EAC and other developing countries where most women work for a few hours as casuals and/or contract workers in both the informal and formal sectors. They are also often occupied by unpaid family work. Overall, the male–female differential in the labour force participation rate presents a labour and employment challenge for the EAC in terms of promoting equal participation of men and women in economic activities within the region.

Labour force inactivity rates are another important labour market indicator. They seek to capture the proportion of the working age population that is not in the labour force. These are the individuals who are neither working nor unemployed, nor actively involved in seeking employment. Labour force inactivity rates therefore represent the working age population that is outside the labour market. As much as there are various reasons why individuals may choose to be out of the labour market, of particular interest are those who opt out of the market because they believe that jobs are not available. This group has the disadvantage of swelling the ranks of the discouraged workforce. Figure 2.2 gives a graphical illustration of the labour force inactivity rates in the EAC over the period 1980–2008.

Figure 4.2: Labour force inactivity rates in East Africa, 1980–2008



Source of data: ILO (2009b).

The figure shows that Kenya has the highest inactivity rates in the region. The inactivity rate for Kenya has grown gradually from 17.4 per cent in 1980 to 19.4 per cent in 2008 with a mean of 18.3 per cent. Rwanda's inactivity rate has also grown over time, particularly since 1994. It moved from 12.2 per cent in 1994 to 19.2 per cent in 2008, representing an increase of 7 percentage points over the period. Burundi's labour force inactivity rate, on the other hand, declined between 1987 and 2001, before picking up a modest increase to stand at 10.1 per cent in 2008. According to the data, Rwanda is the country in the region with the second highest mean inactivity rate at (15.4 per cent), followed by Uganda at 14.3 per cent. Burundi and Tanzania have a relatively low mean inactivity rate of 10.4 per cent and 10.1 per cent, respectively.

Table 4.7 gives a cross-country comparison of labour force inactivity rates by age cohorts for the period 2000–2008. As can be seen from the table, common to all the countries of the region is the high labour force inactivity rates of the 65+ age cohorts and the youth. Those aged 55–64 years also exhibited high inactivity rates, with a mean inactivity rate that was even higher than those aged between 25–34 and 35–54.

Table 4.7: Labour force inactivity rates by country and age cohorts (%), 2000–2008

Country/Year		2000	2001	2002	2003	2004	2005	2006	2007	2008
Burundi	15+	8.7	9.0	9.3	9.6	9.9	10.0	10.1	10.1	10.1
	15–24	14.6	15.2	16.0	16.7	17.4	17.9	18.4	18.4	18.9
	25–34	3.1	3.0	3.0	3.0	2.9	2.9	2.9	2.9	2.9
	35–54	3.1	3.0	3.0	2.9	2.8	2.8	2.7	2.8	2.7
	55–64	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.9	5.9
	65+	21.6	21.9	22.2	22.3	22.6	22.7	22.9	22.9	22.9
Kenya	15+	18.9	19.1	19.3	19.4	19.5	19.5	19.4	19.5	19.4
	15–24	27.0	27.8	28.3	28.8	29.2	29.3	29.3	29.7	29.9
	25–34	11.1	11.0	10.9	10.8	10.7	10.7	10.6	10.5	10.5
	35–54	8.8	8.7	8.6	8.6	8.5	8.5	8.4	8.3	8.2
	55–64	17.6	17.5	17.4	17.3	17.3	17.3	17.3	17.4	17.5
	65+	43.8	44.2	44.4	44.6	44.8	44.9	45.1	45.6	45.9
Rwanda	15+	15.7	16.5	17.4	18.1	18.8	19.1	19.2	19.3	19.2
	15–24	26.1	27.7	29.5	31.1	32.5	33.4	33.9	35.0	35.4
	25–34	5.3	5.2	5.2	5.1	5.1	5.1	5.1	5.0	5.0
	35–54	4.0	3.9	3.8	3.7	3.6	3.6	3.6	3.6	3.5
	55–64	14.0	14.0	14.2	14.2	14.2	14.3	14.3	14.0	13.9
	65+	44.0	44.5	45.3	45.8	46.3	46.8	47.1	47.7	48.1
Tanzania	15+	11.0	11.3	11.4	11.5	11.5	11.6	11.7	11.6	11.7
	15–24	17.8	18.0	18.1	18.3	18.4	18.6	18.7	18.0	18.0
	25–34	4.1	4.1	4.1	4.0	4.0	4.0	4.0	4.0	4.0
	35–54	3.9	3.8	3.8	3.8	3.7	3.7	3.7	3.7	3.7
	55–64	9.3	9.3	9.4	9.4	9.5	9.6	9.7	9.9	10.1
	65+	32.4	36.5	36.7	36.8	37.0	37.2	37.3	40.1	40.8
Uganda	15+	14.2	14.2	14.2	14.3	14.3	14.4	14.4	14.3	14.3
	15–24	19.1	19.1	19.2	19.3	19.4	19.6	19.8	19.6	19.7
	25–34	8.5	8.5	8.4	8.4	8.3	8.3	8.3	8.3	8.2
	35–54	5.9	5.9	5.9	5.8	5.8	5.7	5.7	5.6	5.6
	55–64	13.7	13.8	13.9	14.0	14.2	14.3	14.4	14.4	14.5
	65+	38.6	38.7	38.8	38.9	39.0	39.2	39.3	39.3	39.4

Source of data: ILO (2009b).

Table 4.7 also shows cross-country variations in the inactivity rates. Rwanda was found to have had relatively high inactivity rates amongst the youth, averaging 31.6 per cent over the nine-year period (2000–2008). They were followed by Kenya (28.8 per cent), Uganda (19.4 per cent), Tanzania (18.2 per cent) and Burundi (17.1 per cent). A similar pattern is exhibited for the 65+ age cohorts. Rwanda's mean inactivity rate for this group is 46.2 per cent, compared with Kenya's (44.8 per cent), Uganda's (39.0 per cent), Tanzania's (37.2 per cent) and Burundi's (22.4 per cent).

High labour force inactivity rates among the 65+ can be reasoned within the context of absence of lifelong employment within the EAC. For the 15–24 age cohort, the trend can be attributed to the increased premium placed by the youth on education and training. This is supported by the expansion of institutions of higher learning in almost all the EAC countries. A high labour force inactivity rate amongst the 55–64 category, however, signals vulnerable employment, poor health, early retirements and weak mechanisms for retention of workers in active labour markets. Along the same lines, high inactivity rates amongst the aged (65+) are an indication of relatively higher retirement rates. Until recently, the retirement age for some countries of the region such as Kenya was fixed at 55 years, forcing many people out of productive employment.

A desirable situation is for high labour force inactivity rates amongst the youth to be occasioned by the youth spending longer time in human capital formation through education and training. It can be a negative attribute, however, if this group is not in the education and training institutions, as this would mean that they are in the category of discouraged workers (those who are not seeking employment because they believe they cannot get any). Overall, high inactivity rates signal an increased burden on the part of households and the state to provide welfare support services. Without effective interventions on this front, such a scenario can lead to crowding out of savings. This has a negative impact on investments, economic growth, employment creation and the general welfare of the society.

Unfortunately, no data were available to enable a disaggregation of the inactive labour force by the reason for the inactivity. It is likely that given the high levels of unemployment in the region, slow growth in decent and productive employment opportunities, limited and poorly coordinated job placement services, skills mis-match, and the youth bulge, the discouraged workforce could constitute a big and growing proportion of the inactive population in the EAC countries.

Employment situation in East Africa

Globally, creation of productive and durable employment opportunities has been seen as part and parcel of basic policies on economic growth and development (ILO, 1995). In developing countries, and indeed the EAC, employment creation and income generation through employment have been viewed as a means of improving the standards of living of the population and eradicating poverty within the region. Table 4.8 summarizes the status of employment in the EAC. Employment here includes wage employment, self-employment, unpaid family work and work in the informal sector.

Table 4.8: Status of employment in East Africa by sex

Country/Year	Total (000s)		Agriculture (%)		Industry (%)		Service (%)	
	Male	Female	Male	Female	Male	Female	Male	Female
Burundi	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenya (2009)*	10,400		12.48	4.54	16.22	3.03	40.89	22.84
Rwanda (1989)	1,462	1,681	38.81	51.29	2.50	0.40	5.0	1.70
Tanzania (2006)	8,780	9,165	34.83	39.82	3.58	1.43	10.52	9.82
Uganda (2003)	4,618	4,642	30.82	37.92	5.14	2.66	13.77	9.62

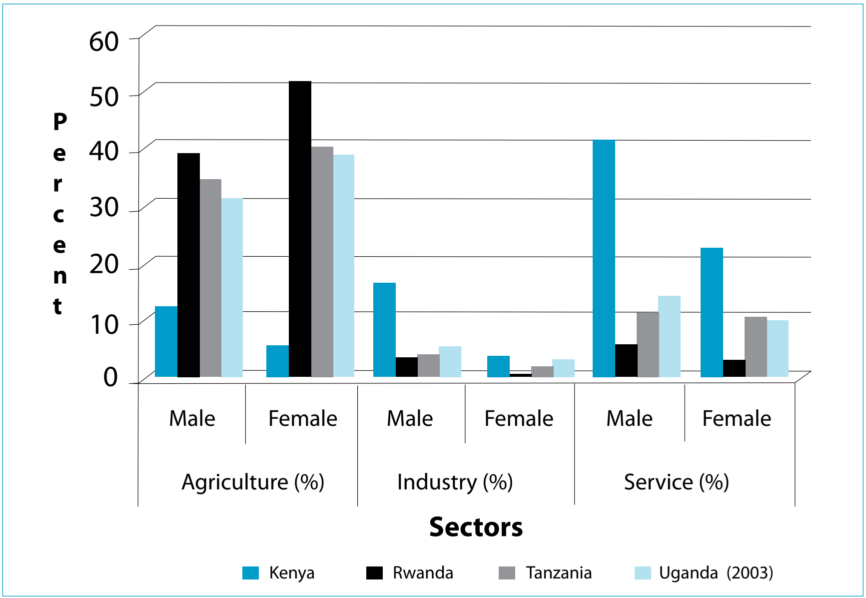
Note: Employment is defined as wage employment, self-employment, unpaid family work and work in the informal sector. N/A = not available
Source of data: ILO (2009b) and * GOK (2010).

As indicated in Table 4.8, employment data were available for all the countries of the region except Burundi. However, the years for which the data were available are disjointed. Furthermore, Kenya does not publish sex disaggregated national statistics for total employment in the country, although trends in formal sector employment in Kenya show the existence of inequitable access by men and women to employment opportunities. As at 2009, women constituted a paltry 30.4 per cent of the almost 2 million formal sector employees (GOK, 2010). The scenario changes with the inclusion of smallholder farming, the self-employed, unpaid family workers and the informal sector, which are the largest sectors of productive activity in Kenya, where the majority of Kenyans, particularly women, are engaged.

In the other countries, as revealed in Table 4.8, women constituted the majority of workers in Rwanda (53.5 per cent), Tanzania (51.1 per cent) and Uganda (50.1 per cent). On the whole, however, the lack of sex disaggregated employment data for the region and the inconsistency in the data series limit rigorous and consistent analysis of the employment trends. It should not be lost, though, that the relatively high gender gap in Kenya could be because Kenyan women with young children have more choice than those in other countries. This could be because their partners earn sufficient amounts to support them, thereby cushioning them from actively engaging in the labour market. The high gender gap in Kenya could also be explained by the reduction in the country's female population that is dependent on subsistence agriculture.

Table 4.8 and the graphical representation in Figure 4.3 both show the sectoral distribution of employment in the EAC partner states for which data were available.

Figure 4.3: Sectoral distribution of employment in East Africa, by sex



Source of data: ILO (2009b).

This sectoral distribution of employment can (where the data are available) be useful in understanding the shifts in employment over time and stages in development. From the available data, it is evident from Table 4.8 and Figure 4.3 that the majority of the EAC countries draw their employment from the agricultural sector. In this case, Rwanda is leading at 90.1 per cent, followed by Tanzania (74.7 per cent) and then Uganda (68.7 per cent). For these countries, the services sector is the second most important sector in terms of employment creation, providing 6.7 per cent, 20.3 per cent and 23.4 per cent of the jobs respective countries. For Kenya, however, the services sector is seen to be the leading contributor of the country's jobs, at 63.7 per cent, followed by industry at 19.3 per cent, then agriculture at 17 per cent.

Economic theory postulates that labour will flow from agriculture and other labour intensive primary activities to industry and finally to the services sector as a country develops (Omolo et al., 2009). In the process, workers migrate from rural to urban areas. The economic transition that is ongoing in different EAC states indicates a mixed scenario in this respect. Rwanda's Vision 2020 is seeking to transform the country into a middle-income economy (GOR, 2000). It envisages a transformation from a subsistence agriculture economy to a knowledge-based society with high levels of savings and private investment. Tanzania's Vision 2025 (GOT, 2000) seeks to attain a high quality livelihood, good governance, and the development of a strong diversified, semi-industrialized and competitive economy with a substantial industrial sector. On its part, Kenya Vision 2030 aims at making Kenya a newly industrialized, middle-income country providing a high quality of life to all its citizens by the year 2030 (GOK, 2007). As for Uganda, the vision is to have the country transformed from a peasant economy to a modern and prosperous country by the year 2035 (GOU, 2010).

Within the context of these diverse national development paths, for some countries of the region such as Rwanda, labour could flow from primary to service sectors, while for others, the movement could follow the path predicted by economic theory. What is important, however, is the difference in the growth and development models adopted by the EAC states. Thus, within the context of regional integration, there is no synchronization of the sectors that either drive or are expected to drive employment within the region.

Characteristics of employment in East Africa

Despite the different visions of the member states, the common vision of the EAC is to attain a decent work status. EAC member states are said to be committed to creation and maintenance of decent jobs. The "Decent Work Agenda" as propounded by the ILO brings equity and quality aspects of employment into the picture. The primary goal of decent work is to promote opportunities for women and men, living in both urban and rural areas, to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. The pillars of decent work as propounded by ILO are equality in access to employment opportunities, worker rights, social protection and representation (GOK, 2005).

Indeed, Target 1b of Goal 1 ("Eradicate extreme poverty and hunger") of the Millennium Development Goals (MDGs) relates to the achievement of full and productive employment and decent work for all, including women and young people (ILO, 2009a). ILO has developed five indicators to facilitate the monitoring of this target. These are: growth rate of gross domestic product

(GDP) per person employed; employment–population ratio; proportion of employed people living below one dollar a day (at purchasing power parity – PPP – terms); and proportion of own account and contributing family workers in total employment (ILO, 2009a/b).

On the employment–population ratio, this indicator is useful in assessing the ability of an economy or a region to create employment. The ratio is a measure of efficiency in the use of human resources. It is defined as the proportion of a country's/region's working age population (15+) that is employed. A high employment–population ratio means that a large section of the country's or the region's population is employed, while a low ratio means that a large proportion of the population is not involved directly in market-related activities. The low ratio could be because the section of the population that is not engaged is either unemployed or out of the labour force altogether. It is important to clarify, within this context, that even though a high employment–population ratio is typically regarded as positive, the indicator alone is not sufficient for assessing the level of decent work and/or the level of decent work deficit. This is because the ratio could be high for reasons that are not necessarily positive. Where education options are limited, for example, young people opt to take up any work available rather than staying in school to build their stock of human capital. It is within this framework that the employment–population ratio for the EAC countries and the region as a whole is interpreted.

As illustrated in Table 4.9, the working age population for the EAC countries increased almost consistently over the period 2000–2008. The highest rate of growth in this age cohort was recorded in Burundi (41.5 per cent), followed by Uganda (30.8 per cent), Rwanda (30.5 per cent), Kenya (26.4 per cent) and Tanzania (24.8 per cent). At the regional level, the working age population increased by 28.1 per cent, or at an annual average rate of 3 per cent over the nine-year period. Furthermore, and consistent with the explanations often provided for the employment challenges afflicting EAC and other developing countries, the level of growth in the working age population for the EAC countries, save for Uganda, was in all instances higher than the rate of growth in employment.

Table 4.9: Employment–population ratio, 2000–2008

Country	Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008	Growth %
Burundi	Working age (000s)	3,502.6	3,622.4	3,776.1	3,955.9	4,149.8	4,348.3	4,550.0	4,755.0	4,956.4	41.5
	Employment (000s)	2,993.3	3,085.4	3,204.0	3,345.9	3,498.3	3,659.9	3,825.9	4,003.3	4,171.5	39.4
	Employment/Population ratio (%)	85.5	85.2	84.8	84.6	84.3	84.2	84.1	84.2	84.2	
Kenya	Working age (000s)	17,664.6	18,252.7	18,850.7	19,452.2	20,048.2	20,633.4	21,205.7	21,769.8	22,335.2	26.4
	Employment (000s)	12,935.7	13,335.2	13,740.7	14,157.7	14,582.6	15,017.3	15,458.5	15,868.0	16,299.3	26.0
	Employment/Population ratio (%)	73.2	73.1	72.9	72.8	72.7	72.8	72.9	72.9	73.0	
Rwanda	Working age (000s)	4,332.1	4,585.0	4,776.9	4,924.4	5,057.4	5,198.0	5,348.0	5,499.1	5,651.9	30.5
	Employment (000s)	3,630.9	3,807.9	3,924.6	4,008.6	4,084.5	4,179.4	4,298.2	4,409.1	4,540.7	25.1
	Employment/Population ratio (%)	83.3	83.1	82.2	81.4	80.8	80.4	80.4	80.2	80.3	
Tanzania	Working age (000s)	18,967.5	19,489.9	20,028.7	20,585.2	21,159.9	21,753.5	22,367.8	23,005.1	23,666.1	24.8
	Employment (000s)	16,102.6	16,412.1	16,690.5	16,941.7	17,155.3	17,320.9	17,446.5	17,952.8	18,461.7	14.7
	Employment/Population ratio (%)	84.9	84.2	83.3	82.3	81.1	79.6	78.0	78.0	78.0	
Uganda	Working age (000s)	12,427.6	12,820.7	13,238.2	13,680.4	14,146.4	14,635.8	15,149.5	15,688.3	16,251.5	30.8
	Employment (000s)	10,172.1	10,491.4	10,828.3	11,354.1	11,734.3	12,132.9	12,551.1	13,013.1	13,481.4	32.5
	Employment/Population ratio (%)	81.9	81.8	81.8	83.0	82.9	82.9	82.8	82.9	83.0	
EAC	Working age (000s)	56,894.4	58,770.7	60,670.6	62,598.1	64,561.7	66,569.0	68,621.0	70,717.3	72,861.1	28.1
	Employment (000s)	45,834.6	47,132.0	48,338.1	49,808.0	51,055.0	52,310.4	53,580.0	55,246.3	56,954.6	24.3
	Employment/Population ratio (%)	80.6	80.2	79.8	79.6	79.1	78.6	78.1	78.1	78.2	

Source of data: ILO (2009b).

The level of employment in the EAC region grew by 24.3 per cent over the nine-year period. This was about 4 percentage points lower than the rate of growth in the working age population. At individual country levels, the growth in working age populations ranged between the 24.8 per cent recorded in Tanzania and the 41.5 per cent in Burundi. In contrast, the growth in employment ranged between a low of 14.7 per cent in Tanzania and a high of 39.4 per cent in Burundi. The working age population–employment gap was most pronounced in Tanzania, followed by Rwanda, Burundi and Kenya. The differences between the growths in these parameters for the countries were 10.4 per cent for Tanzania, 5.4 per cent for Rwanda, 2.1 per cent for Burundi and 0.4 per cent for Kenya. Uganda had a positive employment–working age growth gap of 1.7 per cent over the period of analysis.

The imbalance between labour force growth and the rate of job creation as illustrated in the foregoing discussions presents a major policy challenge for EAC and its constituent countries. The policy challenge here is how to reverse the growth rates in these parameters to manifest surpluses in employment while maintaining the quality of the jobs and reducing the vulnerable employment that characterizes the region. Table 4.9 clearly depicts a declining trend in most of the countries within the region.

Tanzania's employment–population ratio exhibited the highest rate of decline over the period of analysis, from 84.9 per cent in 2000 to 78 per cent in 2008, representing a 6.9 percentage point decline. Rwanda's employment–population ratio declined from 83.3 per cent in 2000 to 80.8 per cent in 2004 before remaining constant at about 80 per cent for the rest of the period to 2008. Burundi experienced a marginal decline in its employment–population ratio from 85.5 per cent in 2000 to 84.2 per cent in 2008, while Uganda's ratio was cyclical, averaging 82.6 per cent over the study period, and Kenya's employment–population ratio remained almost constant at 73 per cent. The ratio was slightly higher in Burundi (84.6 per cent), Uganda (82.6 per cent), Rwanda (81.3 per cent) and Tanzania (81 per cent), and lower in Kenya (73 per cent). The Kenyan ratio was much lower than the EAC average of 79 per cent. During the period 2004–2008, the global employment–population ratio averaged 60 per cent, while that of sub-Saharan Africa (SSA) was 65 per cent (ILO, 2009b).

A declining or constant employment–population ratio as depicted by the countries within the region has significant implications for employment policy. The declining trend implies that even though the countries of the region may have, over time, realized net employment creation, after taking into account new and destroyed jobs, the rate at which the net jobs were created was either lower or almost the same as the rate of growth of the labour force. This effectively means that more job seekers, both the new labour market entrants and those out of employment through various labour separation mechanisms, remained out of employment for a longer period, hence swelling the ranks of discouraged job seekers.

The employment–population ratios reported for the EAC countries are also a manifestation of the fact that large sections of the population in these countries continue with the battle against poverty using the only means available to them to eke out a living – their labour. To the theory that a person makes a choice between work and leisure, working is not a matter of choice among the poor but a matter of survival. This means that appropriate interventions must be put in place to ensure the existence, within the region, of productive, durable and quality employment opportunities capable of improving the livelihoods of the region's workers and those of their families.

As indicated, and as presented in Table 4.10, employment–population ratios for the working age population in the five EAC countries declined in most of the period. The ratio ranged from an average of 72.9 per cent (being the lowest in the region) in Kenya to 84.5 per cent (being the highest) in Burundi. According to Table4.10, the youth employment–population ratios for all the countries of the region were relatively lower than those of the working age and adult populations.

Table 4.10: Employment–population ratio by age cohorts (%), 2000–2008

Country/ Year	Age cohort	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average
Burundi	15+	85.5	85.2	84.4	84.6	84.3	84.2	84.1	84.2	84.2	84.5
	15–24	77.1	76.5	75.9	75.2	74.5	74.0	73.7	73.7	73.2	74.9
	25+	90.5	90.5	90.5	90.6	90.6	90.7	90.7	90.8	90.8	90.6
Kenya	15+	73.2	73.1	72.9	72.8	72.7	72.8	72.9	72.9	73.0	72.9
	15–24	61.1	60.5	60.0	59.6	59.3	59.2	59.2	58.8	58.7	59.6
	25+	80.9	81.0	81.1	81.1	81.2	81.3	81.3	81.4	81.4	81.2
Rwanda	15+	83.3	83.1	82.2	81.4	80.8	80.4	80.4	80.2	80.3	81.3
	15–24	73.4	71.8	70.0	68.4	67.0	66.1	65.7	64.5	64.1	67.9
	25+	90.6	90.6	90.6	90.6	90.6	90.7	90.7	90.8	90.8	90.7
Tanzania	15+	84.9	84.2	83.3	82.3	81.1	79.6	78.0	78.0	78.0	81.0
	15–24	75.7	74.8	73.9	72.8	71.7	70.5	69.4	70.0	70.0	72.1
	25+	90.2	89.6	88.7	87.7	86.4	84.4	82.9	82.6	82.5	86.1
Uganda	15+	81.9	81.8	83.0	83.0	82.9	82.9	82.8	82.9	83.0	82.7
	15–24	73.8	73.7	75.8	75.8	75.6	75.5	75.3	75.5	75.4	75.2
	25+	87.1	87.1	87.7	87.7	87.7	87.8	87.8	87.9	87.9	87.6
EAC	15+	81.8	81.5	81.2	80.8	80.4	80.0	79.6	79.6	79.7	80.5
	15–24	72.2	71.5	71.1	70.4	69.6	69.1	68.7	68.5	68.3	69.9
	25+	87.9	87.8	87.7	87.5	87.3	87.0	86.7	86.7	86.7	87.2

Source of data: ILO (2009b).

Consistent with the trends in working age employment–population ratios, the youth employment–population ratios also declined for all countries of the region except Uganda. Rwanda recorded the highest rate of decline in the proportion of the youth employed, from 73.4 per cent in 2000 to 64.1 per cent in 2008, representing a 9.3 percentage point drop. Other countries of the region that experienced declines in the proportion of the youth employed were Tanzania (5.7 percentage points), Burundi (3.9 percentage points) and Kenya (2.4 percentage points). In Uganda, however, the proportion of the youth employed increased from 73.8 per cent in 2000 to 75.4 per cent in 2008, a 1.6 percentage point increase over the nine-year period. Overall, the mean youth employment–population ratio was highest in Uganda (75.2 per cent), followed by Burundi (74.9 per cent), then Tanzania (72.1 per cent) and Rwanda (67.9 per cent). Kenya had the lowest mean youth employment–population ratio at 59.6 per cent.

Decreasing youth employment–population ratios as reported for most of the EAC countries can be considered as a positive development. This is particularly so if it is a result of more of the youth staying in education longer, rather than falling into unemployment. It is also important to note that for the youth, who are in a transition phase from dependence to independence, employment plays a great role. The feeling amongst many people including the youth is that having a job is a sign of independence. Having a job brings with it the contention that one can make one's own choice in life vis-à-vis their family and peers.

Decent work status as envisioned by the EAC member states also includes, as a critical pillar, the promotion of equal opportunities for both women and men, to enable each to obtain decent and productive work. An analysis of employment–population ratios for the region would, therefore, be incomplete it if failed to include an analysis of sex disaggregated data for the ratios. The employment–population ratios for men and women can facilitate assessment of gender equity or the lack thereof in labour market activity in the respective countries and the region as a whole.

Table 4.11 summarizes the sex disaggregated employment–population ratios for the EAC countries during the period 2000–2008. The table reveals that the employment–population ratio is generally higher for males than for females in most of the EAC countries. Burundi and Rwanda have managed to attain and maintain a near-parity in the female–male employment-to-population ratios with a mean differential of less than unity over the period of the analysis, but the disparities in their employment–population ratios in most years marginally favoured females.

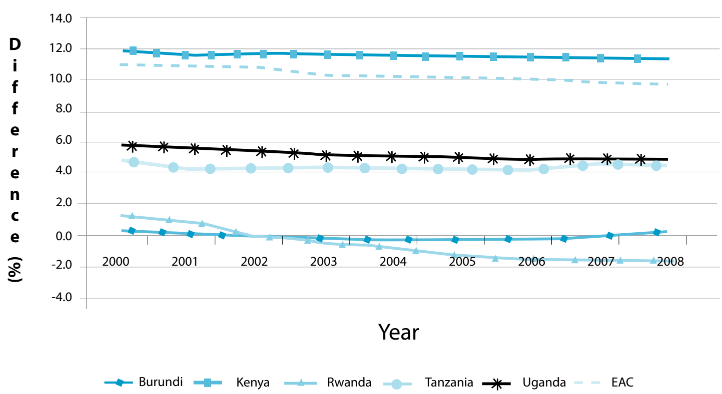
Table 4.11: Employment–population ratio by sex (%), 2000–2008

Country/Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average
Burundi										
Male	85.6	85.2	84.8	84.5	84.2	84.1	84.0	84.2	84.3	84.5
Female	85.3	85.1	84.9	84.6	84.4	84.3	84.2	84.2	84.1	84.6
Kenya										
Male	79.2	78.9	78.8	78.6	78.6	78.6	78.7	78.7	78.7	78.8
Female	67.4	67.3	67.1	67.0	67.0	67.0	67.2	67.2	67.3	67.2
Rwanda										
Male	84.5	83.5	82.2	81.2	80.3	79.7	79.5	79.4	79.5	81.1
Female	83.2	82.7	82.2	81.6	81.2	81.0	81.1	80.9	81.1	81.7
Tanzania										
Male	87.3	86.4	85.5	84.5	83.2	81.8	80.2	80.4	80.3	83.3
Female	82.6	82.1	81.2	80.2	79.0	77.6	75.9	75.8	75.8	78.9
Uganda										
Male	87.4	87.3	87.2	88.2	88.1	88.0	87.9	87.9	87.8	87.8
Female	76.5	76.5	76.5	77.9	77.9	77.9	77.9	78.1	78.1	77.5
EAC										
Male	84.8	84.3	83.7	83.4	82.9	82.4	82.1	82.1	82.1	83.1
Female	79.0	78.7	78.4	78.3	77.9	77.6	77.3	77.2	77.3	78.0

Source: ILO (2009b).

In the case of Kenya, on the other hand, according to Table 4.11 (schematized in Figure 4.4), the male employment–population ratio was in all instances higher than that of females. Kenya's male–female employment–population gap averaged 11.6 per cent, while those of Uganda and Tanzania came to 10.3 per cent and 4.4 per cent, respectively. At the EAC level, the mean disparities in the ratios averaged 5 per cent in favour of males.

Figure 4.4: Male–female differences in employment–population ratios, 2000–2008



Source of data: ILO (2009b).

As evident in Figure 4.4, although there were some gains in employment creation in Kenya, Uganda and Tanzania during the period under analysis, the opportunities were not accessed by women and men equally. The negative impacts of such inequities in employment are made worse by the fact that on average, men earn more than women. Results of the 1998/99 Kenyan Integrated Labour Force Survey (ILFS) showed that the mean monthly earnings from paid employment for males in Kenya were about 1.5 times those of females (GOK, 2005). As of 2005/06, the median monthly wages for male employees in Uganda were more than double those of females (UBOS, 2006). Yet, as has been argued by Hafkin (2002), gender disparities create inefficiencies, hamper growth and lower the potential wellbeing of a society. Such inequities in employment are critical within the context of EAC, given the respective sizes of the three economies and their roles in ensuring the promotion and sustainability of the EAC integration process.

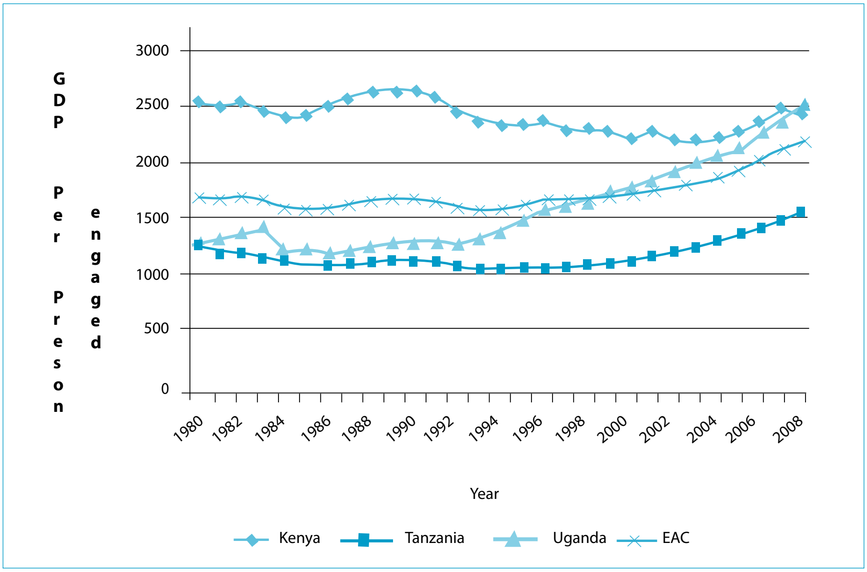
The lack of wage data for the EAC countries poses a significant challenge to analysis of the state of achievement, or otherwise, of the Decent Work Agenda. Unavailability of such data and other labour market information in general also impedes the monitoring and evaluation of progress towards the implementation the EAC Common Market Protocol and attainment of its objectives. This notwithstanding, the foregoing discussion shows clearly the key labour and employment inequalities and decent work deficits in East Africa. It confirms cross-country and gender gaps in labour force participation and inactivity rates, employment growth sectors, and varying intensities of decent work deficits. Among the substantial policy challenges posed by these inequities are how to promote equal participation of men and women in mainstream economic activities and how to harmonize employment creation policies and prioritization of the economic sector to drive employment growth. Other critical issues demanding attention are establishing and/or ensuring effective coordination of employment services, matching skills with jobs, and addressing the youth bulge and youth unemployment in the region.

The attainment of the Decent Work Agenda is an imperative for the EAC. Realization of this agenda within the context of EAC begins with the clear conviction that people must be at the centre of national and regional development, and that interventions must embrace justice and equity. These values need to be reflected in labour relations within the EAC and member states, community development, and public–private sector partnerships. At the same time, particular emphasis must be placed on the requisite education and training to ensure employability, the creation of productive and sustainable employment opportunities, facilitation of competitive and sustainable businesses, and maintenance of sound social protection systems. Interventions on social protection systems should seek to ensure greater economic security as well as labour flexibility. A broadening of the existing tripartite arrangements to enlist the participation of and/or embrace other civil society partners and creating an enabling environment to generate decent private sector jobs are also all crucial.

Labour productivity in East Africa

Labour productivity comes into play as a major determinant of competitiveness. Labour productivity essentially determines the capacity of firms to become viable, profitable and able to generate sustainable jobs (GOK, 2008 a/b). Improvement in labour productivity is critical in enhancing growth and economic prosperity as envisaged under the EAC Common Market Protocol (EAC, 2009). Labour productivity is defined, in this context, as output per unit of labour input, with output being measured as the GDP. Figure 4.5 gives a graphical representation of the trends in the GDP per person engaged over the period 1980–2008 for the three original EAC member states, Kenya, Tanzania and Uganda. There were no such data for Burundi and Rwanda to allow for a similar trends analysis.

Figure 4.5: Trends in GDP per person engaged, 1980–2008



Source of data: African Development Indicators.

As illustrated in Figure 4.5, the GDP per person engaged in Kenya generally declined over the period of analysis. It showed a cyclical trend in 1980–1990, reaching an all time high in 1990 of US$2,651 at constant 1990 PPP United

States dollars (US$). Kenya's GDP per person engaged declined thereafter to a low of US$2,192 in 2003 before picking up gradually to close at US$2,453 in 2008. As for Tanzania, this measure of labour productivity was particularly cyclical between 1980 and 1994. It then entered a period of steady growth, increasing from US$1,024 in 1995 to US$1,572 in 2008, for an average annual increase of 4 per cent over the 13-year period. Uganda's labour productivity exhibited the greatest increase over the period 1980–2008. It grew from US$1,268 in 1980 to US$2,527 in 2008, which translated to an annual average growth rate of 3.5 per cent over the period, with the highest rates of increase recorded in the 1993–2008 subperiod.

A simple correlation analysis of the labour productivity in the three countries found that Kenya's labour productivity is weakly and negatively correlated with those of Tanzania (0.036) and Uganda (0.523). Labour productivity in Uganda and Tanzania, however, is strongly correlated (0.802) and moves in the same direction. While there were no data to facilitate analysis of the trends in labour productivity for Burundi and Rwanda, it is useful to note that effective and beneficial regional integration would greatly benefit from co-movements in labour productivity across the five countries of the region. This would be useful in mitigating any shocks while at the same time ensuring national and regional competitiveness.

Table 4.12 summarizes the average annual growth rates in labour productivity for Kenya, Tanzania, Uganda and the EAC over the periods 1987–1995 and 1995–2008. For ease of reference on the changes in this labour market indicator during the EAC integration process, the table also provides average annual labour productivity growth rates for the period 2000–2008 and for 2007 and 2008.

Table 4.12: Average annual growth rates in labour productivity, 1987–2008

Country/Year	1987–1995	1995–2008	2000–2008	2007	2008
Burundi	N/A	N/A	N/A	n.a	N/A
Kenya	-1.1	0.4	1.2	4.2	-0.6
Rwanda	N/A	N/A	N/A	n.a	N/A
Tanzania	-0.9	3.4	4.5	4.5	4.9
Uganda	2.7	4.2	4.5	5.2	6.0
EAC	0.2	2.7	3.4	4.6	3.4

N/A = not available
Source: ILO (2009b).

Table 4.12 shows that average annual growth rates in labour productivity were higher in the 1995–2008 period than they were in the 1987–1995 period. This could be attributed to growth in development and adaptation of technologies and continued investment in human capital. Kenya registered a significant slowdown in labour productivity growth between 2007 and 2008 stemming from the negative effects of the violence following the 2007 general elections. Tanzania and Uganda both posted marginal growth in labour productivity during the period. Annual growth rate in labour productivity for the region over the 2007–2008 was subdued, however, reflective of Kenya's dampened productivity growth.

Employment elasticity in East Africa

Most countries, including those in the EAC, premise employment creation on economic growth (GOK, 1964; 2008a/b). In this way countries promote economic growth as the engine of employment creation. The EAC Common Market Protocol specifically aims at achieving rapid economic growth and development (EAC, 2009). It is expected that this will translate into increased employment creation to absorb the region's growing labour force.

Economists often use employment elasticity as a numerical measure of how employment varies with growth in economic output (GDP). This measure serves as a useful way to examine how growth in a country's GDP and growth in employment evolve together over time. Employment elasticity can also provide insights into trends in labour productivity and employment generation for different population subsets in a country, and assist in detecting and analysing structural changes in employment over time. Table 4.13 gives a summary of the world and regional estimates of employment elasticities during the period 1992–2008.

Table 4.13: World and regional estimates of employment elasticities, 1992–2008

Region/Country	Employment elasticities				Average annual GDP growth			
	1992–1996	1996–2000	2000–2004	2004–2008	1992–1996	1996–2000	2000–2004	2004–2008
World	0.3	0.4	0.3	0.3	3.1	3.7	3.3	4.4
Developed economies and European Union	0.3	0.3	0.2	0.5	2.4	3.3	1.9	2.2
Central and South Eastern Europe	0.2	0.2	0.2	0.2	-5.5	3.2	6.0	6.7
East Asia	0.1	0.2	0.1	0.1	10.2	7.0	7.8	9.3
South East Asia and the Pacific	0.3	0.1	0.3	0.4	7.8	1.6	4.9	5.8
South Asia	0.3	0.4	0.4	0.3	6.0	5.4	5.5	8.4
Latin America and the Caribbean	0.6	0.9	0.8	0.5	3.3	3.0	2.3	5.0
Middle East	1.1	1.5	0.7	0.7	2.9	3.3	5.1	5.7

Region/Country	Employment elasticities				Average annual GDP growth			
	1992–1996	1996–2000	2000–2004	2004–2008	1992–1996	1996–2000	2000–2004	2004–2008
North Africa	0.8	0.6	0.8	0.7	2.3	4.3	4.3	5.6
Sub-Saharan Africa	0.7	0.7	0.5	0.5	2.9	3.0	6.0	6.1
East African Community								
Burundi	-0.15	0.41	1.52	1.18	-6.5	0.8	2.5	3.5
Kenya	1.28	1.77	1.03	0.5	2.7	1.6	3.1	5.3
Rwanda	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tanzania	1.04	0.64	0.23	0.27	2.7	3.9	7.0	7.2
Uganda	0.34	0.51	0.54	0.4	8.8	5.7	6.8	8.8

N/A = not available

Source: ILO (2009b).

Globally, according to Table 4.13, the world's aggregate employment elasticity ranged between 0.3 and 0.4 during the period 1992–2008. This implies that for every percentage point of additional GDP growth, total world employment grew by 0.3–0.4 percentage points during the period. It is also noted from the table that the elasticities of employment were relatively high in the Middle East (0.7–1.5), Latin America and Caribbean (0.5–0.9), North Africa (0.6–0.8), and sub-Saharan Africa (0.5–0.7).

Table 4.13 also reveals differentials in the employment yields of economic growth within EAC. As shown in the table, the employment elasticity for Burundi increased rapidly in the initial periods (1992–2004), peaking at 1.52, before declining slightly to stand at 1.18 in 2004–2008. As for Uganda, the increase in employment elasticity was gradual during the period 1992–2004, reaching 0.54 before dipping to 0.4 in 2004–2008. Employment elasticity was highest in Burundi (1.18) during 2004–2008, followed by those of Kenya (0.5), Uganda (0.4) and Tanzania (0.27). No employment elasticity statistics were available for Rwanda. The implication of the employment elasticities presented in Table 4.13 is that a 1 percentage point increase in the region's GDP would lead to a higher employment growth in Burundi and a much lower growth in employment in Tanzania. This means that pursuit of GDP growth as an instrument of employment creation would have differential impacts on the economies within the region.

From Table 4.13, it is also evident that for the countries of the region, particularly Burundi and Kenya, there have been difficulties sustaining high levels of GDP growth rates. According to the World Bank, employment creation driven by economic growth can only be successful if a country posts an economic growth rate of at least 7 per cent and sustains it over a long period of time (World Bank, 2008). It is this reasoning that has over time informed targeted growth rates by most countries, including the EAC countries, of at least 7 per cent. A look at the data in Table 4.13 with this target in mind shows that between 1992 and 2008 Burundi never recorded the desired GDP growth level and Kenya did so only once – in 2007. Uganda attained this level of growth in 2006 and 2007, while Tanzania realized it in 2002, 2005 and 2007. Rwanda managed it on four occasions out of the nine years, i.e., in 2000, 2001, 2002 and 2005.

What is clear from these trends is that whenever the desirable GDP growth rates were attained, they were not sustained. As such, the rates of growth have been too erratic to propel meaningful employment creation within the region. The growth rates recorded and their non-sustainability are therefore not compatible with the requirement of 7 per cent minimum annual growth rates sustained over decades to achieve growth-driven employment. Within the context of EAC's employment dynamics – the low employment elasticity and the rapidly growing labour force – only a phenomenal growth in GDP would lead to meaningful generation of jobs in the region. Given the low employment elasticities in these countries, even a growth of 10 per cent per annum and above would not produce sufficient decent employment. Most employment is being created in the informal sector where jobs are precarious in nature.

This raises the question of whether developing and labour surplus economies such as those of the EAC should give priority to fixing employment in terms of quantity (numbers) before addressing quality, or whether both quantity and quality of jobs should be addressed in tandem. A number of employment targeted policy interventions pursued in these countries have tended to give credence to finding a quick fix in terms of numbers of employed, with very little emphasis on the quality of the jobs. Within a practical context, mass employment should be used as a stop-gap measure to curb labour market wastages. As much as possible, creation and maintenance of quality jobs should be the priority.

As much as the task of achieving and sustaining a high growth rate is daunting, results from some 13 economies of the world show that it is surmountable (World Bank, 2008). Among the economies that have managed to register a sustained GDP growth rate of at least 7 per cent are Botswana (1960–2005); Brazil (1950–1980); China (1961–2005); Hong Kong, China (1960–1997); Indonesia (1966–1997); and Japan (1950–1983). Others are Republic of Korea (1960–2001); Malaysia (1967–1997); Malta (1963–1994); Oman (1960–1999); Singapore (1967–2002); Taiwan (1965–2002); and Thailand (1960–1997). According to the World Bank (2008), two other economies, India and Vietnam, may also join the group.

The sample of countries that have achieved such impressive growth rates is quite diverse. It consists of countries from Africa, Asia, Latin America, the Middle East and emerging Europe. This reinforces the fact that with the right social, economic and political frameworks, the EAC countries can achieve the desired growth levels. The policy challenge for the EAC countries, then, is whether to maintain growth-driven employment as a goal, or adopt employment-driven growth. If the policy choice is to proceed along the path of growth-oriented employment, then the next challenge would be how to spur high and accelerated growth rates and sustain it over a sufficiently long period of time. If the EAC countries are to undergo a policy reversal and choose the employment-targeted growth option, then the challenge will be on formulating and implementing an effective policy framework to steer this.

4.3 Impact of EAC Integration on Labour and Employment

National competitiveness, employment creation and improvements in the standards of living of the population are key goals of the EAC integration process. The Protocol on the establishment of the EAC Common Market became effective in July 2010, ten years after the EAC came into existence, with the aim of promoting free movement of labour, among other factors of production. At this stage it would be premature to attempt an objective and evidence-based assessment of the impact of the integration on the labour and employment sector. Even so, an analysis of the level of convergence of selected labour market indicators can be undertaken to provide an indication of the possible impacts and achievements of the integration process. An assessment of the labour and employment challenges that will need to be addressed for effective regional integration to be achieved would also be useful.

Labour market convergence

Long-term nominal convergence is an approximate reflection of the similarity of basic social and economic policies and their results. Although employment creation, regional competitiveness and improvement in the standards of living of the population were some of the broad goals of the EAC integration, neither the 2001–2005 nor the 2006–2010 EAC Development Strategy contained specific labour and employment targets to be achieved. Specific targets on some of these parameters would have been useful in facilitating analysis of the levels of convergence of the key labour market fundamentals. In the circumstances, the author used changes in the growth rates of GDP, employment, labour force and labour productivity, as well as in consumer price indexes (CPI), to assess the levels of labour market convergence/divergence. It would have been interesting to analyse the state of convergence/divergence of wages in the region, but this was not possible because of the paucity of data. Table 4.14 gives the trends in growth of the selected labour market indicators.

Table 4.14: EAC labour market convergence, 2000–2008

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008
GDP growth (%)									
Burundi	-0.9	2.1	4.4	-1.2	4.8	0.9	5.1	3.6	N/A
Kenya	0.6	3.8	0.5	2.9	5.1	5.8	6.4	7.1	1.6
Rwanda	8.1	8.5	11	0.3	5.3	7.1	5.5	6	N/A
Tanzania	5.1	6.2	7.2	5.7	6.7	7.4	6.7	7.1	N/A
Uganda	5.6	4.9	6.4	6.6	6.8	6.3	10.8	7.9	N/A
Employment growth (%)									
Burundi	2.2	3.1	3.8	4.4	4.6	4.6	4.5	4.6	4.2
Kenya	3.1	3.1	3.0	3.0	3.0	3.0	2.9	2.7	2.7
Rwanda	7.5	4.9	3.1	2.1	1.9	2.3	2.8	2.6	3.0
Tanzania	1.9	1.9	1.7	1.5	1.3	1.0	0.7	2.9	2.8
Uganda	3.0	3.1	3.2	4.9	3.4	3.4	3.5	3.7	3.6
Labour force growth (%)*									
Burundi	2.2	3.3	3.9	4.7	4.7	4.7	4.7	4.5	4.2
Kenya	3.5	3.3	3.4	3.2	3.1	2.9	2.9	2.7	2.7
Rwanda	8.1	5.4	3.8	2.8	2.6	2.8	3.0	3.1	3.1
Tanzania	2.6	2.6	2.6	2.8	2.7	2.8	2.7	2.8	2.7
Uganda	3.0	3.0	3.2	3.2	3.4	3.3	3.4	3.6	3.5
Labour productivity growth (%)									
Burundi	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kenya	-2.5	1.7	-2.7	-0.2	1.3	3.0	3.6	4.2	-0.6
Rwanda	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tanzania	2.7	3.6	4.7	4.7	4.8	4.9	4.1	4.5	4.9
Uganda	2.8	2.1	5.6	3.3	3.6	3.0	7.3	5.2	6.0
Change in CPI (%) base year = 2000									
Burundi	25.0	9.0	-0.9	10.2	8.4	13.2	2.7	8.7	N/A
Kenya	9.9	6.0	1.9	9.3	11.9	10.6	14.4	9.6	N/A
Rwanda	4.2	3.0	1.9	7.6	12.4	8.7	8.7	9.3	N/A
Tanzania	6.4	5.0	4.8	4.5	4.3	4.2	7.2	6.7	N/A
Uganda	6.4	5.0	-2.9	5.9	5.6	7.9	6.5	6.9	N/A

N/A = not available
Source of data: *Africa Development Indicators; other, ILO (2009b).

The data presented in Table 4.14 show that Burundi's GDP growth ranged between the negative 1.2 per cent registered in 2003 and the 5.1 per cent realized in 2006. Kenya's GDP growth rate oscillated during the period, with rates between 0.5 per cent in 2002 and 7.1 per cent in 2007. Rwanda's GDP growth rate rose steadily between 2000 and 2003, then plunged to 0.3 per cent in 2003; subsequent changes were not consistent and the rate did not return to the high of 11 per cent attained in 2002. GDP growth rates recorded by Tanzania and Uganda over the period generally lacked the rather dramatic changes recorded by their neighbours.

Tanzania's GDP rate ranged from a low of 5.1 per cent in 2000 to a high of 7.4 per cent in 2005. As for Uganda, the lowest growth rate was the 4.9 per cent recorded in 2001, with the highest being 10.8 per cent in 2006.

Table 4.15 gives a summary of results of a correlation analysis of the countries' GDP growth rates over the period 2000–2008. A correlation analysis, in this case, measures the degree to which changes in the countries' GDPs are related. This is important in facilitating assessment of the level of convergence in the countries' GDP growth rates.

Table 4.15: Correlation matrix

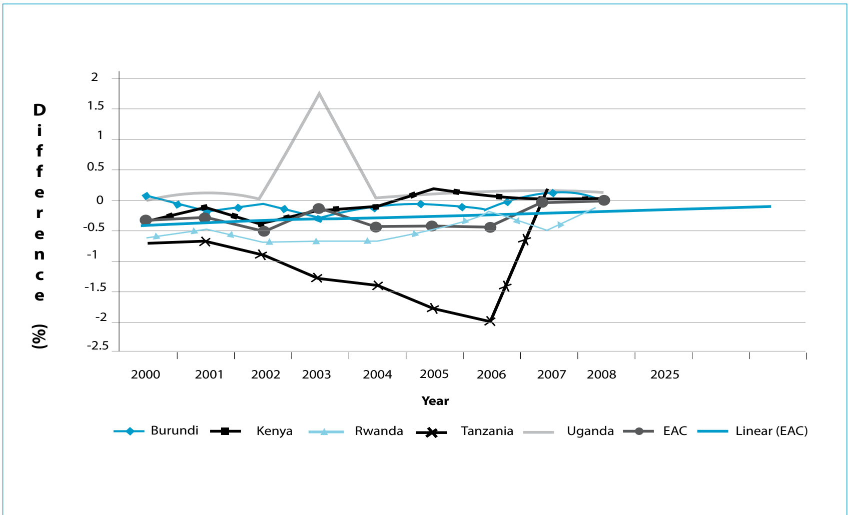
Country	Burundi	Kenya	Rwanda	Tanzania	Uganda
Burundi	1.0000				
Kenya	0.4108	1.0000			
Rwanda	0.3323	-0.3424	1.0000		
Tanzania	0.6673	0.5269	0.2917	1.0000	
Uganda	0.5465	0.5704	-0.2827	0.3127	1.0000

The data presented in Table 4.15 show three strands of relationships. For one, there is a weak, negative correlation between the GDP growth rates of Rwanda and Uganda (negative 0.2827), and between those of Kenya and Rwanda (-0.3424). There also exist weak but positive correlations between the GDP growth rates of Rwanda and Tanzania (0.2917); Tanzania and Uganda (0.3127); Burundi and Rwanda (0.3323); and Burundi and Kenya (0.4108). Finally, there is a strong positive correlation between the GDP growth rates of Kenya and Tanzania (0.5269); Burundi and Uganda (0.5465); Kenya and Uganda (0.5704); and Burundi and Tanzania (0.6673). It is evident that the EAC countries have not attained a level of long-term convergence on the GDP growth front.

Sustained employment creation is critical for effective EAC integration process. Table 4.14 showed that of the five EAC countries, Burundi realized the highest levels of employment growth over time. The rate of growth moved from 2.2 per cent in 2000 to 4.6 per cent in 2007 and then declined marginally to 4.2 per cent in 2008. Uganda recorded dismal increases in employment over the period, while Kenya, Rwanda and Tanzania experienced general declines in their employment growths. A desirable situation is for a country to realize employment growth at a pace that is higher than the rate of growth of its labour force.

As shown in Figure 4.6, all the EAC countries except Uganda recorded a more than proportionate increase in their labour force as compared with the growth in employment. The highest percentage variation between these variables over the period of the analysis occurred in Tanzania and Rwanda. A linear forecast trend line fitted on the EAC data shows that unless interventions are made to reverse the trend, the region's rate of growth in employment creation will remain lower than its rate of labour force growth beyond 2025. The trends indicate a rapid increase in unemployment in the region and its constituent countries. The policy challenge for the EAC, then, is how to spur employment growth so that it outpaces the rate of growth in the labour force.

Figure 4.6: Employment–labour force growth gap (%)



Source of Data: African Development Indicators; ILO (2009b).

Productivity growth is another imperative for organizational, national and regional competitiveness. It is also an important ingredient in employment creation and general improvement in the standards of living of the population. The data presented in Table 4.14 showed that labour productivity growth for Kenya dampened, particularly in the 2000–2004 period. The same pattern was reflected in 2008, when it plummeted to negative 0.6 per cent from 4.2 per cent in 2007. Tanzania and Uganda recorded a positive labour productivity growth averaging 4.3 per cent over the 2000–2008 period.

Regrettably, neither the EAC as a corporate body nor the member states have cited specific labour productivity targets in their development blueprints. And, according to the data presented in Table 4.14, there is no evidence that labour productivity growth in the EAC countries is in synch. This state of affairs can be attributed to three main issues. First is failure by the EAC countries and the region to mainstream productivity in all sectors of the countries' and the region's economy. Productivity management and practice in the EAC countries is still weak, non-integrated and not prioritized.

Second, productivity as a factor for wage compensation and determinant of labour cost competitiveness has not been effectively integrated into the respective countries' and the region's wage determination systems. While Kenya's Wage Guidelines (2005) identify productivity as a wage compensable factor for example, the same is not reflected in the wage determination systems of the other countries of the region. At the same time, beyond the policy pronouncements, no concrete action has been taken by the government and the Kenyan tripartite partners – Ministry of Labour (MOL), Federation of Kenya Employers (FKE) and the Central Organization of Trade Unions (COTU) – to integrate and mainstream productivity in the country's wage determination system (GOK, 2008a/b). Third, there is weak productivity promotion in the EAC countries and the region in general, which may be attributed to the absence of generally agreed productivity measurement and compensation criteria, and the lack of national and regional policies on productivity. Productivity policy is crucial in guiding and steering productivity management in the region.

Changes in the CPI or inflation are other important labour market indicators. The EAC countries are all cognizant of this, and target inflation rates of at most 5 per cent. Nonetheless, changes in the CPI for the countries of the region were upwards of 5 per cent for most of the years (Table 4.14). Cross-country comparisons also show that the CPI for the countries does not exhibit any clear pattern of getting closer together. This signals absence of long-term convergence on that parameter. Within the context of employment creation and organizational competiveness, the desirable situation would be one in which the changes in the CPI are lower than the growth rates in productivity. This is more critical when, as in majority of the EAC countries, wage demands and increases are reasoned on the basis of changes in the CPI.

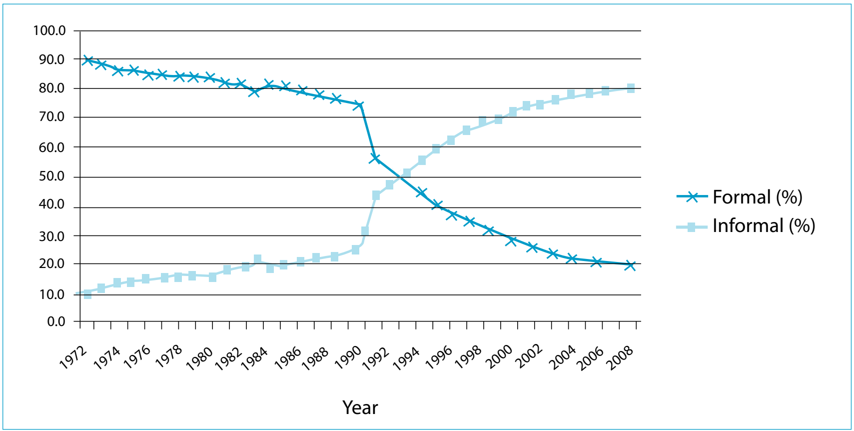
Impact of EAC integration on labour and employment

While one immediate expectation of the EAC Common Market Protocol's coming into force was that labour would be able to move freely across the region, the slow employment growth in all the EAC countries – particularly in the formal sector – hinders the free movement of labour (Table 4.14). The subdued growth in formal sector employment vis-à-vis rapid growth in the region's labour force has left the informal sector as the lead provider of jobs in most EAC countries. In the case of Kenya, for example, the informal sector has surpassed the formal sector in terms of employment generation.

Figure 4.7 reveals the decreasing importance of formal sector employment, and growing significance of informal sector employment, to total employment in Kenya. The contribution of the informal sector to total employment in the country increased from less than a quarter of total jobs in the country in 1986 to slightly more than four-fifths of total employment in 2008. The greatest leap in the growth in informal sector employment has occurred since 1991.

This rapid growth in informal employment in Kenya (1991 onwards) coincided with the period during which the Kenyan labour market suffered considerable employment losses, particularly in the formal sector, triggered mainly by liberalization policies. At the same time, renewed government strategy to promote the growth and development of the informal and *jua kali* sector[1] (1992), and broadening of the definition and more consistent capturing of informal sector data in the national statistics also explain the phenomenal growth in informal sector employment in Kenya. Similar trends showing the growing importance in informal sector in employment generation are evident in the other countries of the region.

Figure 4.7: Formal and informal sector employment in Kenya



Source of Data: Government of Kenya, *Economic Survey* (various).

It is noted, however, that the informal sector jobs are precarious by nature; they mostly offer low pay, do not come with job security, and are characterized by poor safety and health standards given the absence of a framework for promotion of

1 *Jua kali*, the Kiswahili term for "hot sun", came into use because many artisans and other small operators in the sector lack fixed premises and operate literally in the open, in the sun.

worker rights and representation. Such employment hardly meets the ILO aim of "decent" work.

With the low levels of employment growth within the EAC and the increased hope on the part of the job seekers, more not less unemployment may be the initial outcome of the openness in trade and economic integration in the region. In addition, the knock-on effect of the lower returns to those in the informal sector will be further downward pressure on all wages.

Issues and challenges in EAC integration

Effective EAC integration and its resultant benefits are hinged on the extent to which the aspiration for the free movement of workers can be actualized. Article 10 of the EAC Common Market Protocol guarantees the free movement within the region of workers who are the citizens of the member states. It also requires the partner states to ensure that workers do not face discrimination in employment, remuneration and other conditions of work because of their citizenship. Within this framework, the EAC member states committed (in Article 12) to harmonize their labour and employment policies, national laws and programmes so as to facilitate the free movement of labour across the region. This commitment extends to national social security policies, laws and systems in the region. At the same time, Article 39 of the Protocol obliges the member countries to coordinate and harmonize their social policies so as to promote and protect decent work and improve standards of living of the citizens.

So far, however, this commitment has not been actualized within the region. The delays in the harmonization of the relevant policies, laws and programmes continue to undermine effective EAC integration and achievement of the anticipated benefits. Connected to this is a similar lack of harmony in the countries' education and training systems. Harmonization here would ensure that the region's labour force possesses the same qualifications and meets common standards as set out by the region. It would also promote the mutual recognition of education and professional qualifications held by those who train within the region.

The availability of timely and reliable labour market data is also crucial for effective EAC integration, particularly for the free movement of labour. The availability of such data rests on the existence of a comprehensive and coordinated mechanism for collecting reliable, adequate and timely information on all facets of the labour market. As a region, however, and individually, the EAC and its member states lack up-to-date labour market information. Even though the EAC countries have, since 2009, identified the need to undertake a regional manpower survey (RMS), the surveys have not been conducted to date because of resource constraints. Instead, the countries have relied on piecemeal, ad hoc, uncoordinated and less comprehensive sectoral surveys to generate labour market information for their use.

As it is now, no current data exist on the stock of skills in the countries of the region, the characteristics and supply base of such skills, and the extent to which the skills supply side responds to the skill needs and requirements of the demand side (industry). Lack of such data limits labour market search, job-matching and employment growth. At the same time, without an updated stock of skills and all its facets, the region cannot fully benefit from the free movement of labour. It also cannot develop and implement occupational classification standards, a critical ingredient for an efficient labour market. The absence of timely and reliable labour market information stands to greatly hamper the effectiveness of the EAC integration, particularly the benefits that would accrue from the provision of Articles 7 and 10 of the EAC Common Market Protocol on the free movement of persons and labour, respectively.

Related to the opening up of the regional labour market is the capacity of the region to guarantee fundamental rights and principles at work. EAC countries are members of the ILO and signatories to various ILO conventions, including the Labour Inspection Convention No. 81 of 1947. This means that the EAC countries are bound by the provisions of this convention, which gives the purpose of labour inspection as ensuring compliance with legislation, minimum standards and terms of any collective agreements that contain relevant standards. Labour inspection is meant to guarantee that the greatest possible number of problems relating to the protection of workers is resolved at the workplace. In this context, it is the responsibility of governments to put in place an effective framework for labour inspection. This would make the roles of workers, employers, individual trade unions and employers' bodies, and labour-based civil society organizations complementary in the promotion of the fundamental rights and principles at work (Omolo and Omiti, 2004).

However, all the EAC countries have suffered staff reductions in their civil services as part of their reforms. Consequently, they may not have the requisite human resource capacity to undertake effective inspections: The effectiveness of labour inspectorate services can be gauged by the labour inspectorate staff–employment ratio. The ILO, in its Report of 2006, developed a benchmark that provides an optimal ratio of the number of workers per labour inspector, depending on the state of the economy. The benchmark in the case of industrialized and market economies was set at one labour inspector per 10,000 workers, in transition economies it was set at one inspector per 20,000 workers, and in developing economies such as the EAC countries it was set at one inspector per 40,000 workers. Using Kenya as an example, Table 4.16 summarizes the trends in the labour inspectorate staff–employment ratio for the country over the period 1996–2010.

Table 4.16: Labour inspectorate staff–employment ratio in Kenya, 1996–2010

Year	Total employment (Millions)	Inspectorate staff (Nos.)	Inspectorate staff/ employment ratio	Variance
1996	4.314	116	37,284	- 2,716
1997	4.707	114	41,214	1,214
1998	5.100	112	45,506	5,506
1999	5.493	114	48,181	8,181
2000	5.912	115	51,755	11,755
2001	6.367	116	55,257	15,257
2002	6.852	116	59,197	19,197
2003	7.330	115	63,702	23,702
2004	7.999	117	68,363	28,363
2005	8.505	112	75,938	35,938
2006	8.993	107	84,050	44,050
2007	9.479	104	91,143	51,143
2008	9.946	93	106,948	66,948
2009	10.439	96	108,735	68,735
2010	10.958	90	121,752	81,752

Source of data: Government of Kenya *Economic Survey* (various), MOL and own computation.

The data presented in Table 4.16 show that while the numbers of Kenya's employed have been growing, the number of labour inspectorate staff has been shrinking for most of the years. Consequently, the labour inspectorate staff–employment ratio for Kenya has declined from a vantage point of one labour inspector per 37,284 employees in 1996, to one inspector for every 121,752 employees in 2010. By international standards, the Kenyan labour inspectorate staff was overburdened by about 204 per cent in 2010. Increased workload for the labour inspectorate staff provides an incentive for them to shift from programmatic inspections to worker-initiated inspections, a form of inspection that is not effective (ILO, 2006).

How do the labour inspectorate staff–employment ratios calculated for Kenya compare with those of other developing countries? ILO (2006), for example, reported the ratios for Vietnam as 1:40,000; Bukina Faso 1:45,000; Cambodia 1:370,000 and Bangladesh 1:3,200,000. A report on South Africa put the country's labour inspectorate staff–employment ratio at 1:140,000 (Lamati, 2010). As much as these ratios show that many countries miss the international benchmarks, they reinforce the picture of Kenya's overburdened labour inspectorate services, and the weak state of inspectorate services in other countries.

No data were available to document the situation in the other four EAC countries. The weak state of labour inspectorate services in Kenya may, however, mirror the poor state of the inspectorate services across the EAC membership. The implication is that the EAC countries may, as yet, not have put in place effective mechanisms to guarantee the fundamental principles and rights at work. This situation may be worse with the weak labour and social dialogue institutions that characterize the EAC countries.

4.4 Conclusions and Recommendations

Effective and full integration of any regional economic bloc is hinged on harmonized labour, employment, education and social policies, laws and programmes. It also requires the elimination or at least convergence of inequalities in critical labour and employment indicators. The EAC is no exception. Inequalities abound, as summarized below, and the region has not yet established a harmonious labour environment, thus frustrating the integration effort.

Conclusions

Creation of adequate, productive and sustainable employment opportunities to absorb East Africa's growing labour force remains a major policy challenge for the EAC. This study has established that inequalities in key labour and employment indicators pose a significant constraint to the EAC integration process. This is reflected in cross-country, gender and age-related disparities in employment growth, employment–population ratio, labour force activity and inactivity rates, labour productivity, and employment elasticity, among other key labour market indicators. The EAC countries also exhibited the absence of long-term convergence on economic growth, productivity and CPI, which are important parameters for sustained employment creation and effective integration, particularly the free movement of labour.

Common among the EAC countries is the absence of the integration and mainstreaming of productivity in all sectors of the region's economies, including wage determination. Also, the informal sector has become increasingly significant in the countries' employment, despite the precarious nature of such employment. This brings into question the ability of the region to effectively support the employment demands of its labour force. Effective and full integration of the EAC is grounded on harmonization of labour, employment and social policies, laws and programmes, but this state has not yet been realized by the EAC. Further, harmonization of the region's education and training systems is yet to be undertaken within the region. This frustrates efforts towards free movement of labour and persons across the region.

At the same time, the EAC suffers from a paucity of labour market information as a result of the absence of an integrated framework for adequate and timely data collection, analysis, storage and dissemination.

Recommendations

As the region continues with the integration process, it is necessary to consider adopting the following recommendations.

Establish labour market information systems

Active labour market policies, including effective job search and job matching, require the existence of accurate, timely, reliable and up-to-date labour market information. For the region to achieve meaningful progress, it has to invest in and undertake a RMS. This is crucial as it will support the EAC integration process by enhancing labour market search and matching, and design of appropriate occupational classification standards. It will also contribute to an effective supply of labour by ensuring that the unemployed segments of the labour force are actively seeking. It will, as well, contribute to preventing marginalization and long-term unemployment by ensuring that both the employed and the unemployed acquire, enhance and maintain qualifications that are relevant to the labour market and the changing dynamics of industry.

The region also needs to have effective legislation on labour market information systems (LMISs) and their administration. This is necessary to aid the collection, collation, analysis, retrieval and dissemination of information on all facets of the labour market. It will also aid evidence-based decision making, policy implementation, and enforcement of labour related laws and regulations within the region.

Emphasize employment targeted growth

The EAC integration efforts envisage spurring economic growth and employment creation within the region. However, the region has not been in a position to achieve and sustain a high rate of growth consistent with rapid employment creation. The region thus needs to shift to employment-targeted growth, which will lay the foundation for enhanced generation of income, increase in aggregate demand for goods and services, and organizational competitiveness. The solution in this case lies in first creating gainful employment, often in export industries, for people who are otherwise under-employed in the traditional or informal sectors of the economy. In the next stage, the economy would target the creation of better jobs, worthy of more educated, more skilful workers. For these stages to unfold, labour must be mobile geographically, occupationally and across sectors/industries. This emphasizes the need for more investments in active labour market policies such as provision of labour market information and employment services.

Promote productivity and regional competitiveness

There is a strong need for the effective nurturing and promotion of productivity and organizational competitiveness at all levels of the region's economy. To facilitate this, the EAC secretariat, in collaboration with the national governments, social partners, development partners and other stakeholders, should strengthen policy, legal and institutional frameworks for productivity promotion and management within the region. Of significance is the formulation and implementation of a regional productivity policy. Besides providing the roadmap for productivity promotion and management in the region, the policy should also provide guidelines for integrating and mainstreaming productivity in wage settings. This is critical for enhanced employment creation and regional competitiveness. All the productivity promotion interventions should enlist the participation of government, employers, workers and all other stakeholders within the region for effectiveness and sustainability.

Harmonize labour, employment and social policies and laws

Labour laws applicable in the EAC countries are diverse, a diversity that potentially hinders movement of labour across the borders. At the same time, the employment policies and strategies – inclusive of social security systems – pursued by the member states are different, hence posing a further challenge to effective integration. For the EAC to integrate fully and effectively, there is need for the member countries to harmonize their labour, employment and social policies, laws and programmes. This can be undertaken within the tripartite framework that is already established in the respective countries, with the ILO providing technical backstopping services. A similar harmonization exercise would be required in the education and training sector, a move that is necessary to ensure standardization of qualifications, mutual recognition of the educational and professional qualifications across the region, and reduction in the negative impacts of labour mobility.

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