

Running ahead: EMBRACING ICT IN FOSTERING EA INTEGRATION

Columbia Southern University

EMBRACING INFORMATION AND COMMUNICATION TECHNOLOGY
UTILIZATION IN FOSTERING EAST AFRICAN INTEGRATION

By

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APPROVAL

We, the undersigned, certify we have read this dissertation and approve it as adequate in scope and quality for the degree of Doctor of Business Administration.

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DEDICATION

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CHAPTER I: INTRODUCTION

African countries remain marginal players in the global economy and often blame the industrialized countries for keeping their markets closed to their products (Juma, 2007). In order to grow sustainably and reduce extreme poverty, Africa needs to integrate into world economic and financial systems (Sako, 2004). Regional integration is therefore a necessity in order to create large, more viable, stable and economically sensible blocs to save the African people from poverty, disease and perennial conflicts (EAC secretariat, 2011).

The East African Community (EAC) is one of these blocs. The EAC is a regional economic integration comprising Burundi, Kenya, Rwanda, Tanzania and Uganda, aiming at widening and deepening co-operation among the Partner States in, among others, political, economic and social fields for their mutual benefit.

The study on “how to embrace information and communication technology utilization in fostering East African integration” intended to analyze different levels of EAC economic integration. The challenges and pitfalls have been addressed and recommendations formulated to help the community achieve successfully its goals.

Statement of the problem

The main goal for EAC integration stems from the desire by the partner states to improve the standard of living of the population through increased competitiveness, value-added production, trade and investment. To make it possible, the EAC treaty specifies four stages of EAC integration commencing with a customs union as an entry point, a common market, a monetary union and ultimately a political federation.

The EAC customs union and common market protocols have been signed respectively in 2004 and 2009, and currently a monetary union is under negotiations. However, the

implementation of these two signed protocols of integration levels is still experiencing many challenges. Considerable delays have been noted in implementing the harmonized customs procedures, as well as mechanisms for increasing efficiency through the rolling out of computerized customs clearance systems and the development of one-stop border posts. The implementation of the four freedoms of common market (such as free movement of goods; persons; labor; services and capital as well as the right of establishment and residence) also moves slowly. Information about possible causes of this slow-moving need to be collected and assessed to allow partner states decision makers to take appropriate actions in speeding up the East African integration process.

To clarify this EAC integration process concern, the purpose of this research was to examine the East African (EA) integration process and to determine technology oriented solutions viability implementation to bring up the integration process at the final stage of the EA political federation.

In the context of this research, the problem statement would generate the following meaningful questions:

Management question: Why do EAC partner states fail to step up the pace of their integration process and what can be done to curb it?

Research questions

- (1) What are possible challenges and barriers hindering East African integration process?
- (2) How information and communication technology utilization can foster the East African integration?

The research framework of this particular situation of East African integration was structured and referred on the above outlined research questions.

Definition of terms

Regional integration: Literatures define regional economic integration as an agreement among countries in a geographic region to reduce and ultimately remove, tariff and non tariff barriers to the free flow of goods or services and factors of production among each others. It can be also any type of arrangement in which countries agree to coordinate their trade, fiscal, and/or monetary policies (writework.com, 2005).

Customs union is the agreement between two or more (usually neighboring) countries to remove trade barriers, and reduce or eliminate customs duty on mutual trade. A customs union (unlike a free trade area) generally imposes a common external-tariff (CET) on imports from non-member countries and (unlike a common market) generally does not allow free movement of capital and labor among member countries (business dictionary, 2011).

Common market is an agreement (or a pact) between different countries to reduce trade barriers, allowing free movement of goods and people across frontiers; there are no exchange controls and business can move and set up in any country without restriction (economics dictionary, 2011).

Monetary union: According to Cohen (2010), a monetary union is defined as a group of two or more states sharing a common currency or equivalent.

Information and Communication Technology (ICT) is defined as technologies that provide access to information through telecommunications. This includes the Internet, wireless networks, cell phones, and other communication mediums such as radio, TV, etc. while “information technology (IT)” refers to anything related to computing technology, such as networking, hardware, software, the Internet, or the people that work with these technologies (Tech terms dictionary, 2011).

Brief review of related literature

East African Community (EAC) is an African regional economic organization created in 1967 after the ratification of the EAC treaty. The community has collapsed in 1977 due to political differences, and reestablished in 1999 after the signature of the EAC treaty by three countries (Kenya, Tanzania and Uganda); in order to participate in the same regional economic integration, Rwanda and Burundi have been admitted to join EAC in 2008 (EAC Secretariat, 2010).

The effective EAC regional economic integration is intended to be achieved through the establishment of a customs union, a common market, subsequently a monetary union and ultimately a political federation of the East African States.

To facilitate these regional integration levels, information and communication technology (ICT) is a key in boosting regional economic development. With ICT, regional cooperation and integration efforts should mainstream information society and digital inclusion issues in their plans and programs when policies and mechanisms are put in place (Economic Commission for Africa, 2002).

This research was seeking to show how national market liberalization and regional trade become possible when these new technologies are used in today's business environment. Therefore, the study has drawn all aspects of ICT industry which facilitate regional cooperation, foster economies of scale, improve compatible standards and attract investment.

Methodology

This study has emphasized on exploring, analyzing and interpreting the challenges of East African integration pillars namely the customs union, single market, monetary union and a political federation, to provide possible solutions to that particular situation. The nature of the

study approach reflected qualitative methods, specifically “the case study research methodology” and was designed to achieve the objectives set out by the researcher.

Limitation of the study

Significant limitations in this study have appeared in research methodology specifically in data collection including control of respondent’s attitudes, decrease rate of responses, problem of access to information, time management and budgetary constraints, etc.

In addition, as this research sought to provide a rich and contextualized understanding of aspects of human attitudes through the intensive case study on EAC regional economic integration, results from survey have allowed generalizing this particular study situation by drawing broad inferences. However, given the scope of the study, data limitations should not be taken as completely accurate or representative of the entire EAC citizens.

Study findings

This research project endeavored to examine the EA integration process by assessing different levels of integration, and to recommend remedial measures for an effective EA economic integration. In this study, the qualitative data collected from different potential respondents have been analyzed based on exploratory approach and inferences about the general EA integration situation have been drawn. The significance of this study was:

- (1) To improve public understanding about East African regional integration and to help decision makers to take appropriate actions in speeding up the integration process;
- (2) To improve literature on East African integration process, and
- (3) To fulfill the requirements of the DBA program

CHAPTER II: REVIEW OF LITERATURE

Overview on regional integration

The majority of African countries are members of one or more regional economic blocs that seek to promote economic coordination, cooperation or integration among the member countries concerned (Maruping, 2005). The fragmentation of Africa into many nation states with scant economic coherence led African leaders, following political independence to embrace regional integration as a central element of their development strategy (African Development Bank, 2011).

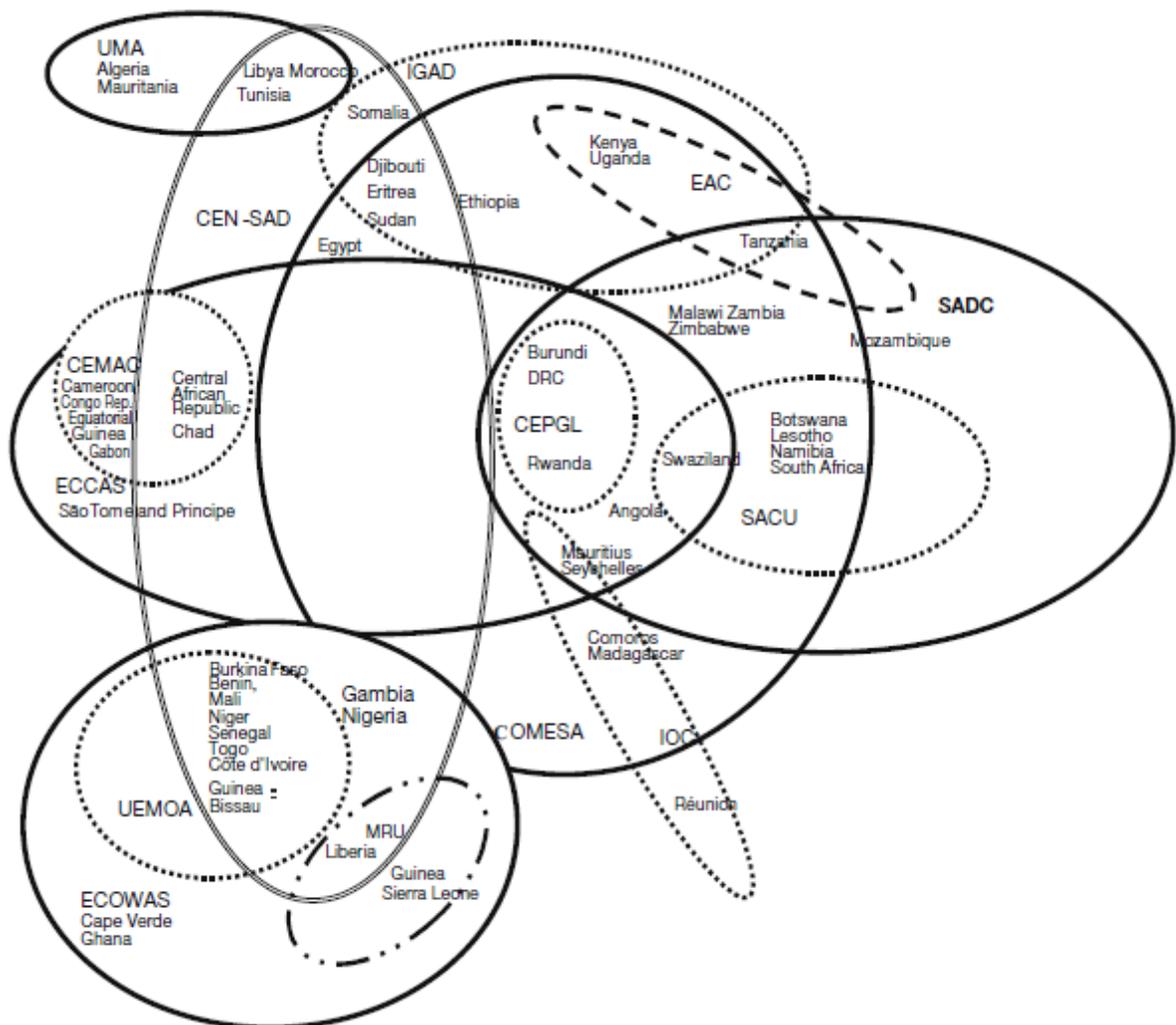
The Food and Agriculture Organization (FAO) divided current African integration arrangements into two broad groups: those that fit into the Lagos Plan of Action (LPA) adopted in April 1980, and those that were either in existence or came about outside the LPA. The LPA envisaged three regional arrangements aimed at the creation of separate but convergent and overarching integration arrangements in three sub-Saharan sub-regions. West Africa would be served by the Economic Community of West African States (ECOWAS) which pre-dated the Lagos Plan. A Preferential Trade Area (PTA) was established in 1981 to cover the countries of East and Southern Africa, which was eventually replaced in 1993 by the Common Market for Eastern and Southern Africa (COMESA). For Central Africa the treaty of the Economic Community of Central African States (ECCAS) was approved in 1983 but remains to be fully ratified. Together with the Arab Maghreb Union (AMU) in North Africa, these arrangements were expected to lead to an all-African common market by the year 2025 (FAO, 2011).

According to FAO (2011), a second group of integration arrangements has grown up outside the LPA. There is the West African Economic and Monetary Union (WAEMU) within the ambit of ECOWAS and the Economic and Monetary Union of Central Africa (CEMAC)

within the proposed ECCAS region. Within the geographic area of COMESA there are the Southern African Customs Union (SACU) with its associated monetary union: the Common Monetary Area (CMA), the Southern African Development Community (SADC) and the East African Community (EAC). Some countries in this region are also joined with countries in the Horn of Africa in the Intergovernmental Authority on Development (IGAD).

To grasp how complex the network of regional economic communities in Africa really is, in its report on “Assessing regional integration in Africa,” UNECA (2004) illustrated a visual representation of overlapping regional community memberships in 2004 (see figure 1).

Figure 1: Overlapping regional economic community memberships in 2004



Source: Economic Commission for Africa

Regional economic integration is facilitated by the outcome of processes, including cooperative arrangements, the implementation of intergovernmental treaties and market-led processes, through which economies of countries in a region become more closely interconnected (African Development Bank, 2011).

Regional integration is essential to building global markets, creating robust economies, increasing opportunities for growth, and attracting new sources of investments. All countries in Africa are undergoing regional integration processes as they seek to expand markets, facilitate doing business and generate strong competitive regional markets that allow them to participate in global markets.

Regional economic integration stimulates economic growth in countries and provides additional gains from free trade beyond international agreements such as general agreement on tariffs and trade (GATT) and World Trade Organization (WTO). Economic interdependence creates incentives for political cooperation and reduces potential for violent confrontation (writework.com, 2005).

EAC integration process

Economists distinguish between various stages of economic integration. According to Hill (2011), the process of an economic integration is done through different levels including a free trade area, a custom union, a common market, an economic union, and a full political union. Willem Molle (as cited in Laursen, F., 2004, p. 283) has introduced some further distinctions, giving the following stages of economic integration: free trade area, incomplete customs union, customs union, economic and monetary union, political union and full union. According to the author, “union is reached when integration is extended beyond the realm of economics to encompass such as fields as anti-crime policy and foreign policy, eventually including security

policy; and a full union is likely to involve social security, income tax and macro economic and stabilization policy” (Laursen, F., 2004, p. 283).

According to Bela Balassa (as cited in Laursen, F., 2004, p. 284), there are five categories of economic integration as given in table 1.

Table 1: Balassa’s categories of economic integration

	No tariff or quota	Common external tariffs	Free flow of factors	Harmonization of economic policies	Unification of policies. Political institutions
Free trade area	X				
Customs union	X	X			
Common market	X	X	X		
Economic union	X	X	X	X	
Total economic integration	X	X	X	X	X

Source: Laursen, F., 2004, p. 284

The stages of EAC integration are cited in Article 5(2) of the Treaty, and call for a reliable and strong customs union, a common market and a monetary union and set the ultimate objectives for a political integration of East African states. The EAC integration aims to improve, strengthen and consolidate regional co-operation among partner states (EAC, 2010).

The EAC customs union

For their integration process, in 2004, EAC partner states have signed a protocol establishing a custom union to create a common market of 90 million people, with an estimated US\$30 billion market potential (African-union, 2008). Rwanda and Burundi joined the customs union in 2008 and started applying its instruments in July 2009 (EAC, 2009).

The main objective of customs union is formation of a single customs territory. In this context, for an effective customs union and investment facility, policies relating to trade between

the partner states and other countries have to be harmonized, and internal tariffs and non-tariff barriers that could hinder trade between the partner states have to be eliminated (EAC, 2009). Moreover, the EAC customs union should be characterized by the common rules of origin and the common export promotion mechanisms within the community.

The establishment of the EAC single customs should have many benefits, such as (1) the promotion of efficiency in production through fair competition and comparative advantage; (2) enhancing cross border trade and foreign investment through simplified, tax incentives on capital goods and zero tariffs on primary raw materials; and (3) promotion of economic development and a diversification of industries through creating a bigger market, tapping on a wider resource base, ensuring better resource use and allocation, and easier transfer of investments between the partner states. However, in practice, customs procedures and valuation as are laid down in the EAC Customs Management Act 2004 have not been fully harmonized by EAC members up to now (World Trade Organization, 2006).

The EAC common market

The second level of integration process is a “common market.” The EAC common market protocol has been signed in 2009 to allow “four freedoms” to citizens of EAC partner states. In essence, the protocol reserves the right for the free movement of goods; persons; labor; services and capital as well as the right of establishment and residence (Freemantle & Babb, 2010). To make effective EAC common market, each country has been assigned an agenda in order to make possible these “four freedoms.” The free play of market forces within the single market is expected to increase economic efficiency, widen consumer choice, and enhance the Community’s competitiveness in world markets (EAC report, 2010).

The basic elements of a common market are (EAC, 2011): (1) a smoothly functioning customs union including total elimination of all tariff and no-tariff barriers and a common

external tariff; (2) free movement of people, labor, services and capital and right of establishment and residence anywhere in the united territory; (3) enhanced economic policy harmonization and coordination with regards to fiscal regimes and monetary policy; (4) setting up, strengthening and empowering the necessary Institutions/ Organs supportive of the common market like the East African Court of Justice and the East African Legislative Assembly.

The EAC monetary union

The last level of regional integration prior to political integration is a “monetary union.” The negotiation of EAC common currency already stated in May 2011. The EAC monetary affairs committee has decided to focus its efforts on macroeconomic convergence criteria (See table 2), establishment of harmonized monetary frameworks and market infrastructure in order to realize the decision of heads of state to have East African monetary union in 2012 (EAC Secretariat, 2011).

The EAC common currency is further expected to significantly reduce cost and risk of doing business regionally, and creating fairness between countries as well as protecting the poor - petty traders in the borders in particular against the impacts of currency fluctuations. For an effective common currency, all EAC member states will have to be committed to economic targets with regard to fiscal deficits, inflation levels as well as various other macroeconomic variables by 2012.

Table 2: Macroeconomic convergence indicators for EAC

	Kenya	Tanzania	Uganda	Rwanda	Burundi
Real GDP (US\$ Billion)	17.97	11.91	9.81	3.85	0.87
Real GDB, Gross rate (%)	2.6	6.0	5.2	6.1	3.4
GDP per capita, current prices (US\$)	746.8	525.2	549.8	520.3	153.0
Population (Million)	38.6	41.9	30.7	10.1	8.2
Population growth (%)	1.3	2.9	3.5	2.9	2.4
Annual headline inflation average (%)	10.5	12.1	13.0	10.3	10.5
Debt to official creditors as % of GDP	20.6	48.4	41.4	14.8	158.8
Current account balance as % of GDP	-8.9	-14.8	-10.4	-9.9	-18.6
Forex reserves in months of imports	4.2	5.7	5.5	6.1	6.6

Source: EAC database, 2009

EAC economic integration challenges

The justifications for many regional integration arrangements are mainly economic. In the case of East Africa however, the common history, language, culture and personal ties invoke a deep-rooted and longstanding commitment by the Partner States to deepen co-operation in a broad range of political, economic, social and cultural programs (EAC, 2011).

The EAC has scheduled its economic integration on four stages starting from 2005 and ending in 2015 (see figure 2)

Figure 2: EAC integration timeline

Source: Freemantle & Babb, 2010

The regional integration is driven through the implementation of sectoral programs defined within the EAC Treaty for its establishment, or otherwise decided by the authority of a

given regional grouping. The main regional programs in the EAC evolve around the following key pillars, as defined in the EAC development strategy 2006-2010 (EAC, 2006):

- cooperation in political matters, defense and security,
- completion of the implementation of the customs union protocol,
- establishment of the East African common market,
- laying the foundation for the East African monetary union, and
- laying the foundation of establishing the East African federation.

From 1 January 2005, the EAC commenced **a customs union**, with a standard single entry document and harmonized customs classification code. Other areas targeted for integration are industry, investment, transport, communication, energy, agriculture, natural resources, the environment, social sector, and the involvement of the private sector and civil society in the process of regional integration. The ultimate objective is to attain a monetary union under a single currency and central bank by 2012. Thereafter, a political federation would be contemplated (Maruping, 2005).

The coming into force of the Customs Union Protocol ushered in extensive trade liberalization in East Africa. The most important features of the Protocol are (MA Consulting Group, 2007): (1) the removal of internal taxes on intra-EAC trade, (2) the removal of non-tariff barriers on intra-EAC trade, (3) the introduction of common external trade policy through the CET, and (4) introduction of a list of sensitive products that are to be provided additional protection.

Significant progress has been made in the EAC economic integration process. The Community has succeeded in abolishing intra-community tariffs and adopting a Common External Tariff (CET). However, partner states may not realize the full trade and welfare benefits of a customs union in the presence of NTBs. Trade between the Partner states is still being

hampered by the existence of NTBs which is currently of concern to many countries (Okumu & Nyankori, 2010).

According to the Okumu & Nyankori's study, significant NTBs found for the Uganda case "include a long list of documentation requirements, cumbersome customs formalities, too many and unharmonized standards requirements, arbitrary use of Rules of Origin requirement, many weighbridges, several road blocks, burdensome testing and certification requirements, and limiting sanitary and phytosanitary requirements. Major trade barriers that have persisted over the last three to five years are cumbersome customs formalities and limiting testing and certification arrangements" (Okumu & Nyankori, 2010, p.5).

Concerning the **common market**, the core elements are the "four freedoms". The protocol reserves the right for the free movement of goods; persons; labor; services and capital as well as the right of establishment and residence. These rights may however be denied on public policy, public health and public security considerations. Partner States have signed the EAC Common Market Protocol on 20 November 2009 and were required to have the protocol ratified at national level in March 2010 in order for full implementation to come into effect by July 2010. Until ratification at national level, the protocol remains an unenforceable "gentlemen's agreement" (Freemantle & Babb, 2010, p.5). In moving towards the freedoms of a Common Market, Kenya has agreed to liberalization in the short term, while other member states agreed to open their markets in a staged process by 2015.

For example for the free movement of services, as Freemantle & Babb (2010, p.11) have explained, each partner state has highlighted some exceptions: "

- Kenya: In the telecommunications sector, foreign investment is limited to 30% share capital and full opening up to the EAC will be in accordance with the free movement of workers, thus in 2015.

- Uganda: at present, Non-Ugandans are not allowed to trade (wholesale and retail trade) outside the City, Municipality or Town or in goods not declared in his/her license. This will be eliminated in accordance with the free movement of workers in 2015.
- Rwanda: The purchase of all insurance and insurance-related products is limited unless they are unavailable in Rwanda. This will be eliminated in 2015.
- Tanzania: Restrictions governing investment in hotels and restaurants will be eliminated in 2013 subject to the harmonization of EAC Licensing Procedures and Fees.
- Burundi: Research and Development Services on Social Sciences and Humanities will be subject to the free movement of worker and only fully liberalized for partner states in 2015”.

In this context, it would be realistic to suggest that the EAC Common Market will be feasible within a period of five years counting from June 2010.

Regarding the **monetary union** which is still under negotiations, with respect to convergence, EAC member states are supposed to go through a process of monetary policy harmonization with a view to achieving macroeconomic convergence. In order to assess progress towards this objective, a number of convergence criteria have to be formulated. In this way, obstacles can be detected that stand in the way of implementation. Remedial measures will allow member states to achieve macroeconomic convergence and set the stage for moving on to the Monetary Union.

The process of fiscal and monetary harmonization in East Africa involves the attainment of the following set of macroeconomic convergence criteria targets, grouped into traditional criteria; derivatives; derivatives of derivatives and means to the end” (Maruping, 2005).

According to the author, traditional criteria include: a reduction of current account deficit to GDP to a sustainable level; reduction of budget deficit excluding grants to GDP ratio of less than 5 percent; and maintenance of stable competitively determined exchange rates.

Derivative criteria include: maintenance of optimal market determined interest rates; maintenance of low underlying inflation to single digit rates of less than 5 percent; and building gross foreign exchange reserves to a level equivalent to 6 months of imports in the medium term. Derivatives of derivatives include high and sustainable rate of growth in real GDP of 7 percent as minimum target annually. Means to end criteria include: raising national savings to GDP ratio at least to 20 percent in the medium term; pursuit of debt reduction initiatives both domestic and foreign debt; and maintenance of prudential norms, strict supervision, improved corporate governance and transparency of all financial transactions.

Moreover, marked progress could be achieved in harmonizing fiscal and monetary policies, guided by a common macroeconomic framework, partner currency convertibility, harmonized banking regulations, value-added and double taxation, and pre-shipment requirements. In this regard, capital markets development, cross-listing policies and trading practices have also to be harmonized through the East African Securities Regulatory Authorities (EASRA) and the Capital Markets Development Committee (CMDC).

ICT as a strategic tool in driving regional integration

Information Communication Technology (ICT) is any technology that enables communication and the electronic capture, processing, and transmission of information (UK Parliamentary office of Science and Technology, 2006). The emerging knowledge-based economy and information society is underpinned by the extensive use of ICT and the global information infrastructure with near instant transactions and exchanges of information. These are carried out across borders and time barriers while creating knowledge and adding value. ICTs

provide access to information by people to enable them to share and exchange information, knowledge and experience, and thus empower them to easily encounter the challenges of everyday life.

Rapid global technological changes have made ICTs services a prerequisite for socio-economic development that facilitates growth of all sectors of the economy, and ICTs become vital for good governance including gender balance, poverty reduction, and health and education service improvement.

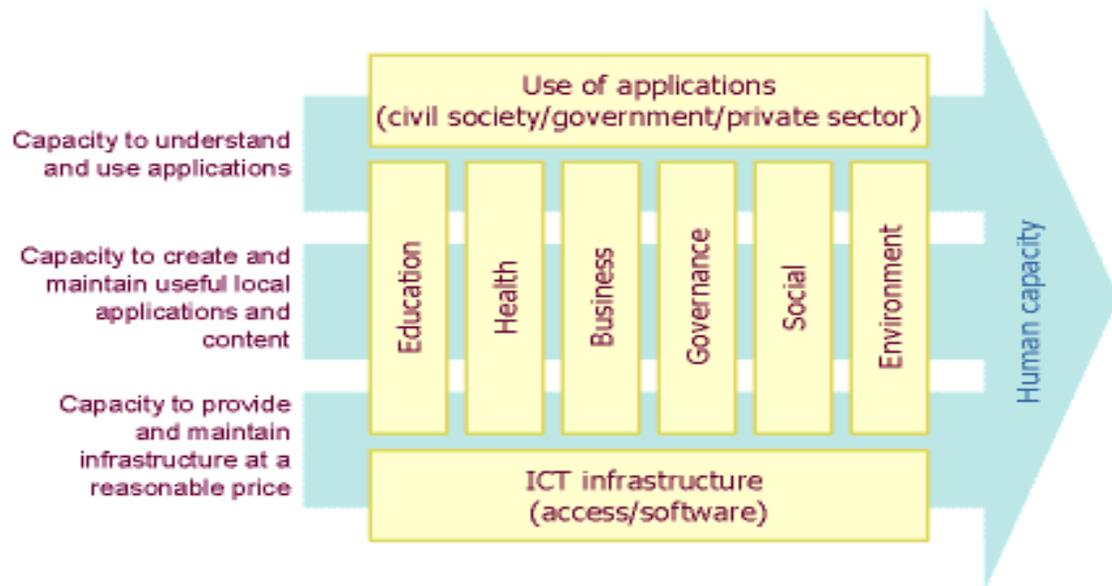
The increasing capacity of ICT is further empowered by the rapid growth of a global network of computer networks known as the Internet. This has transformed the way in which business is conducted, revolutionized learning and knowledge sharing, generated global information flows, empowered citizens and communities in new ways that have redefined governance, and have created significant wealth and economic growth resulting in a global information society.

ICT and applications that rely on it are increasingly important in the delivery of services such as health and education, in the creation of economic opportunities for poor people, and in amplifying the voices of the poor (Osterwalder, 2004). The emphasis has to be put in choosing the most effective way for ICT to help in the services delivery such as health, education, and small business development services. However, capitalizing on the opportunities of ICT depends not only on the existence of infrastructure and access, but to a large degree on the existence of ICT related human capacity.

Osterwalder (2004) has divided these capacities into three main groups, which are (1) infrastructure related, (2) sector application related and (3) user related (see figure 2). According to the author, "ICT can only flourish where the capacity to provide and maintain infrastructure at a reasonable price in a sustainable way exists. Second, ICT only becomes valuable to people

when useful local content is available. Therefore a new class of entrepreneurs must develop the capacity to imagine, create and maintain useful applications in different sectors that are based on ICT and make sense to the local community. Finally, users must develop the capacity to understand and use these applications” (p.3).

Figure 3: Cross-sectoral impact of ICT



Source: Osterwalder, A. (2004). p. 3.

ICT infrastructure is undeniably “the foundation on which ICT services for commerce, government and society can flow. This infrastructure is essential for countries to achieve regional integration and to enable poor people to participate in knowledge economy” (Janneh, 2008, p.1).

ICTs have become part of regional strategies in Africa and South America to promote international integration aimed at improving cross-border communication, trade and, ultimately, economic growth (Akpan-Obong & Parmentier, 2007). ICT services provide access to local, national, regional and global market. Thus, using new technologies and national market liberalization, regional trade becomes possible and is likely to be boosted by regional market integration.

As a tool for regional integration to form a common platform at tackling problems of under-development and benefit from economies of scale, for an effective ICT utilization, countries need to set ICT policies, strengthen the harmonization among national systems and build the relatively small market in order to maximize the opportunities of economies of scale and market integration.

Summary of the literature review

The East African Community (EAC) is the one of African regional economic blocs created in 1967 by three countries (Kenya, Tanzania, and Uganda), collapsed in 1977 due to political differences, and reestablished in 1999 after the signature of the EAC Treaty. Rwanda and Burundi have been admitted in 2008 to join the community.

Regional integration provides an important framework through which obstacles to trade liberalization, markets and the movement of people are alleviated. Hill (2011) defined a regional economic integration as “agreements among countries in a geographic region to reduce, and ultimately remove, tariff and nontariff barriers to the free flow of goods, services, and factors of production between each other”(p.266).

By facilitating regional economic integration, ICT utilization could strengthen and facilitate operations, activities and services delivery. Technologies could also improve institutional information management, intra-institutional communication between regional cooperation institutions; promote trade, financial cooperation and efficiency in key sectors such as education, health, agriculture, tourism and environment. Likewise regional cooperation could foster economies of scale, improve compatible standards and attract investment.

As the literatures explain, a regional economic integration is a process. This research has assessed the challenges facing the implementation of different levels of EAC economic integration such as a customs union, a common market, a monetary union, and finally a full

political federation. To create wealth in the EAC region and enhance competitiveness through increased production, trade and investment, ICT is a key in boosting regional economic development. In this regard, using review of literature and publications of others, the study has also examined the way ICT could speed up EAC integration process.

CHAPTER III: RESEARCH METHODOLOGY

Overview

There are practical steps through which a research process must pass in order to find answers to research questions. The path for finding answers to research questions constitutes research methodology. At each operational step in the research process, a researcher is required to choose from a multiplicity of methods, procedures and models of research methodology which will help him to best achieve his objectives.

This chapter presents an overview of the methods used in the study. Areas covered include the research design, data collection procedures and techniques, measurement and scaling procedures, research instruments and equipments, data analysis and processing, limitations and methodological assumptions, and ethical assurances.

Restatement of problem

The EAC treaty specifies four stages of economic integration commencing with a customs union, a common market, a monetary union and ultimately a political federation. The EAC customs union and common market protocols have been signed respectively in 2004 and 2009, and currently a monetary union is under negotiations. However, the implementation of these two signed protocols of integration levels is still experiencing many challenges.

This study sought to assess the possible causes hindering EAC regional economic integration process. To make it possible, the study has collected extensive data from the individual potential respondents from five EAC partner states on which the investigation is focused. These data include observations, interviews, documents (newspapers, magazines, books, memos, and websites, transcripts of conversations, annual reports, and so on), maps, records and audiovisual materials.

The data analysis was based on exploratory approach and laid on visual representations and graphical techniques, and inferences about the general EA integration situation have been drawn.

Study expectations

This study sought a better understanding of EAC regional economic integration process, and has analyzed all EAC regional integration levels and assessed problems and pitfalls which can slow down the integration.

After drawing all ICT aspects which foster a regional integration, the study used qualitative data collected from different potential respondents from five EAC countries, to characterize the ICT utilization (information management, information systems, etc.) in different regional integration levels, and the results of the research have allowed formulating recommendations which can help decision makers to take appropriate actions for a successful East African integration accomplishment.

Research design

This research has investigated the object of the case study in depth using an exploratory gathering data method to produce evidence that leads to understanding of the case and answers the research questions. The nature of this study approach reflected qualitative methods

specifically the case study research methodology. According to Leedy & Ormord (2010), “a qualitative research aims to examine many nuances and complexities of a particular phenomenon, and seeks a better understanding of complex situations” (p. 94). The qualitative researcher’s work is sometimes exploratory in nature and uses observations to build theory from the ground up.

The case study research methodology has been used to contextually assess and analyze different levels of East African integration process. The study has collected extensive data from the individual respondents on which the investigation is focused. These data included observations, interviews, documents (newspapers, magazines, books, memos, and websites, transcripts of conversations, annual reports, and so on), maps, records and audiovisual materials.

Research instruments and equipments

Qualitative research is the systematic process of collecting information on what people say and do and create in their natural settings to discover the world as the people themselves see and experience it (Protogenie, 2007). In this qualitative research, research instruments for data collection included interviewees (respondents), observations, written documents, objects, audiovisual materials, electronic documents (internet websites), and anything else that helped to answer the research concerns.

More specifically, this method included in-depth case histories and key-informant interviews, focus group discussions, naturalistic or realistic observations, appropriate written documents analysis, and map documentation.

Selection of respondents

For this research, a good sample of respondents selected from five EAC countries should be valid and help us to reduce costs and bias; this validity depends on accuracy and precision.

For this study, choosing a census was appropriate. A census is a count of all elements in a population and it is feasible when population is small and necessary when the elements are quite different from each other (Cooper and Schindler, 2008). A census would obtain information from every one of the selected informants.

In addition, we assumed that a stratified sampling was appropriate for this study. According to Cooper & Schindler (2008), a stratified sampling is the way “the population can be segregated into several mutually exclusive subpopulations or strata” (p. 390). A stratum is a subset of the population that shares at least one common characteristic. The reasons why we have chosen a stratified random sample are: (1) to increase a sample statistical efficiency, (2) to provide adequate data for analyzing the various subpopulations (or strata), and (3) to enable different research procedures to be used in different strata.

In this case study, the population of interest selected from five partner states: Burundi, Kenya, Rwanda, Tanzania and Uganda (see figure 11), formed a sample of 500 potential informants (100 respondents by country) and was divided into four strata including businesspeople (taxpayers), academicians (students, lecturers), government employees (revenue authority staffs, ministries, etc.) and civil society. Each stratum comprehended 25 respondents selected randomly based on members' shared attributes or characteristics.

Data collection procedures and techniques

Qualitative data collection required the use of questionnaires and interviews with groups and individuals. In order maximize the return rate; a good questionnaire design has been developed to directly address the goals of the study. The in-depth interviews have been mostly used and conducted face-to-face and involved one interviewer and one respondent in each stratum of 25 respondents.

According to Mack, Woodsong, MacQueen, Guest & Namey (2011), during in-depth interviews, “the person being interviewed is considered the expert and the interviewer is considered the student. The researcher’s interviewing techniques are motivated by the desire to learn everything the participant can share about the research topic”(p. 29).

Focus group discussions were carried out to the academia groups in Kigali Institute of education for students and academic employees interested. In this group of informants, interaction among participants was more informative than individually conducted interviews, and students felt more comfortable talking in a group than alone.

Focus group discussions and in-depth interviews have helped us to collect data about respondents’ personal feelings, beliefs and perspectives, opinions, motives, and experiences. They were also an opportunity for us to gain insight into how EAC citizens conceive, interpret and think about East African integration. For example, why people think that engaging in East African integration is desirable or undesirable.

As the sample covered a wide geographic area (5 sites of EAC countries); to limit the number of trips in different survey areas, the internet has been also privileged (for filling and mailing questionnaires).

Some precautions and guidelines have been undertaken to make successful these informative interviews. Literatures outline the following guidelines which guided organization and steps of our in-depth interview process. Brock (2010) outlined the following: (1) to bring recording and note taking equipment and extra batteries; (2) to come with an interview guide prepared; (3) to make sure to get full consent from the respondent; (4) to avoid long or double barreled questions, instead ask two separate questions; (6) to avoid the use of jargon; (7) to avoid asking leading questions; (8) to examine questions once they have been developed, and avoid as much bias as possible.

Measurement and scaling procedures

In order to examine and produce accurate and meaningful data, care has been exercised regarding measurement and scaling. Measurement in research consists of assigning numbers to empirical events, objects or properties, or activities in compliance with a set of rules (Cooper & Schindler, 2008). In this exploratory research, the aim was to measure attitudes of respondents about EA integration process. The measurement of attitudes is an important aspect of strategy and often the best tool available because attitudes reflect past experience and shape future behavior. An attitude is "a relatively enduring organization of beliefs, feelings, and behavioral tendencies towards socially significant objects, groups, events or symbols" (Mcleod, 2009).

Attitude scaling is "the process of assessing an attitudinal disposition using a number that represents a person's score on attitudinal continuum ranging from an extremely favorable disposition to an extremely unfavorable one" (Cooper & Schindler, 2008, p. 302). Scaling is the procedure for the assignment of numbers to a property of objects in order to impart some of the characteristics of numbers to the properties in question.

In this case study approach, we have mostly used the likert scale because the likert scale provides more comprehensive information regarding research attitudes, and the result of likert scale is easily statistically analyzed. According to Cooper & Schindler (2008), "the likert scale (developed by Rensis Likert) is the most frequently used variation of the summated rating scale. Summated rating scales consist of the statements that express either a favorable or an unfavorable attitude toward the object of interest. The participant is asked to agree or disagree with statement. Each response is given a numerical score to reflect its degree of attitudinal favorableness, and the score may be summed to measure the participant's overall attitude" (p. 308).

Data analysis and processing

In this research project, the data analysis was based on exploratory approach and laid on visual representations and graphical techniques, and inferences about the general EA integration situation have been drawn.

According to Cooper & Schindler (2008), “exploratory data analysis (EDA) is both a data analysis perspective and a set of techniques”(p.444). NIST (2010) explains that EDA is an approach for data analysis that employs a variety of techniques (mostly graphical) to (1) maximize insight into a data set; (2) uncover underlying structure; (3) extract important variables; (4) detect outliers and anomalies; (5) test underlying assumptions; (6) develop parsimonious models; and (7) determine optimal factor settings.

Data analysis in our case study research has involved the following steps (Leedy & Ormrod, 2010): organization of details about the case, categorization of data, interpretation of single instances (specific documents, occurrences, and other data), identification of patterns, and synthesis and generalization.

More specifically, we have gone through an analysis of the contents of an interview (in-depth interview) in order to identify the main themes that emerge from questionnaire and the responses given by the respondents. All descriptive responses given by respondents to each question have been analyzed in order to understand the meaning they communicate. From these responses categorized under the themes, we have developed broad themes that reflect these meanings. These themes become the basis for analyzing the text of unstructured interviews.

Then, through each interview transcript, we have assigned codes to these main themes using numbers, and classified the interview responses under the different main themes. The survey data were scored for each question and category on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree), with the higher score indicating a greater contribution of interests. Not

Declared option was included and was counted as a non-response to the particular question. Having identified responses that fall within different themes, the next step was to integrate into the text of the report. At the final stage of our data analysis, we have constructed an overall portrait of the case study and conclusions have been drawn which might have implications beyond the specific study.

The data collected have been analyzed using the computer software known as Statistical Package for Service Solution (SPSS) and Excel spreadsheet to present results in form of bar charts and tables. In this study, data were explored and displayed using tables or crossing tabulation (arranging numbers to reveal patterns, scaling comparison, data summary representation, etc.) and graphical techniques for data examination. Depending on the nature of the data collected, data have been arranged in groups or classes on the basis of common characteristics, or summarized in raw data and displayed in compact form for further analysis (arrangement of data in columns and rows).

Limitations and methodological assumptions

Limitations are conditions that restrict the scope of the study or may affect the outcome and cannot be controlled by the researcher. In this research, limitations have appeared particularly in data collection phase. These were:

a) Management of respondents: Respondent's reluctance to answer questions asked by unknown interviewer about things they consider private. Some participants considered information about political federation, common currency and customs union as private information for their governments.

b) Control of respondent's attitudes: feelings, beliefs and attitudes that motivate respondent's behavior to take part in the interview session cannot be observed. This was more visible when respondents delayed to fill questionnaires or provided incomplete information.

c) A decrease rate of responses in the interview (unstructured): During the survey session, as an interviewer, I was supposed to probe respondents and guide the interview by explaining the survey's purpose and the meaning of each question, but the following happened: (1) people seemed to be busy and do not wanted to take their time; (2) respondents were unable to answer because they never got a thought to what EAC is and it is doing; (3) some respondents wanted to make written comments about EAC integration process and weak involvement of their respective governments.

d) Time management: in some interview locations, questionnaires have taken long time to be filled by the interviewees and consequently this extended the research timeframe.

e) Motivation of respondents: some respondents wanted to be motivated in providing information. Some of them asked money, tips or awards in order to make available critical information or to fill a survey questionnaire.

f) Budgetary constraints: gathering and processing data has been more expensive than initially expected.

As the richness of the data was therefore entirely dependant on the interviewer, in that data collection phase, the interviewer's behavior and the guideline of research ethics helped to reduce many of the limitations mentioned above such as dealing with respondents (management), control of respondent's attitudes, increasing responses rate, access to respondents, etc. My research design considered the extent to which I should collect data from a population sample that ignored or was unaware of the subject and objectives of the research.

As an interviewer, because of my close involvement and sufficient knowledge of the survey area (see figure 11), I have easily gained an insider's view of the population sample. This has allowed finding issues that were often missed (such as access to information, subtleties and

complexities), and the research framework and direction was quickly revised considering the pertinence of the research limitation information emerged.

Ethical assurances

According to Saunders, Lewis & Thornhill (2007), “research ethics relates to questions about how researchers formulate and clarify their research topic, design their research and gain access, collect data, process and store data, analyze data and write up their research findings in a moral and responsible way” (p.178). This means that a researcher would have to ensure that the way he designs his research is both methodologically sound and morally defensible to all those who are involved.

In this research, researcher was very sensitive for a number of ethical issues related to collecting data in relation to participants and himself as a researcher. These were for example: (1) voluntary nature of respondent participation and the right to withdraw partially or completely from the research process; (2) researcher’s behavior and objectivity; (3) consent and possible deception of research participants; (4) privacy of research participants; (5) confidentiality of data provided by research participants and their anonymity; and (6) reactions of research participants in collecting data (embarrassment, stress, discomfort, pain and harm).

CHAPTER IV: RESEARCH FINDINGS

Overview

The purpose of our research was to seek answer to the problems and challenges hindering EAC economic integration process in the light of the data that relate to the problem. This chapter presents the results of the empirical investigation carried out in five locations of EAC countries to assess possible causes of the slow-moving of the EAC economic integration process in order to allow partner states decision makers to get a significant insight about EAC economic integration issues and take appropriate measures and mechanisms in speeding up the integration stages.

Data were collected from surveys and interview questionnaires and analyzed using exploratory data analysis techniques. For a coherent data analysis, all interview responses were coded by assigning a numerical value to each. The data collected are ordinal and they have an inherent order or sequence. A typical question using a Likert scale consisted of a statement that expressed either a favorable or an unfavorable respondent's attitude toward the object of interest, and asked the respondent whether they Strongly Agree - Agree - Undecided (neutral) - Disagree or Strongly Disagree. This means that the participant's response coded with a higher number was always considered as having greater significance of interest.

In this study, data collected were analyzed using visual representations and graphical techniques including frequency tables, cross-tabulation to clearly present summary statistics, and bar charts. The responses collected from respondents were compared in detail to understand what similarities and differences might exist between them. The median responses for survey questions were summarized by themes and question category (see table 3). The variability in terms of the data range was expressed and the Kruskal-Wallis test statistic for the independent

samples was conducted to see if the mean rank differences exist by category of respondents between the themes identified. Because the data are not continuous, the distribution of observations was displayed using a bar chart.

Description of data collected from the survey

In this study the methodological approach used is descriptive, because we intended to examine and explain variables that exist in a particular situation under study and to describe the relationship that exists between these variables in order to provide a picture of an observed phenomenon, but not to involve changing or modifying the situation under investigation, nor to determine cause-and-effect relationships (Leedy & Ormord, 2010). The phenomenon to be studied aims at increasing the understanding of the EAC citizens' beliefs, attitudes and perceptions about EAC economic integration process.

The research data was collected by means of a survey questionnaire, observations and documentations. To obtain information concerning the situation under investigation, the interview and survey questionnaire were administered to a stratified sample of different targeted groups of people in order to collect data about their opinions and beliefs concerning EAC pillars of economic integration process. Twenty five categories of questions were identified for four themes (customs union, common market, monetary union and political federation, and ICT utilization) for four categories of respondents (academia, civil society, businesspeople and government staffs) selected from 5 locations (Arusha, Bujumbura, Kampala, Kigali, and Nairobi) of EAC countries (see figure 11). The table 3 summarizes the median and range of respondents' responses.

Table 3: The median and range of response survey questions

Customs union implementation		
<i>Question category</i>	<i>Median</i>	<i>Range</i>
Customs Union implementation status (CET, removal of intra-EAC tariffs and application of rules of origin)	3	4
Non-implementation of EAC customs union and compensation of losses associated	4	5
Non-implementation of EAC Customs union and impacts to businesspeople in terms of costs	4	5
EAC Secretariat measures & mechanisms for a successful customs union implementation	4	5
Information availability on Customs union implementation to EAC citizens	3	4
Importance of Non-Tariff Barriers (NTBs) notification system	4	4
Government reforms in addressing the main traditional NTBs challenges facing businesspeople	4	4
EAC taxation reform and legislation for avoidance of double taxation	4	4
Importance of Customs reform and tax harmonization for improving export procedures	4	4
EAC Secretariat's responsibility in handling the issues of trade remedy	4	4

Common market implementation

<i>Question category</i>	<i>Median</i>	<i>Range</i>
EAC single market agreement functional and successful implementation	3	4
East Africans benefits from the EAC single market agreement	4	5
Respect of EAC Common market principles	3	5
Impact of implementation of EAC Common market to EAC citizens in their social and economic life	4	4
The harmonized policies and regulations for a functional EAC Common market	4	5

Monetary union & Political federation		
<i>Question category</i>	<i>Median</i>	<i>Range</i>
Importance of EAC common currency for EAC citizens	4	5
Elevation of macroeconomic policies above national politics	4	5
East African common currency a flexible tool for increasing EAC economy	4	5
East African political federation as a general government with delegation of powers through a constitution	4	5
Sensitization and mobilization in increasing political will about EAC political federation	4	5

ICT infrastructure utilization		
<i>Question category</i>	<i>Median</i>	<i>Range</i>
ICT policy harmonization for an efficient achievement of EAC integration	4	4
Existing ICT infrastructure and its utilization to allow partner states fitting in EAC economic integration	4	5
ICT utilization in different sectors of economic life	4	5
ICT infrastructure priority development in Partner States	4	4
ICT as a tool for facilitating national and regional information exchange and business transactions	4	4

The questionnaire was administered to 500 respondents at the rate of 100 respondents per country, but only 477 have accepted to participate by providing their answers, respectively 100 in Arusha, 100 in Kampala, 96 in Kigali, 94 in Nairobi and 87 in Bujumbura (see table 4).

Table 4: Response rate of respondents by profession and residence

Profession category	Residence of respondent					Total N
	Arusha	Bujumbura	Kampala	Kigali	Nairobi	
Academia	25	23	25	24	25	122
Civil society	25	20	25	25	23	118
Businesspeople	25	22	25	22	25	119
Government staff	25	22	25	25	21	118
Total N	100	87	100	96	94	477

Comparing to the sample of 500 respondents targeted, the response rate was amounted to 95.4 percent which was really satisfactory. The objective was to gather a highly representative sample that was also attained as the sample represented geographically all EAC countries and the respondents were chosen in terms of their potential activities regarding EAC economic integration. The demographic profile of the respondents is summarized in table 5.

Table 5: Demographic profile of respondents

Age of respondents			
Age	Frequency	%	Cumulative %
Less than 20 years	5	1.05	1.05
20-30 years	119	24.95	26.00
31-40 years	153	32.08	58.07
41-50 years	116	24.32	82.39
51-60 years	63	13.21	95.60
61 years and above	21	4.40	100
Total	477	100	
Gender of respondents			
Gender	Frequency	%	Cumulative %
Male	278	58.28	58.28
Female	199	41.72	100
Total	477	100	

Residence of respondents			
Residence	Frequency	%	Cumulative %
Arusha	100	21	21
Bujumbura	87	18	39
Kampala	100	21	60
Kigali	96	20	80
Nairobi	94	20	100
Total	477	100	
Profession category of respondents			
Profession category	Frequency	%	Cumulative %
Academia	122	25.58	25
Civil society	118	24.74	50
Businesspeople	119	24.95	75
Government staff	118	24.74	100
Total	477	100	

The majority (32 %) of the respondents of five EAC interview areas are 31-40 years old. This is consistent with the average age of prospective citizens in activities regarding EAC economic integration. Fifty eight percent (58%) of the respondents are male and forty two percent (42%) are female, and the academia records the highest rate of respondents (25.6%). The majority of respondents are from Arusha and Kampala. Bujumbura has recorded a low rate because all respondents were full francophone and they have experienced problems of language despite the time spent during the interview session while trying to translate each survey question into French.

Focus group discussions were organized to students and employees interested in Kigali Institute of Education (KIE), where issues about some EAC steps of economic integration were deeply discussed. These included the benefits, disadvantages and challenges in implementing the EAC customs union and common market, especially the issues related to (1) removing Non-Tariff Barriers (NTBs); (2) adoption and application of uniform common external tariff (CET)

facilitating tax collection; (3) establishing one stop border post program thereby expecting clearing processes for goods and persons at the borders; (4) easy movement of persons, services and capital in the community; and (5) issuance of work permits.

The majority of intervening speakers were in favor of speeding up the integration process. The most benefits expressed were increased better employment opportunities and freedom of movement, business opportunities followed by reduced prices and tariffs for goods imported from the partner countries. However, they have criticized issues with administrative procedures at the border points and the exigency of yellow cards in Tanzania, the resistance or delays in issuance of work permits for some EAC countries, NTBs for some products manufactured in EAC countries, and so on. The table 6 summarizes the opinions and feelings collected from the focus group debate discussions.

Table 6: Opinions and feelings of the focus group

Perceptions and interests for a successful EAC integration
<ul style="list-style-type: none"> • Increased social contacts across borders, • Easy travelling within the community, • Increased employment and education opportunities, • Full removal of trade barriers, • Availability of information about EAC integration to the public and increased sensitization for a political will.
Factors questioning citizens' feelings about EAC integration
<ul style="list-style-type: none"> • Feelings of being discriminated at the immigration offices, • Feelings that rules and regulations are not applied according to the harmonized policy ways, • Wasting time at the borders because of lack of facilities and willingness,

Results

Summary of results

To analyze what could be the challenges and barriers hindering East African integration process; attitudes, feelings, beliefs and perceptions about EAC customs union and common market implementation, the EAC common currency and political federation understandings have been collected from 477 respondents. The table 7 summarizes what respondents agreed and disagreed concerning the EAC customs union implementation. Thirty percent (30%) disagreed that the barriers hindering a faith trade are eliminated, i.e., common external tariffs, removal of intra-EAC tariffs and application of rule of origin are not successfully implemented in their countries. The majority of respondents (60%) believed that Partner states might undertake initiatives and trade reforms to compensate losses associated in case they fail to implement the provisions of customs union. Seventy two percent have affirmed that the non-implementation of EAC Customs union impacts significantly investments and businesspeople in terms of costs, and 77.8% agreed that EAC Secretariat should put in place measures and mechanisms to help customs union implementation in Partner states.

Concerning the availability of information on customs union to EAC citizens, 25% agreed that this information is not available while 49% declared its availability. The 73% believed that Government reforms can help to address the main traditional NTBs challenges facing businesspeople, while 68.6% affirmed that Customs reform and tax harmonization are very important for improving export procedures. The 62.9% have affirmed that the EAC taxation reform and legislation helped for avoidance of double taxation, and 73.6 % of respondents perceived that it is the EAC Secretariat's role to handle the issues of trade remedy. The neutral responses rate has been recorded at 22.2% for the whole questions on customs union.

Table 7: General understanding about customs union implementation

Question category	Likert scales measurement	Residence of respondents					N	%
		Arusha	Bujumbura	Kampala	Kigali	Nairobi		
Customs Union implementation status (CET, removal of intra-EAC tariffs and application of rules of origin)	Strongly disagree	1	9	9	1	5	25	30.0
	Disagree	31	25	25	30	7	118	
	Neutral	31	24	25	16	13	109	22.9
	Agree	24	24	37	33	63	181	37.9
	Strongly agree	13	5	4	16	6	44	9.2
Non-implementation of EAC customs union and compensation of losses associated	Strongly disagree	1	2	1	3	2	9	
	Disagree	25	13	20	6	3	67	
	Neutral	18	29	29	11	26	113	23.7
	Agree	46	34	42	49	58	229	60.2
	Strongly agree	10	9	8	27	4	58	
Non-implementation of EAC Customs union and impacts to businesspeople in terms of costs	Strongly disagree	0	0	0	0	3	3	
	Disagree	6	6	5	7	13	37	
	Neutral	14	20	22	3	29	88	18.4
	Agree	45	45	48	52	45	235	72.7
	Strongly agree	35	16	25	34	2	112	
EAC Secretariat measures & mechanisms for a successful customs union implementation	Strongly disagree	0	0	0	0	2	2	
	Disagree	5	8	5	2	8	28	
	Neutral	22	10	21	2	20	75	15.7
	Agree	45	46	49	37	59	236	77.8
	Strongly agree	28	23	25	55	4	135	
Information availability on Customs union implementation to EAC citizens	Strongly disagree	6	10	9	1	1	27	25.2
	Disagree	19	20	18	25	11	93	
	Neutral	25	28	27	17	25	122	25.6
	Agree	31	22	42	43	52	190	49.3
	Strongly agree	19	7	4	10	5	45	
Importance of Non-Tariff Barriers (NTBs) notification system	Strongly disagree	1	7	3	1	6	18	
	Disagree	13	12	9	11	12	57	
	Neutral	37	35	25	19	21	137	28.7
	Agree	37	29	55	46	48	215	55.6
	Strongly agree	12	4	8	19	7	50	

Government reforms in addressing the main traditional NTBs challenges facing businesspeople	Strongly disagree	0	4	0	0	3	7	18.2	
	Disagree	5	14	8	5	3	35		
	Neutral	16	30	7	13	21	87		
	Agree	51	28	61	49	56	245		73.0
	Strongly agree	28	11	24	29	11	103		
EAC taxation reform and legislation for avoidance of double taxation	Strongly disagree	1	2	0	0	3	6	28.1	
	Disagree	8	9	8	5	7	37		
	Neutral	15	32	39	19	29	134		
	Agree	57	30	41	47	50	225		62.9
	Strongly agree	19	14	12	25	5	75		
Importance of Customs reform and tax harmonization for improving export procedures	Strongly disagree	0	3	0	0	3	6	23.9	
	Disagree	7	2	5	4	12	30		
	Neutral	29	20	27	12	26	114		
	Agree	51	41	55	51	46	244		68.6
	Strongly agree	13	21	13	29	7	83		
EAC Secretariat's responsibility in handling the issues of trade remedy	Strongly disagree	0	0	1	0	6	7	17.0	
	Disagree	5	10	3	7	13	38		
	Neutral	14	23	13	11	20	81		
	Agree	58	35	66	43	46	248		73.6
	Strongly agree	23	19	17	35	9	103		
	Total	100	87	100	96	94	477		

ND= not declared

For the investigation of common market implementation understanding, 48% of respondents have agreed that the EAC single market agreement is functional and successfully implemented in their countries while 29% have disagreed. The majority of respondents (55.6%) have affirmed that they were benefiting from the EAC single market agreement while 19% disagreed.

Concerning the respect of the principle of non-discrimination, equal treatment and sharing information, 48.6% of respondents were positive while 21.4% were against. The 69% of respondents believed that the full implementation of EAC Common market would impact their social and economic interactions with other EAC citizens and 67.9% perceived the harmonized policies and regulations as key factors to make EAC Common market functional.

The table 8 summarizes the responses rate on common market implementation understandings.

Table 8: General understanding about common market implementation

Question category	Likert measurement scales	Residence of respondent					N	%
		Arusha	Bujumbura	Kampala	Kigali	Nairobi		
EAC single market agreement functional and successful implementation	Strongly disagree	13	10	10	2	9	44	29.1
	Disagree	23	21	15	17	19	95	22.9
	Neutral	17	31	20	18	23	109	
	Agree	33	19	50	38	41	181	48.0
	Strongly agree	14	6	5	21	2	48	
East Africans' benefits from the EAC single market agreement	Strongly disagree	3	5	1	0	3	12	19.3
	Disagree	12	15	27	11	15	80	25.2
	Neutral	27	25	23	16	29	120	
	Agree	44	31	37	40	43	195	55.6
	Strongly agree	14	11	12	29	4	70	
Respect of EAC Common market principles	Strongly disagree	6	6	4	2	4	22	21.4
	Disagree	18	17	18	11	16	80	29.8
	Neutral	30	30	25	25	32	142	
	Agree	36	25	45	36	39	181	48.6
	Strongly agree	10	9	8	22	2	51	
	ND	0	0	0	0	1	1	
Impact of implementation of EAC Common market to EAC citizens in their social and economic life	Strongly disagree	3	0	0	1	3	7	21.0
	Disagree	10	7	4	5	14	40	
	Neutral	25	22	13	13	27	100	
	Agree	43	35	57	46	44	225	69.0
	Strongly agree	19	23	26	31	5	104	
	ND	0	0	0	0	1	1	
The harmonized policies and regulations for a functional EAC Common market	Strongly disagree	1	0	0	0	8	9	23.9
	Disagree	5	2	10	2	11	30	
	Neutral	23	19	28	11	33	114	
	Agree	50	45	48	44	40	227	67.9
	Strongly agree	21	21	14	39	2	97	
Total		100	87	100	96	94	477	

ND= not declared

The provisions of EAC monetary union are actually under negotiations. The purpose of the survey about EAC common currency and political federation was to gather information on respondents' feelings and beliefs about these EAC integration steps' challenges, opportunities and expectations.

The majority of respondents (71.5%) agreed that the common currency would be a useful tool for EAC citizens, and 63.7% perceived a common currency as a tool for increasing EAC economy. The 54.3% of respondents agreed that macroeconomic convergence policies should be above national politics while 13.4% disagreed. The 25.6% of respondents were neutral about monetary union and 29% disagreed straightly.

Regarding EAC political federation, 53.7% believed that political federation could be a general government with delegation of powers through a constitution, and 57.2% affirmed that the EAC political federation should be achieved through sensitization and mobilization which could increase political will. The 30% of respondents were neutral about political federation and 13% disagreed. The table 9 summarizes the responses rate on monetary union and political federation.

Table 9: General understanding about EAC monetary union and political federation

Question category	Likert measurement scales	Residence of respondent					Total	%
		Arusha	Bujumbura	Kampala	Kigali	Nairobi		
Importance of EAC common currency for EAC citizens	Strongly disagree	1	1	1	2	2	7	
	Disagree	2	6	11	4	10	33	
	Neutral	19	25	16	12	21	93	19.5
	Agree	60	36	43	51	53	243	71.5
	Strongly agree	18	18	29	27	6	98	
	ND	0	1	0	0	2	3	
Elevation of macroeconomic policies above national politics	Strongly disagree	1	4	1	0	2	8	13.4
	Disagree	10	18	9	9	10	56	
	Neutral	26	29	32	28	36	151	31.7

	Agree	49	24	41	40	41	195	54.3
	Strongly agree	14	12	17	19	2	64	
	ND	0	0	0	0	3	3	
East African common currency a flexible tool for increasing EAC economy	Strongly disagree	2	0	1	1	3	7	
	Disagree	4	7	4	11	7	33	
	Neutral	30	20	27	14	35	126	26.4
	Agree	51	45	51	41	40	228	63.7
	Strongly agree	13	15	17	29	2	76	
	ND	0	0	0	0	7	7	
East African political federation as a general government with delegation of powers through a constitution	Strongly disagree	1	6	3	2	3	15	14.0
	Disagree	3	19	7	10	13	52	
	Neutral	35	25	32	25	29	146	30.6
	Agree	52	27	55	44	38	216	53.7
	Strongly agree	9	10	3	15	3	40	
	ND	0	0	0	0	8	8	
Sensitization and mobilization in increasing political will about EAC political federation	Strongly disagree	1	3	0	1	6	11	11.9
	Disagree	7	10	5	9	15	46	
	Neutral	36	34	25	16	29	140	29.4
	Agree	48	27	55	47	35	212	57.2
	Strongly agree	8	11	15	23	4	61	
	ND	0	2	0	0	5	7	
	Total	100	87	100	96	94	477	

ND= not declared

To gather information about how information and communication technology (ICT) can foster East African integration, respondents were asked to provide their opinions and feelings on how ICT could play key role in their economic life, and measures and mechanisms their governments might undertake to strengthen the ICT infrastructure utilization in order to contribute for a regional integration. The table 10 summarizes the responses rate on ICT infrastructure utilization.

Table 10: General understanding about ICT infrastructure utilization

Question category	Likert measurement scales	Residence of respondent					N	%
		Arusha	Bujumbura	Kampala	Kigali	Nairobi		
ICT policy harmonization for an efficient achievement of EAC integration	Strongly disagree	0	0	0	1	8	9	7.3
	Disagree	4	4	2	1	15	26	
	Neutral	17	13	12	5	23	70	14.7
	Agree	60	51	60	61	42	274	78.0
	Strongly agree	19	19	26	28	6	98	
Existing ICT infrastructure and its utilization to allow partner states fitting in EAC economic integration	Strongly disagree	6	2	4	1	0	13	14.9
	Disagree	16	8	17	8	9	58	
	Neutral	18	26	18	11	30	103	21.6
	Agree	44	30	46	51	51	222	63.3
	Strongly agree	16	20	15	25	4	80	
	ND	0	1	0	0	0	1	
ICT utilization in different sectors of economic life	Strongly disagree	0	9	8	3	4	24	17.8
	Disagree	3	27	10	12	9	61	
	Neutral	7	36	26	7	27	103	21.6
	Agree	84	13	44	43	47	231	60.4
	Strongly agree	6	2	12	31	6	57	
	ND	0	0	0	0	1	1	
ICT infrastructure priority development in Partner States	Strongly disagree	1	0	0	0	0	1	6.7
	Disagree	9	2	5	2	13	31	
	Neutral	19	15	17	9	20	80	16.8
	Agree	51	49	47	42	55	244	76.5
	Strongly agree	20	21	31	43	6	121	
ICT as a tool for facilitating national and regional information exchange and business transactions	Strongly disagree	0	0	0	0	3	3	4.8
	Disagree	0	3	6	1	10	20	
	Neutral	8	18	6	4	20	56	11.7
	Agree	58	45	58	44	51	256	83.4
	Strongly agree	34	21	30	47	10	142	
	Total		100	87	100	96	94	477

ND= not declared

The majority of respondents (78%) have agreed that the harmonization of ICT policy can efficiently help achievement of EAC economic integration and 63.3% have agreed that the existing ICT infrastructure in their countries is able to help them fitting in EAC economic integration while 14.9% disagreed. 60.4% of respondents agreed that the ICT is highly utilized in many sectors of their countries' economic life while 17.8% disagreed. The 76.5% of respondents believed that their governments should give priority to the development of ICT and 83.4% agreed that ICT is a key tool for facilitating national and regional information exchange and business transactions.

Reliability analysis

Reliability analysis allows studying the properties of measurement scales and the items that make them up. According to Santos (1999), reliability comes to the forefront when variables developed from summated scales are used as predictor components in objective models. Since summated scales are an assembly of interrelated items designed to measure underlying constructs, it is very important to know whether the same set of items would elicit the same responses if the same questions are recast and re-administered to the same respondents.

Variables derived from test instruments are declared to be reliable only when they provide stable and reliable responses over a repeated administration of the test. Scale reliability greater than .70 is considered reliable (Ho Yu., 2001). The 25 items in the questionnaire instrument produce a Cronbach's Alpha of .758 with Cronbach's Alpha for each theme ranging from .544 to .619, indicating low reliability for each of the measures because responses were typically involved cooperation across different settings and types of respondents. The table 11 presents the results of reliability statistics, scale statistics and other statistics data.

Table 11: Reliability statistics

		Customs union	Common market	Monetary union and Political federation	ICT infrastructure utilization	All
Reliability statistics	Cronbach' s Alpha	0.544	0.544	0.619	0.543	0.758
	Cronbach' s Alpha based on standardized items	0.555	0.547	0.62	0.56	0.764
	N of items	10	5	5	5	25
Summary items statistics	Mean	3.65	3.52	3.65	3.81	3.66
	Minimum	3.21	3.2	3.5	3.5	3.2
	Maximum	4	3.8	3.84	4.08	4.08
	Range	0.79	0.6	0.34	1.16	0.88
	Minimum/Maximum	1.25	1.19	1.1	0.58	1.28
	Variance	0.07	0.07	0.02	0.06	0.06
Scale statistics	Mean	36.53	17.6	18.23	19.05	91.42
	Variance	17.09	9.02	5.66	7.24	81.9
	Standard deviation	4.13	3	2.94	2.7	9.05

Statistical differences between samples - Kruskal-Wallis tests

Different independent population samples have been used in our survey study. The Kruskal–Wallis test (one-way analysis of variance by ranks) was used for testing whether samples originate from the same distribution. The factual null hypothesis was that the populations from which the samples originate have the same median. The Kruskal-Wallis Test helped to compare the ordinal responses between four categories of respondents for four pillars of EAC integration process (customs union, common market, monetary union and political federation). When the level of significance is set at 0.05, the small p value ($p \leq 0.05$) indicates significant difference in participants' rating for the question asked. When $p \geq 0.05$ there is no

evidence to infer that the populations have the same median. The null hypothesis cannot be rejected

In table 12 which summarizes the Kuskal-Wallis test, we can report that:

* By testing the beliefs on “*Customs Union implementation status (CET, removal of intra-EAC tariffs and application of rules of origin)*”, there was a high level of statistically significant difference between the different group of respondents ($H(2) = 20.85, P = 0.00$) with a mean rank of 281.82 for Government staff, 240.45 for academia, 228.46 for civil society and 205.5 for businesspeople.

* By testing the beliefs on “*Non-implementation of EAC customs union and compensation of losses associated*”, there was a statistically significant difference between the different group of respondents ($H(2) = 11.95, P = 0.01$) with a mean rank of 261.90 for Government staff, 253.72 for civil society, 231.63 for businesspeople and 209.81 for academia.

* By testing the beliefs on “*Importance of Customs reform and tax harmonization for improving export procedures*”, there was a statistically significant difference between the different group of respondents ($H(2) = 8.51, P = 0.04$) with a mean rank of 255.86 for academia, 248.21 for civil society, 240.4 for Government staff, and 211.19 for businesspeople.

* By testing the beliefs on “*Respect of EAC Common market principles*”, there was a statistically significant difference between the different group of respondents ($H(2) = 6.79, P = 0.08$) with a mean rank of 260.70 for civil society, 246.64 for businesspeople, 229.51 for Government staff, and 219.73 for academia.

* By testing the beliefs on “*the full implementation of EAC Common market can impact your social and economic interactions with EAC citizens?*”, there was a statistically significant difference between the different group of respondents ($H(2) = 27.74, P = 0.00$) with a mean rank of 281.87 for civil society, 250.56 for Government staff, 227.96 for businesspeople and 197.13 for academia.

* By testing the beliefs on “*the harmonized policies and regulations for a functional EAC Common market*”, there was a statistically significant difference between the different group of respondents ($H(2) = 7.41, P = 0.06$) with a mean rank of 257.65 for Government staff, 242.8 for academia, 242.32 for civil society and 213.33 for businesspeople.

* By testing the beliefs on “*EAC single market agreement functional and successful implementation*”, there was a statistically significant difference between the different group of respondents ($H(2) = 6.79, P = 0.08$) with a mean rank of 257.84 for Government staff, 248.51 for businesspeople, 233.92 for academia, and 215.81 for civil society.

* By testing the beliefs on “*Elevation of macroeconomic policies above national politics*”, there was a statistically significant difference between the different group of respondents ($H(2) = 9.26, P = 0.03$) with a mean rank of 270.16 for civil society, 232.12 for academia, 230.73 for businesspeople, and 223.3 for Government staff.

* By testing the beliefs on “*East African common currency a flexible tool for increasing EAC economy*”, there was a statistically significant difference between the different group of

respondents ($H(2) = 12.59, P = 0.01$) with a mean rank of 274.96 for civil society, 230.69 for businesspeople, 228.73 for academia, and 230.69 for Government staff.

* By testing the beliefs on “*Sensitization and mobilization in increasing political will about EAC political federation*”, there was a statistically significant difference between the different group of respondents ($H(2) = 7.93, P = 0.05$) with a mean rank of 267.9 for civil society, 230.94 for businesspeople, 226.07 for academia and 231.59 for Government staff.

Table 12: Statistical differences between samples - Kruskal-Wallis tests

		Profession of respondent	N	Mean Rank	Mean	Std. Deviation	Chi-square	p
Customs union	Customs Union implementation status (CET, removal of intra-EAC tariffs and application of rules of origin)	Academia	122	240.45	3.21	1.08	20.85	0.00
		Civil society	118	228.46				
		Businesspeople	119	205.50				
		Government staff	118	281.82				
	Non-implementation of EAC customs union and compensation of losses associated	Academia	122	209.81	3.55	0.95	11.95	0.01
		Civil society	118	253.72				
		Businesspeople	119	231.63				
		Government staff	118	261.90				
	Non-implementation of EAC Customs union and impacts to businesspeople in terms of costs	Academia	122	243.20	3.88	0.89	0.54	0.91
		Civil society	118	232.03				
		Businesspeople	119	241.71				
		Government staff	118	238.90				
EAC Secretariat measures & mechanisms for a successful customs union implementation	Academia	122	236.88	4.00	0.85	1.03	0.80	
	Civil society	118	236.34					
	Businesspeople	119	249.03					
	Government staff	118	233.74					
Information availability on Customs union implementation to EAC citizens	Academia	122	234.33	3.28	1.06	2.55	0.47	
	Civil society	118	240.91					
	Businesspeople	119	227.42					
	Government staff	118	253.59					

	Importance of Non-Tariff Barriers (NTBs) notification system	Academia	122	243.19	3.47	0.96	1.08	0.78
		Civil society	118	239.83				
		Businesspeople	119	228.70				
		Government staff	118	244.22				
	Government reforms in addressing the main traditional NTBs challenges facing businesspeople	Academia	122	233.65	3.84	0.89	0.46	0.93
		Civil society	118	241.52				
		Businesspeople	119	243.82				
		Government staff	118	237.16				
	EAC taxation reform and legislation for avoidance of double taxation	Academia	122	232.03	3.68	0.87	0.87	0.83
		Civil society	118	235.41				
		Businesspeople	119	244.44				
		Government staff	118	244.31				
	Importance of Customs reform and tax harmonization for improving export procedures	Academia	122	255.86	3.77	0.85	8.51	0.04
		Civil society	118	248.21				
		Businesspeople	119	211.19				
		Government staff	118	240.40				
	EAC Secretariat's responsibility in handling the issues of trade remedy	Academia	122	247.99	3.84	0.90	4.15	0.25
		Civil society	118	251.55				
		Businesspeople	119	221.62				
		Government staff	118	234.68				
Common market	EAC single market agreement functional and successful implementation	Academia	122	219.73	3.48	1.02	6.87	0.08
		Civil society	118	260.70				
		Businesspeople	119	246.64				
		Government staff	118	229.51				
	East Africans benefits from the EAC single market agreement	Academia	122	234.18	3.34	1.03	0.82	0.85
		Civil society	118	246.09				
		Businesspeople	119	242.58				
		Government staff	118	233.28				
	Respect of EAC Common market principles	Academia	122	197.13	3.80	0.93	27.74	0.00
		Civil society	118	281.87				
		Businesspeople	119	227.96				
		Government staff	118	250.56				
	Impact of implementation of EAC Common market to EAC citizens in their social and	Academia	122	242.80	3.78	0.90	7.41	0.06
		Civil society	118	242.32				
		Businesspeople	119	213.33				

	economic life	Government staff	118	257.65				
		Academia	122	233.92	2.49	1.12	6.79	0.08
		Civil society	118	215.81				
	The harmonized policies and regulations for a functional EAC Common market	Businesspeople	119	248.51				
		Government staff	118	257.84				
		Government staff	118	231.92				
Monetary union and political federation	Elevation of macroeconomic policies above national politics	Academia	122	232.12	3.55	0.94	9.26	0.03
		Civil society	118	270.16				
		Businesspeople	119	230.73				
		Government staff	118	223.30				
	East African common currency a flexible tool for increasing EAC economy	Academia	122	228.73	3.74	0.91	12.59	0.01
		Civil society	118	274.96				
		Businesspeople	119	230.69				
		Government staff	118	222.03				
	East African political federation as a general government with delegation of powers through a constitution	Academia	122	226.96	3.60	0.96	5.22	0.16
		Civil society	118	256.18				
		Businesspeople	119	248.42				
		Government staff	118	224.77				
Sensitization and mobilization in increasing political will about EAC political federation	Academia	122	226.07	3.20	1.15	7.93	0.05	
	Civil society	118	267.90					
	Businesspeople	119	230.94					
	Government staff	118	231.59					

Analysis and evaluation of results

The aim of this section is to present the outputs and results analysis. It is split into two parts. Firstly, the outcomes from secondary data and the evaluation of results, secondly the data analysis from the research interview.

Secondary data analysis

Secondary data have been collected from the individuals' work. Secondary data analysis consisted of the analysis of data collected from census reports, partner state reports, scientific papers, maps, business and industry reports, on-line websites, and other secondary data which assisted in developing our understanding about challenges hindering EAC integration process.

The literature review has discussed the following sections related to EAC integration economic integration issues: (1) overview on regional integration, (2) EAC economic integration process, (3) EAC economic integration challenges, and (4) ICT as a strategic tool in driving regional integration. The three main sources of this secondary information were:

- EAC publications, reports, papers and documents;
- Electronic documents of international organization websites;
- Scientific papers and industry reports

To evaluate this information source, Cooper & Schindler (2008) have proposed five factors that can be applied to any type of source. These are: (1) purpose, (2) scope, (3) authority, (4) audience, and (5) format. The evaluation of secondary data sources is summarized in the table 13.

Table 13: Evaluation of secondary data sources

	EAC publications, reports, papers and documents	Electronic documents of international organization websites	Scientific papers and industry reports
Purpose	Provide the raw ingredients for making evaluative judgments on EAC integration process, since they contained information on integration status, activities & programs, and outputs.	* Provide information on the EAC integration context, and challenges for economic integration in Africa in general. * Try to provide answer to the management dilemma	Through analytical studies, the sources provide relevant information and critical solutions about economic integration challenges.
Authority	The authority of the source lends credibility to the information and thus to the research study		
Scope	The scope is tied closely to the purpose and is concerned with the topic focus, time period, geographical relevance, and comprehensiveness of coverage. Most of the sources are not less than 5 years and they covered the issues of economic integration in Africa in general.		
Audience	The audience of the sources and the audience of the research project are almost similar. Information sources cater to EAC citizens, EAC secretariat and partner states decision makers.		
Format	Information sources available and easy accessible from EAC secretariat library, EAC website and partner state ministries.	Most documents were presented and easily accessible in .pdf format as reports of experts.	Report documents and publications were accessible from EAC website, library and EAC donors' websites like GIZ and Trademark.

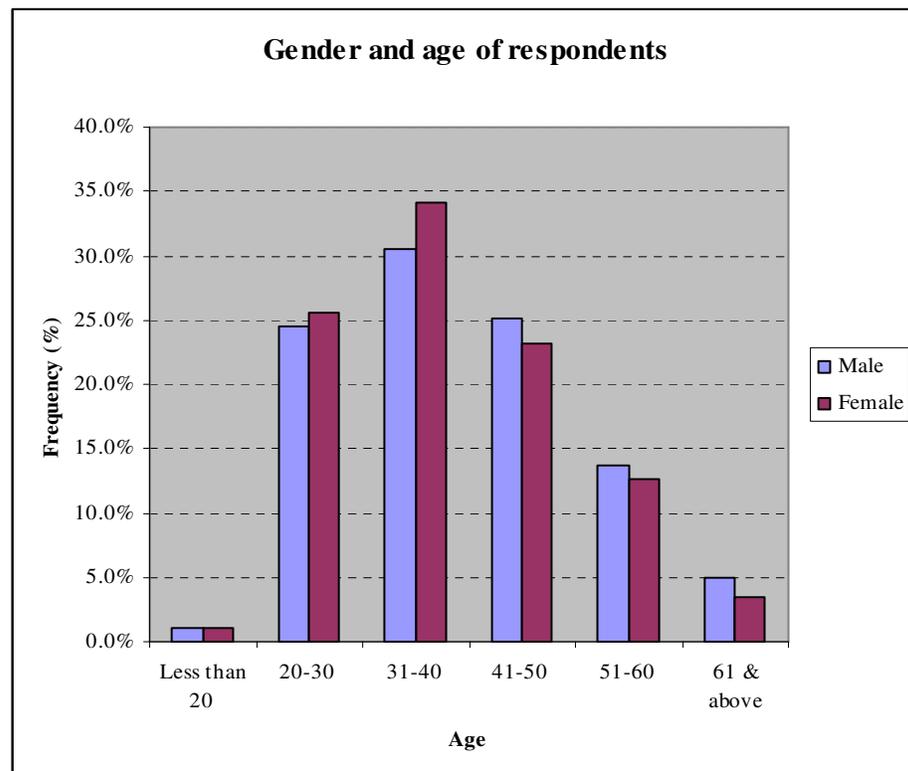
Interview survey data analysis

Data collected from the survey interview have revealed patterns in different themes and category of the questions about EAC integration process. This section presents the meaning of the findings and interprets them in the light of the theories identified.

Demographic profile of respondents

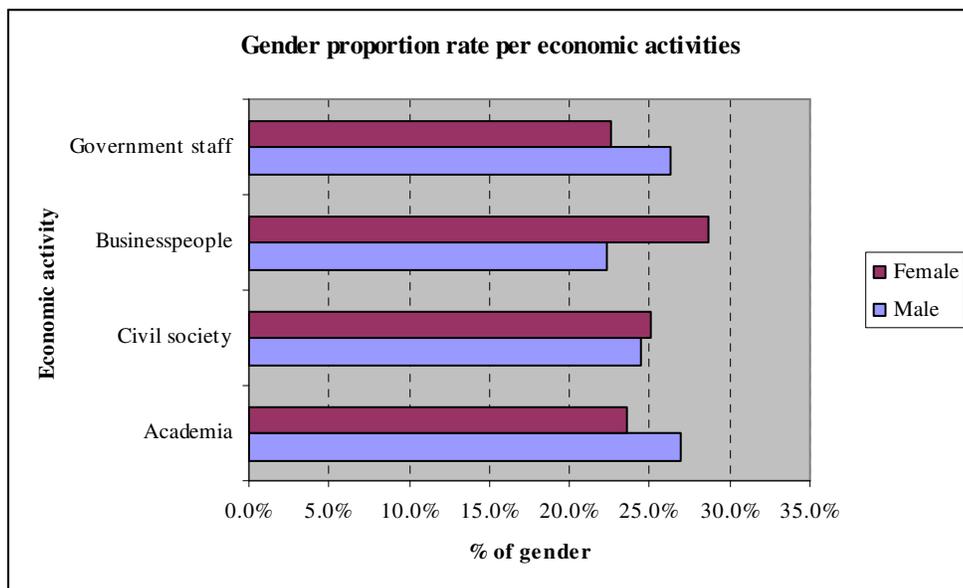
Questionnaire survey has been administered to different category of respondents according to their potential activities in their socio-economic life. In 5 partner states, female population rate was 41.7% while male was 58.3%. The highest response rate was recorded in category of 20-50 group of age which is very satisfactory. The majority of respondents in this group is female (34.2%), this demonstrates the good level of involvement of female population in EAC economic integration activities (see figure 4).

Figure 4: Proportion of response rate by gender and age of respondents



Female businesspeople (28.6%) and civil society (25.1%) are more responsive than men (see figure 5). This is because in EAC female are more implied in business and other activities related than men. In academia (27%) and government employees (26.3%), the number of men is bigger than the number of female and men are more interested by the EAC integration process than female. During our interview survey, we realized that men were very interested to ask questions concerning EAC economic integration than female.

Figure 5: Gender proportion rate per economic activities



Customs union and common market general perceptions

The survey study on customs union and common market implementation was aimed to gather information concerning the beliefs and general perceptions on strategies and policy implementation of these two stages of EAC integration. Currently, steps already taken include the introduction of the East African passport and harmonization of vehicle transit procedures and requirements to ease border crossing. In addition, policies continue to be pursued towards application of national status treatment to East African nationals with respect to access to

services in the field of health, education and training, legal and judicial affairs, tourism and communications, among others (EAC, 2011).

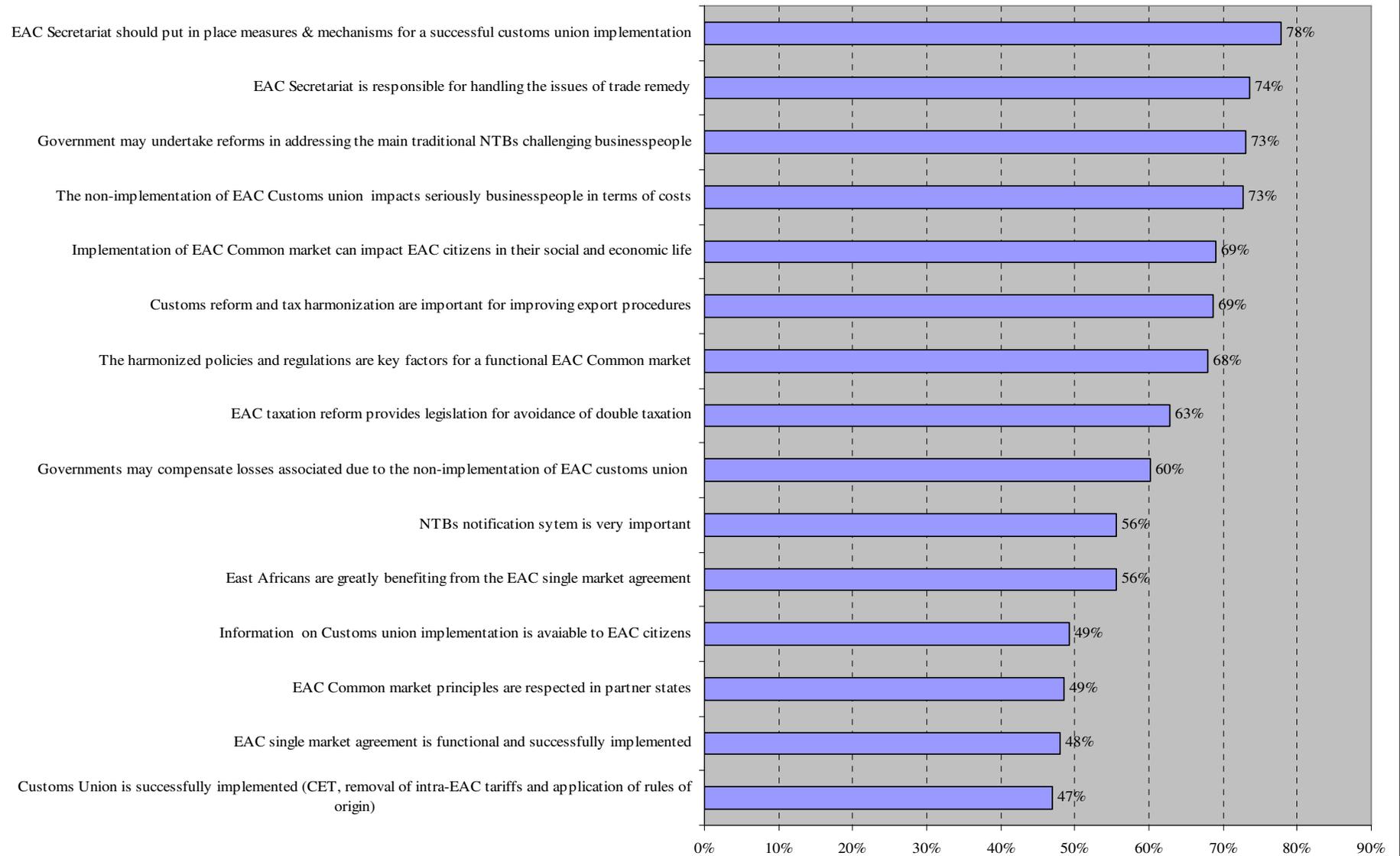
The survey results have revealed that only 47% of EAC citizens agreed that the barriers to trade are eliminated in their respective countries (i.e., the policies about CET, removal of intra-EAC tariffs and application of rules of origin are implemented); 48% have agreed that EAC single market agreement is functional and successfully implemented; 49% perceived that EAC Common market principles are respected in partner states and information on Customs union implementation is available to EAC citizens; and 56% of East Africans believed that they were benefiting from the EAC single market agreement (see figure 6 for details).

These results about the East Africans' perceptions on customs union and common market policies implementation demonstrate the low level of understanding. Many policies about free movement of goods, services, workers, right of establishment, have been formulated to be implemented in 2010, and the study has revealed that EAC citizens are not aware. In this regard, EAC governments have a challenge to make available to their citizens all information relating to EAC integration process.

However, the majority of respondents believed that the harmonized policies and regulations are key factors for a functional EAC Common market, and EAC Secretariat should put in place measures and mechanisms for a successful customs union and common market implementation. They believed also that Governments may compensate losses associated due to the non-implementation of EAC customs union as the non-implementation of EAC Customs union impacts seriously businesspeople in terms of costs.

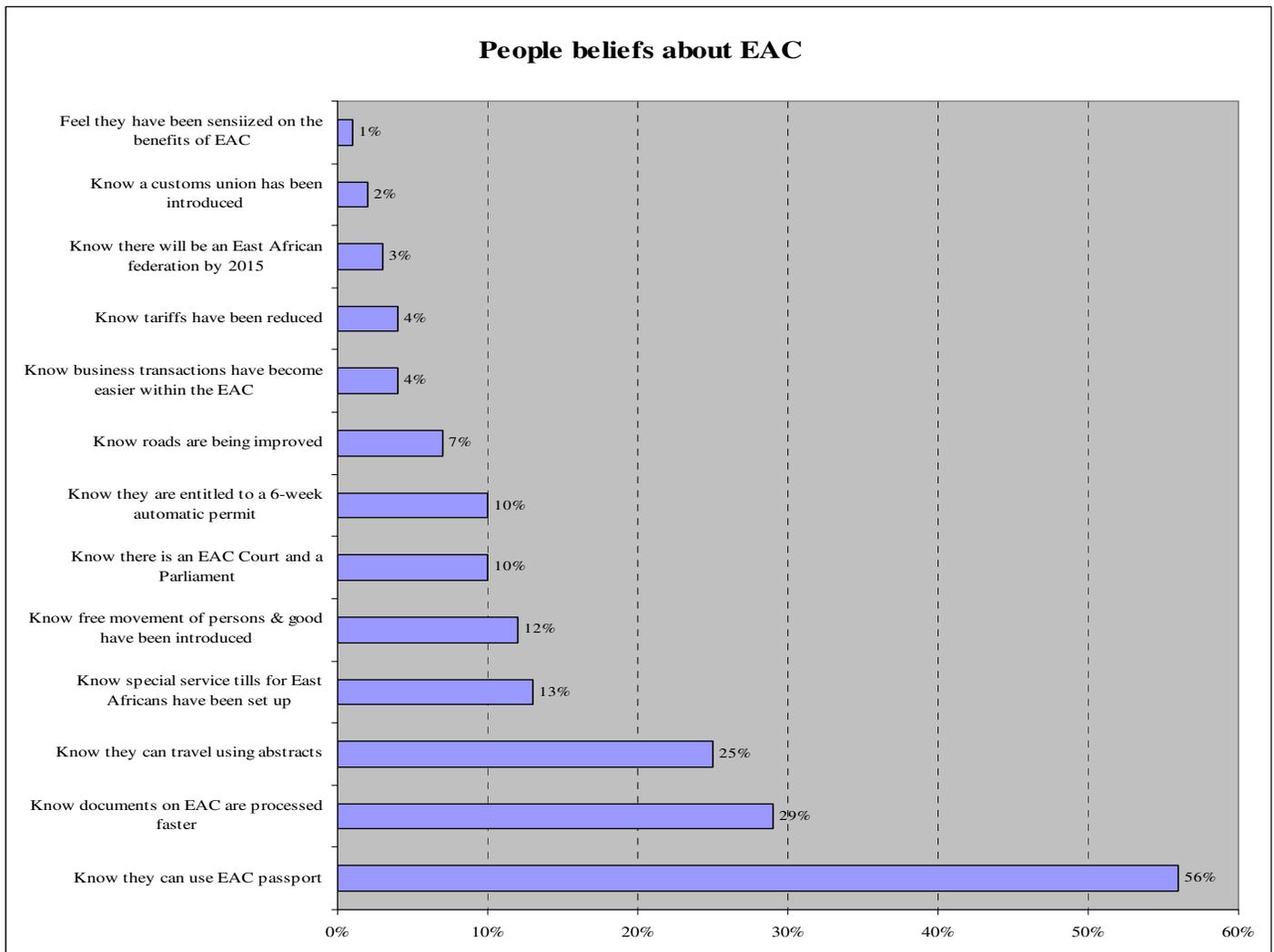
Figure 6: East Africans' perceptions about customs union and common market implementation

East Africans' perceptions about customs union & common market implementation



In 2009, a comparative study has been carried out by Karega (2009) to 900 people from all walks of life equally selected from Kenya, Uganda, and Tanzania, in order to collect the beliefs about the benefits experienced by ordinary citizens from East African integration. The researcher has found that the East African interviewed had quite a number of knowledge gaps and were not well informed about many areas of East African integration. Misinformation and knowledge gaps referred to simple basic facts, information on achievements made, and also to obvious misconceptions of what the integration process will bring (Karega, 2009). The researcher’s findings are summarized by the figure 7.

Figure 7: People beliefs about EAC integration



Source: Karega, R.G.M. (2009).

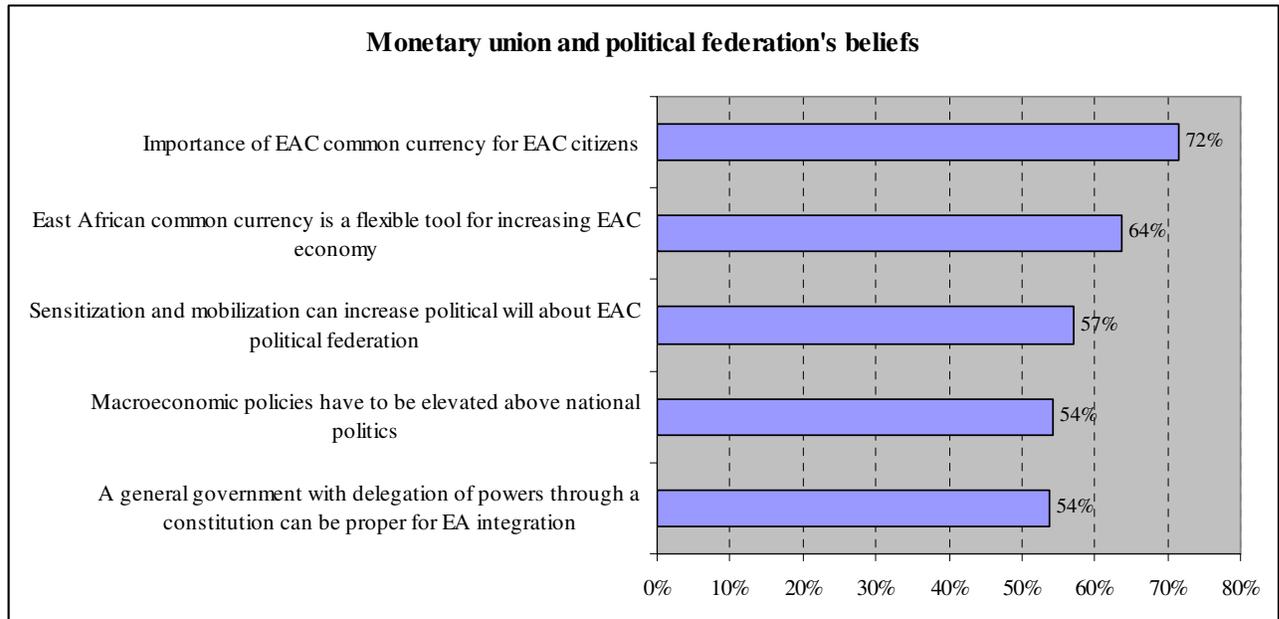
Monetary union and political federation

The great number of respondents (72%) was aware of the importance of the common currency, and 64% agreed that it can allow increasing EAC economy. To implement it, 54% agreed that macroeconomic policies should be elevated above national politics (see figure 8). The results revealed that there is a great need of common currency but other neutral respondents told us that they feared that using a common currency within EAC would create a financial crisis like the one known recently in Greece, Spain and Portugal.

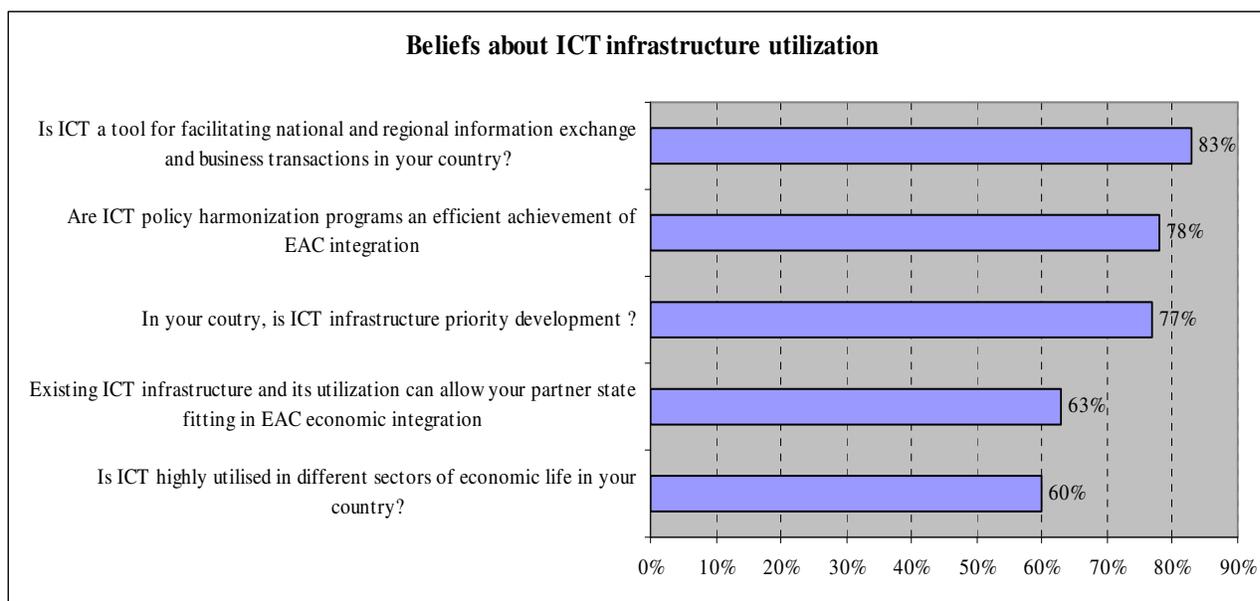
According to EAC secretariat (2010), there is improved macroeconomic policy synchronization and coordination, especially the fiscal regimes through initiatives like institutionalization of the pre-budget meetings and the regular consultations on tariff and taxation measures in the budgets, the reading of the national budget on the same day, cross-listing of shares at the stock exchange market and currency convertibility. However, most of the initiatives and activities are not known to the public and other stakeholders outside the relevant sector.

Concerning political federation, only 54% preferred a general government with delegation of powers through a constitution and 57% believed that sensitization and mobilization could increase political will within partner states decision makers. Those who disagreed or who preferred the neutrality told us that with political federation they fear for loss of sovereignty, investment and employment, land, and trade market.

According to the report of EAC experts, there are also “concerns about incoherence and inconsistency between Partner States’ policies and practices on one hand and the regional integration agenda on the other hand, as well as fears concerns and challenges which give rise to skepticism and mistrust. Some concerns also emanate from the historical experience of failure of the defunct community and the fact that some factors that could have contributed to the collapse have been addressed” (EAC Secretariat, 2010, p.26).

Figure 8: Monetary union and political federation's beliefs***ICT infrastructure utilization***

The survey research found that a great number of respondents believed that ICT is a key tool in facilitating information exchange and business transactions; as a result, the harmonized ICT policy can promote an efficient achievement of EAC integration. The survey noted that ICT is moderately utilized in different sectors of EAC countries' economic life, and that the existing ICT infrastructure are not enough to allow partner states fitting in EAC economic integration, as a result, there is a great need for EAC countries to prioritize ICT infrastructure development. The figure 9 shows the detail of results.

Figure 9: Beliefs about ICT infrastructure utilization

To foster EAC integration, partner states are encouraged to use ICT in all economic activities of country's life, especially by implementing policies of integration stages. According to the survey results, there is a need of customs monitoring and exchange of information, and EAC customs have to be interconnected within *customs management systems* (see figure12 in the appendixes). This can reduce the time and cost of cargo clearance by providing a secure means of confirmation of transit, export and import cargo details between the Partner States. Immigrations offices also should be interconnected within ICT systems to facilitate the control of the free movement of people.

Summary assessment of data

The purpose of our survey data analysis was to inspect and model data with the goal of highlighting useful information, suggesting conclusions, and supporting decision making. In this regard, the median and range by response survey questions have been assessed (see table 3), the frequency of response rate of respondents by profession and residence (table 4), and the demographic profile of respondents (table 5) have been analyzed. The responses rate by themes

divided in four categories according to the EAC integration pillars have been summarized in tables 7, 8, 9 and 10. These major areas of integration were customs union, common market, monetary union and political federation, and ICT infrastructure utilization as a strategic tool for easy integration. The respondents' general understanding and belief in these areas have shown the picture of EAC policies implementation for its economic integration programs.

According to the results, problems are still striking in customs union and common market implementation where information about policy implementation is unknown to the public and agreement principles are not fully respected in EAC countries. Recommendations for handling this issue will be provided in the final chapter of this dissertation report. Survey informants wanted also EAC secretariat to be fully involved in customs union and common market implementation and EAC governments to undertake initiatives and reforms for a successful implementation.

Interview results indicated also that EAC citizens felt that the common currency would help to resolve the problems of inflation and exchange rate for currency convertibility they are facing in everyday life. Negotiations initiatives are undergoing for the harmonization of fiscal and monetary affairs (EAC, 2010). To make it functional a great number of respondents believed that various macroeconomic variables have to be treated above national politics.

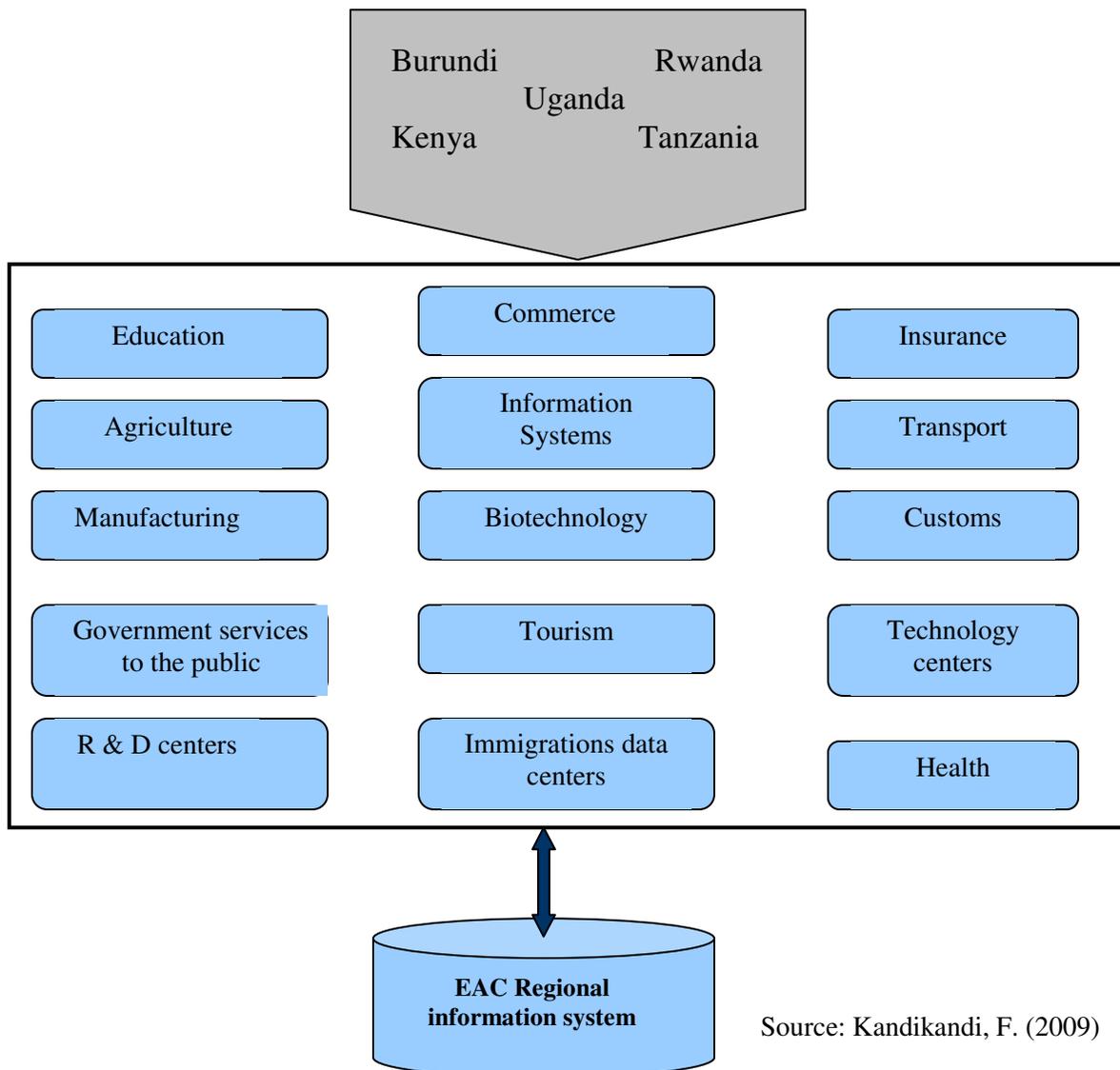
Concerning the formation of a political federation, informants were still hesitating about its creation for a number of reasons including loss of sovereignty, land use, jobs etc. To help people changing their mind, mobilization and sensitization on the behalf of EAC governments and EAC secretariat are very important.

For a successful economic integration, various factors intervene including legal and statutory tools, human resources periodic programs/budget, supporting technology solutions, organization & planning, funding, management, leadership and political support, etc. Information and Communication technology (ICT) is one of the cross-cutting tools that enable national and

regional development through the channeling of data and information essential in the management of all production and administration process. Responses rates about ICT infrastructure utilization have also demonstrated that EAC countries have to focus on ICT development to facilitate their economic integration.

Any business process requires data and information for management, operation, monitoring, reporting, decision making, or parameters to assess the performance. ICT is therefore of paramount importance in the implementation of such regional integration programs as it facilitates the exchange of key information in decision making and management (Kandikandi, 2009). The figure 10 summarizes the kind of information needed for the EAC integration.

Figure 10: Nature of information needed in EAC integration process



Source: Kandikandi, F. (2009)

By measuring internal consistency or reliability of our data, the 25 items in the questionnaire instrument produced a Cronbach's Alpha of 0.758. The inter-correlations among test items are maximized when all items measure the same construct. The coefficient 0.758 is acceptable; it indicates the degree to which a set of items measures a single one-dimensional latent aspect of individuals. The Kruskal-Wallis test was used to compare the ordinal responses between four categories of respondents for four stages of EAC integration process, and significant differences in participants' rating were found for some questions asked.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

This chapter presents a summary of findings and conclusions about the results, weaknesses and limitations of the study. Possible practical recommendations are formulated in order to overcome the identified challenges threatening EAC economic integration process, and finally, suggestions for areas of future research are presented.

Summary of the study

This study sought to understand possible causes delaying EAC economic integration process and to determine technology oriented solutions viability implementation for speeding up EAC integration stages in order to help decision makers getting insight on that particular situation and taking appropriate actions.

A great number of literature reviews has been used to better explain this situation in Africa and in East Africa in particular. Various authors have identified different levels of economic integration, notably Hill (2011) defined the process of an economic integration in different levels including a free trade area, a custom union, a common market, an economic union, and a full political union. The literature outlined significant progress in implementation policies of EAC customs union and common market, but also noted multiple challenges, and recommended the use of ICT infrastructure as it is an essential foundation for countries to achieve regional integration and to enable poor people to participate in knowledge economy (Janneh, 2008).

In this research, the four stages of EAC economic integration including customs union, common market, monetary union and ultimately a political federation have been assessed. The provisions policy implementation of two stages already signed to enter into force, such a customs union and common market, were deeply analyzed.

The research has used a survey questionnaire instrument to collect data from four categories of respondents including businesspeople, academia, civil society and government employees selected from 5 areas of EAC countries. The questionnaire was administered to 500 participants at the rate of 100 individuals per country and 25 per category of respondents.

Data were analyzed using exploratory data analysis (EDA) techniques. According to Addison-Wesley (2004), “EDA is a process of using statistical tools such as graphs, measures of center, and measures of variation, to investigate data sets in order to understand their important characteristics” (p.102). In this study, data collected were analyzed using visual representations and graphical techniques including frequency tables, cross-tabulation to clearly present summary statistics, and bar charts.

Survey results showed that problems are still striking in customs union and common market implementation where information about policy implementation is unknown to the public and agreement principles are not fully respected in EAC countries. The findings support the outcomes of other researchers’ studies and the related theories of literature review. Some of them stated that trade between the Partner states is still being hampered by the existence of NTBs (Okumu & Nyankori, 2010), and the common market protocol remains an unenforceable gentlemen’s agreement (Freemantle & Babb, 2010).

The study has also assessed the EAC citizens’ beliefs and opinions about the future use of single currency in East Africa and the level of ICT infrastructure utilization in EAC countries. Results showed that East Africans believed strongly that the common currency would be very useful for correcting currency convertibility problems they are facing in everyday life. Responses rates about ICT infrastructure utilization have also proved that EAC countries citizens believed that ICT infrastructure is a key factor for driving economic integration. The results are also correlated to the literature review theories.

Conclusions

This study was intended to determine possible causes hindering EAC economic integration process, and not to prove their causation. The study results have largely contributed to the literature by enhancing our understanding about the challenges of EAC economic integration process.

According to the EAC Treaty, the economic integration was supposed to be realized in an incremental progression through the stages of a customs union; a common market; a monetary union and political federation. As Kritzinger-van Niekerk (2005) argued a successful regional integration is premised on a number of pre-conditions. These are: (1) political and civic commitment and mutual trust among countries; (2) a minimum threshold of macro-economic stability and good financial management in countries (price stability, realistic real exchange rates, etc.); (3) sufficiently broad national reforms to open markets; and (4) domestic peace/security in countries.

In order to assess the EAC integration process and answer the research questions, a study has been carried out through a survey and interview questionnaire, and the results have shown that:

a) The challenges and barriers hindering EAC integration were still manifested in customs union and common market implementation including trade facilitation, bureaucracy, lack of automated border services and packing sheds, lack of competitiveness, non-respect of harmonized policies, inefficient legal and regulatory frameworks, corruption, and loss of business due to delays in deliveries, institutional handicaps, and prevalence of supply side constraints among others. For example, in many partner states, trade is still affected by police road blocks, weigh bridges, inspection requirement and cumbersome documentation procedures; this leads to increase in the costs of doing business in the region.

As it is clearly defined in EAC customs union protocol, the objectives of customs union are (EAC, 2010): (1) liberation and promotion of trade within EAC through removal of non-tariff barriers, common external tariffs that protect some sectors in the community, elimination of internal tariffs, anti-dumping and countervailing measures; (2) promotion of efficiency in production through fair competition and comparative advantage; (3) enhancing cross-border trade and foreign investment through simplified customs procedures, tax incentives on capital goods, and zero tariffs on primary raw material; and (4) promotion of economic development and the diversification of industries through creating a bigger market, tapping on a wider resource base, ensuring better resource use and allocation, and easier transfer of investments between the partner states.

However, trade policies formulated and business climate are still affected by the following challenges:

- Accessible and reliable telecommunication;
- Access to water;
- Access to security;
- NTBs leading to loss of market share and increase in business costs;
- Excessive administrative and bureaucracies inefficiencies at border and transit points;
- Level and administration of taxation;
- Access, affordability and reliability of energy;
- High transportation costs due to poor or inadequate road/rail infrastructure and lack of cargo for returning vehicles.

Likewise, the effective implementation of the common market at the national and regional level is also still experiencing some challenges such as lack of: sufficient and adequate

infrastructure; telecommunication and communication; industrialization; capital markets; no-tariffs barriers; energy (availability and tariffs); and competent skilled workers. These challenges are visible in different four freedoms of the common market protocol. The survey has revealed the following:

- Resistance and delays to change for many EAC citizens;
- Difficulties in implementing the harmonized policies and laws;
- Lack of capital ownership;
- Limited capacity of regional financial sector;
- Problem of access to land (agreed that it will be governed by national laws);
- Existence of work permit fee requirement in some partner states;
- Non-congruent legislations among the Partner States for movement of persons and labor;
- Lack of existing mechanisms to implement the usage of travel documents (National Identification Documents, EAC passport, etc.);
- Lack of existing conclusion of the mutual recognition of academic and professional qualifications;
- Lack of existing conclusion of coordination mechanism for social security schemes;

In addition, the study found that the success of EAC political federation is still questionable as there are until now the challenges of low level of awareness among partner states' citizens, the political mistrust, fears for loss of sovereignty, investment and employment, land, and trade market.

b) Information and communication technology utilization is a strategic driver of EAC economic integration, because regional integration would be a mere dream without appropriate

mechanisms of sharing information among partner states (see figure 10). Having a reliable ICT infrastructure to accommodate all communications needs (data, voice and video) is very mandatory in facilitating the realization of EAC economic integration's objectives. To move towards right direction, EAC partner states have started implementing policies and programs to develop their domestic broadband infrastructures networks at different speeds (EAC Secretariat, 2009).

As the survey research has shown the low level of ICT infrastructure utilization in all EAC countries' economic life, and the high level of understanding for EAC countries to prioritize ICT development in order to maximize the opportunities of economies of scale and market integration, to achieve an economic integration efficiently, all ICT program policies and infrastructure facilities need to be strengthened and harmonized among national systems.

In summary, the survey and interview have mostly contributed to identify multiple challenges and pitfalls in each East African integration stages and obviously to answer the research questions. To overcome these challenges threatening the EAC integration and to provide answer to management dilemma, consistent and tangible recommendations are formulated in the next section.

Recommendations

An analysis of challenges and concerns about EAC economic integration identified showed that the majority of challenges were related to customs union and common market implementation. Consequently, the most important interventions in dealing with these concerns would be to adequately and appropriately implement policies and undertakings under the respective protocols for the customs union and common market. Mechanisms must be put in place to ensure time bound implementation of commitments and measurable monitoring of performance.

To hasten the pace of implementation, Partner States need to:

- Enhance the levels of implementation of commitments. To do this, the following should be done:
 - The EAC Secretariat should have more administrative and political monitoring of the implementation process of decisions made within the community on integration issues;
 - Enhance the implementation of the Customs Union by removing NTBs so as to deliver more benefits to the ordinary people of East Africa;
 - Remove the barriers to easy movement of ordinary people across the region as envisaged within the common market protocol;
 - Strengthen the manufacturing capacity and industries across the region;
 - Improve the quality and relevance of the education system and skills development, with a greater focus on science and technology. The policies and curricula on science and technology across the region should be harmonized.
- Establish National Implementation Committees (NIC) based on the areas of cooperation within the customs union and common market protocols and composed of (but not limited to) the following ministries/institutions: EAC affairs; immigration; labor and employment; trade; education; finance; revenue authorities; central banks; bureaus of statistics; and, private sector foundations. NICs would monitor implementation at the regional level and report to the Sectoral Council of Ministers responsible for EAC Affairs and Planning;
- Establish a regional mechanism to drive regional development and infrastructure by mobilizing political will behind regional integration infrastructure, improving pace of preparation and implementation of regional infrastructure projects and implementing the sectoral reforms that need to accompany physical investments. A regional

development mechanism should coordinate and spearhead development programs such as energy, industry infrastructure, ICT and joint investments.

- Establish the regional Customs Authority which can be tasked to facilitate sharing information on customs and immigration offices, implement regional trade agreements facilitate the simplification of rules of origin;
- Harmonize and reform transport-related standards and policies affecting trade and, eliminate obstacles to the free movement of goods and services including service providers;
- Mobilize and sensitize political will to support the implementation of the policies and laws agreed on, develop and implement deliberate and sustainable measures to address and overcome perceptions and fears of the citizens of East Africa. In the same vein, the following should also be emphasized strongly:
 - Address and improve internal governance challenges, respect for the rule of law and protection of fundamental human rights within partner states.
 - Develop a common citizenship for East Africa, enhance East African values and ethos and promote the use of the common language (Kiswahili) within the community.

Limitations

The research objective was to examine the East African (EA) integration process and to provide insight about EAC economic integration issues from the survey interview. The population sample of interest for this study was the businesspeople, academia, civil society, and government employees who are potentially involved EAC economic integration activities. The ideal objective was to reach a total of 500 people with 100 respondents by country.

The data collected failed to reach the targeted sample of 500 individuals i.e. the 100 respondents for the survey per country. Approximately the average of 95 respondents by country has participated in the survey study, and this number was complete enough to use for the study compliance. The objective of the interview was to gather information about the participants' attitudes, beliefs, perceptions and feelings about EAC integration process. The survey questionnaire was allowing the participants to respond by agreeing or disagreeing using the Likert scale. Many respondents insisted on providing written comments. The researcher concluded that the survey questionnaire was not well designed to capture all dimensional elements that could help to find out the possible barriers delaying EAC integration.

Response rates collected in Bujumbura were low comparing to other interview areas, this is because all respondents were full francophone and they have experienced problems of language understanding despite the time spent during the interview session while trying to translate each survey question into French.

The interview survey has also recorded a great percentage of neutrality cases, in one hand, the researcher believes that the interview data reflected more technical aspects that were not very clear and likely had some understanding ambiguity for the respondents. In another hand, the researcher thinks that respondents were not informed about the content of the interview questionnaire and preferred to abstain.

Future research

This study was limited to four categories of respondents including academia, businesspeople, civil society, and government employees. Expansion of the study to include additional prospective informant populations such farmers, security unit (military and police), government decision makers at different levels, etc. would enhance and strengthen our understanding about EAC integration challenges.

The study has also revealed that the majority of East African believed that the use of the common currency could resolve the problem of exchange rates for currency convertibility, and increase the economy of the region. A particular study in this area should clarify and confirm or not the beliefs expressed by EAC citizens and determine the ways EAC economy could be increased by analyzing various socio-economic sectors.

In addition, to assess the possible causes threatening EAC integration and how ICT can be a strategic driver for the economic integration; the study was limited to the qualitative data analysis. However, to improve the research outcomes, qualitative and quantitative study approaches should be combined (triangulation) to increase the perceived quality of the research by enhancing the credibility and validity of the results. In this line, the approach of confirmatory data analysis could be used to better identify statistical inferences and test the significance and confidence.

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APPENDIXES

Appendix A: Survey questionnaire

Introduction

The purpose of this survey questionnaire is to gather information regarding the East African (EA) integration. Information which needs to be gathered concerns the issues of customs union, East African single market, single currency, information and communication technology infrastructures and utilization, political federation willingness, advantages and disadvantages as well as the challenges facing EA integration progress.

This survey is exclusively for academic purposes but its results can also be used by policy makers involved in EA integration process. Through your participation, the study will be able to make possible recommendations that will guide decision makers to take appropriate actions in speeding up the East African integration process.

The questions I need to ask you are pertaining to your perception and feelings about different levels of EA integration process, and will take about 30 minutes. Some of the things I'm asking may not be comfortable for you, but I request that you answer as honestly as you can; or tell me if you cannot or do not wish to answer that question.

Confidentiality and anonymity are of utmost importance. The information you give to me cannot be traced to you personally. If you have any query, or if you are not sure about anything, please do not hesitate to ask for clarification

Part I. Profile of the Respondent

Kindly, could you tell me the correct details about yourself? (Ticking the item corresponding with the correct answer)

a. Residence of respondent

- Arusha
- Bujumbura
- Kampala
- Kigali
- Nairobi

b. Age

- Less than 20 year ?
- 20-30 ?
- 31-40 ?
- 41-50 ?
- 51-60 ?
- 61years old and over ?

c. Gender

- Male
- Female

d. Profession

- Academia (Professor, staff)/ Students
- Civil society (Private sector, ONG, Cooperative, Association, etc..)
- Businesspeople (Taxpayers: wholesalers and retailers, Consultants)
- Government staff (Revenue authority, Ministry)

Part II. Implementation of East African Community integration pillars

A. Customs union

1. The EAC Customs Union which provides for among others; the adoption of a Common External Tariff (CET), removal of intra-EAC tariffs, application of rules of origin etc, has been successfully implemented in your country. In your personal view, do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

2. In the case where there is no implementation of the EAC Customs Union, EAC Governments may undertake initiatives or trade reforms to compensate for losses associated with non-implementation? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

3. The implications of non-implementation of the EAC Customs Union impact seriously businesspeople in terms of costs. Do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

4. EAC Secretariat should put in place measures and mechanisms to help partner states to ensure full implementation of EAC Customs Union. [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

5. Information on EAC Customs Union implementation has been made available to EAC citizens, especially in your country. Do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

6. A system of notification of Non Tariffs Barriers (NTBs) (i.e., a monitoring mechanism) could be useful to remove NTBs which bother a fair trade within the community. Do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

7. If the Government or partner states were to undertake the following reforms: (1) Customs reform to improve export procedures (e.g., more information of changes in export procedure, etc); (2) Infrastructure improvements like better roads, airport, ports; (3) Reduce the costs of shipment ; (4) Improve export credit facilities and financial services in the country. Do you agree that this can help address the main traditional NTB challenges businesspeople are facing? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

8. The present EAC taxation reform provides legislation for avoidance of double taxation problem. Do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

9. Customs reform and tax harmonization can improve export procedures (e.g., more information of changes in export procedure, etc) in terms of reducing the costs of shipment; and improving export credit facilities and financial services in your country. Do you agree with this statement? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

10. For EAC businessmen seeking protection from unfair trade practices, and increase imports, do you agree that the EAC Secretariat can be useful by establishing a committee to handling the issues of a trade remedy (antidumping, safeguard, countervailing duty against imports threatening)? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

B. Common market

1. The EAC common market came into force on 1st July 2010 to allow partner states to operate in a Regional Economic Community as a single market with free movement of people, services, labor and capital. Do you agree that this is functional and implemented in your country? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

2. Do you agree that East Africans are considerably benefiting from this agreement of EAC single market? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

3. The EAC common market is guided by the principle of non-discrimination of nationals of other Partner States on grounds of nationality; equal treatment to nationals of other Partner States; and sharing information for the smooth implementation of the single market. Do you agree that this is respected in your country? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

4. Do you agree that the full implementation of the EAC Common Market Protocol will have any impact on your social or economic interactions with other EAC citizen? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

5. Do you agree that the key factor to make functional EAC common market is the harmonized national policies, regulations and procedures between EAC member countries? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

C. Common currency and Political federation

1. The EAC common currency is under negotiations among EAC countries. The currency is further expected to significantly reduce cost and risk of doing business regionally, and creating fairness between countries as well as protecting the poor - petty traders in the borders in particular against the impacts of currency fluctuations. Do you agree that the common currency will be useful for EAC citizens? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

2. For an effective common currency, all EAC member states will have to be committed to economic targets with regard to fiscal deficits, inflation levels as well as various other macroeconomic variables by 2012. As such macroeconomic policies will be elevated above national politics; do you agree that this is proper? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

3. Do you agree that an East African common currency would be a flexible tool to purge the current problems of speculation, instability and uncertainty, providing a strong foundation for the growing EAC economy? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

4. Political federation means a compound of polity uniting constituent units (federal states) which include EAC partner states and a general government each posting powers delegated to its people through a constitution. In your view, do you agree that this is proper? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

5. The consultations about EAC political federation have elucidated vibrant debate on the benefits, opportunities and challenges of EAC integration in general. In your personal view, do you agree that sensitization and mobilization could increase a greater political will? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

Part III. Information and communication technology (ICT) as a factor to facilitate EAC integration

1. Political, economic and social integration could efficiently be achieved with a harmonized Information and communication technologies (ICT) policy. [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

2. Do you agree that the existing ICTs infrastructure and its utilization in the country's economic life can allow your country to fit in EAC economic integration? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

3. In your country, do you agree that ICT is highly utilized for promoting trade, management information systems, services delivery, financial transaction, good governance and efficiency in key sectors such as business, agriculture, tourism and education? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

4. ICT contributes greatly for a regional economic integration. In your view, do you agree that EAC member states should give priority to the development of information and communication infrastructure by setting up their regional backbones, exchange and interconnection points? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

5. In your view, do you agree that ICTs could be used to facilitate existing national and regional private sector networks in the area of information exchange and business transactions in your country? [Encircle one answer]

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

Appendix B: Map of the survey area

Figure 11: Map of the survey area



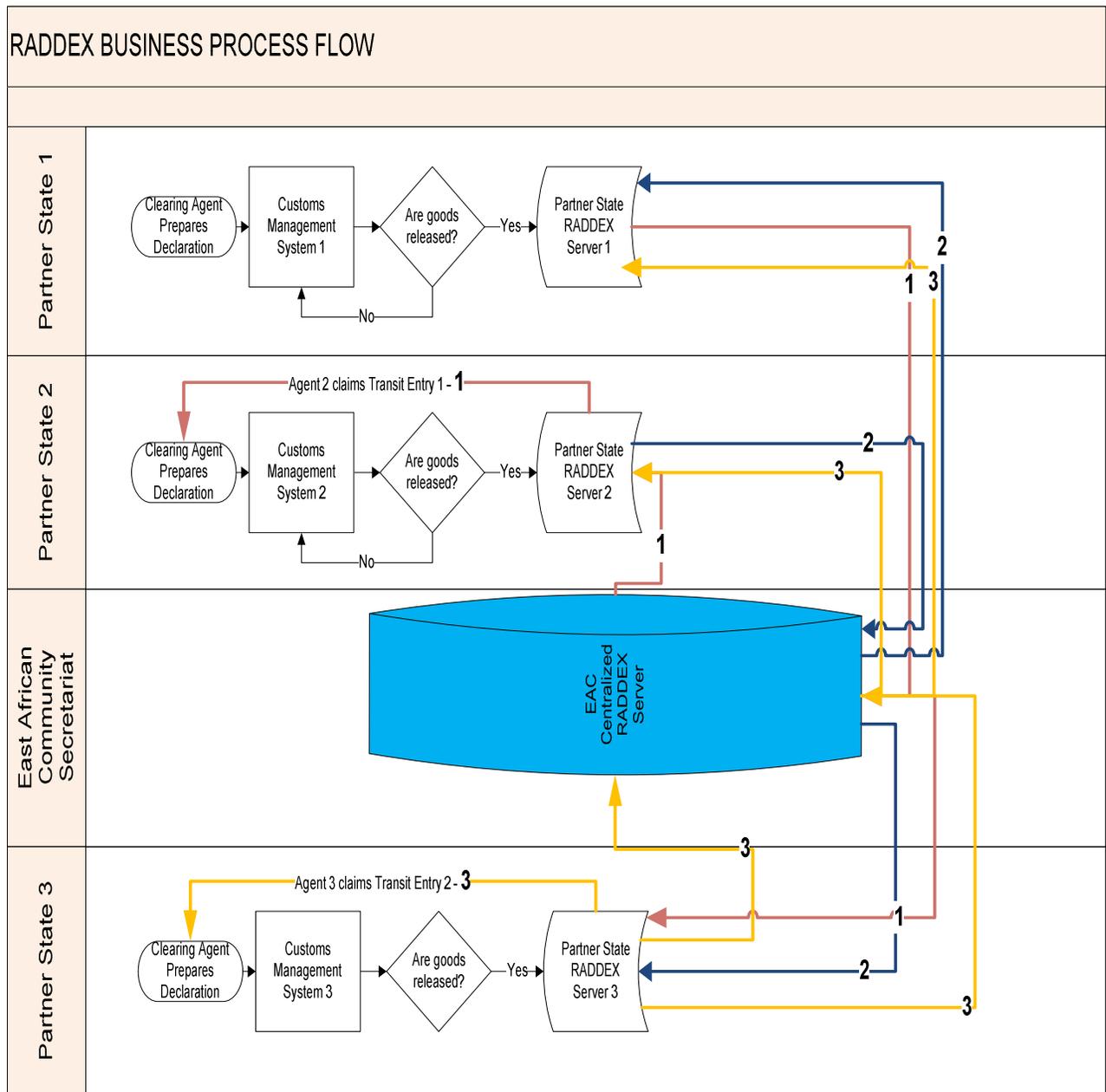
Source: EAC, 2009

Appendix C: Partner States Customs Management Systems

The customs management systems accomplish the following main functions through the Revenue Authorities Digital Data Exchange (RADDEX) database (see figure 12): (1) imports and exports tracking; (2) provide a trail of transactions; (3) ensure unique identification and coding of transactions throughout the process and for exchanged data files (transmitted) both ways to avoid duplication; (4) ensure security and integrity of transmitted data; (5) reports on data exchange; (6) provide audit trails; (7) archiving and un-archiving of data; etc.

RADDEX is an electronic communication channel developed to enable exchange of information between the Partner States Customs Management Systems (CMS). The current system works without a human interface. The joint initiative was meant to greatly benefit trade stakeholders by reducing the time and cost of cargo clearance by providing a secure means of confirmation of transit, export and import cargo details between the Partner States.

Figure 12: RADDEX business process flow



Source: EAC Report, 2011