AN EVALUATIVE ANALYSIS OF THE COMPLIANCE WITH THE EAC-CMP: THE CASES OF RWANDA AND TANZANIA

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA (USIU-A)

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA (USIU-A)

A Thesis Report Submitted to the School of Humanities and Social Sciences at the United States International University- Africa in Partial Fulfillment of the Requirements for the Award of a Degree of Master of Arts in International Relations

SUMMER, 2018
STUDENT DECLARATION

I, the undersigned declare that this is my original work and that it has not been submitted to any other College, Institution or University other than the United States International University for academic purposes.

Signed: ______________________   Date: ______________________

UWINEZA BERNADETTE (ID NO:650504)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ______________________   Date: ______________________

Project Supervisor

JOSEPH KIMANI NJUGUNA

Signed: ______________________   Date: ______________________

Dean School of Humanities and Social Sciences

Signed: ______________________   Date: ______________________

Deputy Vice Chancellor Academic Affairs
ACKNOWLEDGEMENTS

I would like to express my gratitude to my supervisor Joseph Kimani for the useful comments, remarks and engagement through the learning process of this master thesis.

I would like to thank my loved ones, who have supported me throughout the entire process, both by keeping me harmonious and helping me putting pieces together. And everyone who supported me and gave me more insight on this research. I will forever be grateful.
DEDICATION

It is with great humility that I dedicate this work to my family without whose support I would not have made it this far.
On 7th July 2000, the East African Community Treaty entered into force. Inherent in the Treaty was a call for the contracting member states to establish among themselves certain frameworks that were deemed necessary pre-requisites to boosting the much-desired intra-regional trade. Among these necessary pre-requisites was the Common Market Protocol (CMP), which came into force on 1st July 2010. Almost a decade since its establishment, there is lack of targeted literature comparing the compliance levels of countries of the EAC with the CMP. While annual reports are issued by the EAC Secretariat and the World Bank on compliance, such reports are often overly general to provide a proper picture whether the implementation is happening across the board. As such, it remains unclear whether there is uniformity in compliance levels between bigger economies such as Tanzania with smaller economies such as Rwanda. The purpose of the study was to conduct a comparative analysis of the compliance with the EAC-CMP among partner states with Rwanda and Tanzania being the case studies. Regarding Rwanda’s compliance with the EAC-CMP, the study found that the EAC-CMP was very significant to Rwanda in terms of driving the country’s economic growth. The study concludes by contending that the EAC-CMP has greatly affected Rwanda's economy in several ways. The EAC-CMP has influenced economic and immigration policies in the country and affected the country's trade with the rest of the EAC partner states. It concludes by arguing that Tanzania has received the EAC-CMP with apprehension ion a drive to protect its relatively weak economy from competition from partner states.
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AEC</td>
<td>African Economic Community</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South-East Asian Nations</td>
</tr>
<tr>
<td>CUP</td>
<td>Customs Union Protocol</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EAC-CM</td>
<td>East African Community Common Market</td>
</tr>
<tr>
<td>EAC-CMP</td>
<td>East African Community Common Market Protocol</td>
</tr>
<tr>
<td>EACMA</td>
<td>East African Community Mediation Agreement</td>
</tr>
<tr>
<td>EACJ</td>
<td>East African Court of Justice</td>
</tr>
<tr>
<td>EACSO</td>
<td>East African Common Services Organization</td>
</tr>
<tr>
<td>EAHC</td>
<td>East African High Commission</td>
</tr>
<tr>
<td>EALA</td>
<td>East African Legislative Assembly</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>CACM</td>
<td>Central American Common Market</td>
</tr>
<tr>
<td>CARICOM</td>
<td>Caribbean Community and Common Market</td>
</tr>
<tr>
<td>CET</td>
<td>Common External Tariff</td>
</tr>
<tr>
<td>CMP</td>
<td>Common Market Protocol</td>
</tr>
<tr>
<td>CU</td>
<td>Customs Union</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>MERCOSUR</td>
<td>Southern Cone Common Market (Mercado Comun del Sur)</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North American Free Trade Area</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization of Economic Cooperation and Development</td>
</tr>
<tr>
<td>RECs</td>
<td>Regional Economic Communities</td>
</tr>
<tr>
<td>RTAs</td>
<td>Regional Trade Agreements</td>
</tr>
<tr>
<td>SCT</td>
<td>Single Customs Territory</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
</tbody>
</table>
DEFINITION OF TERMS

Common Market Protocol (CMP): refers to a situation in which partner states operate a single market for services, labor, goods and capital, enforce common trade laws and levy common taxes. In other words, the partners states allow citizens, the factors of production (such as capital and labor) as well as goods and services to move freely across their international border (World Bank and EAC Secretariat, 2014; Farrell, et al., 2005).

Customs Union: refers to a process in which a group of sovereign states in close proximity to each other (geographically) agree to a shared commercial policy (like import duties) and to eliminate all trade barriers to permit unhindered inter-state trade (Pinkney, 2001).

Economic development: is defined as the expansion process of an economy or the advance and transformation of an economy, which also results in growth in the socio-economics (EAC Secretariat, 2004a).

Intra-regional trade: refers to the economic transactions or commercial exchanges in goods and services among and between countries belonging to a given geographical region (Afesorgbor & van Bergeijk, 2011).

Market integration: Market integration refers to the situation in which the prices for similar goods do not fluctuate independently in that prices charged for specific goods, services in one country are similar to those charged in another regional state, and market agents have the leeway to interact or operate between different markets (Lee, 2003).

Regionalism: or regional integration refers to a process in which countries within a geographical proximity amalgamate to form a political or economic body with the aim of facilitating national interests (economic, political or otherwise) (Odhiambo, 2005).

Regional integration: refers to the establishment of a formal regional economic organization intended for the facilitation of economic, cultural and socio-political cooperation among the partner states (Lee, 2008).
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

There has been an unprecedented proliferation in regionalism in Africa as several regional economic community (RECs) bodies have emerged in Africa. Currently, there are about 10 regional organizations in Africa (Institute of Economic Affairs, 2011). Some of the main regional economic bodies in Africa include, Common Economique ET Monetaire de l’Africique Centrale (CEMAC), Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West Africa (ECOWAS). Other bodies are; the Economic Community of Central African States (ECCAS), Indian Ocean Commission (IOC), Southern African Customs Union (SACU), Union Economique et Monetaire Quest Africaine (UEMOA), Arab Maghreb Union (AMU), Inter-Governmental Authority on Development (IGAD) and the East African Community (EAC) (Farrell, Hettne and Langenhove, 2005).

Among these, is the East African Community (EAC) made up six countries; Kenya, Uganda, Rwanda, Tanzania, Burundi and South Sudan (admitted in March 2016). The growth and the expansion of the EAC since its re-establishment or revival in 1999 are particularly interesting. This is, considering that since its revival long after its ignominious collapse in 1977, the body has moved fast establishing, the Customs Union Protocol (CUP) in 2005 and the Common Market Protocol (CMP) in 2010 (Muluvi, Kamau, Githuku & Ikiara, 2011). Efforts and deliberations about the establishment of a monetary union (MU) and ultimately political federation (PF) are underway (Korwa, 2010).
The East African Community (EAC) or presently “new” EAC is a revitalization of the original EAC. The EAC was essentially a customs union established in 1967 at just immediately after the end of the colonial epoch. A multiplicity of political and economic reasons underscored the formation of the EAC 1, but it collapsed just ten years later owing to a barrage of issues (Taylor, 2003). Striding from institutional weaknesses, lack of political will, gross indifference and lack of trust among the partner states to purely economic issues such as the discrepancies in the organization of the national economy, especially between Kenya and Tanzania (Muluvi, et al., 2011).

The states in East Africa, acting in tandem with the continent-wide desire, have been taking decisive steps towards the attainment of the continental vision of realizing a United States of Africa through the merging of the multiple regional bodies (Institute of Economic Affairs, 2011). The most perceptible and indeed landmark developments for the EAC since its revival have been the realization of the Customs Union (CU) and the setting up of the Common Market Protocol (CMP) (Reith and Boltz, 2011). The most crucial achievement for the EAC immediately after its revival was the establishment of the EAC Customs Union. According to Muluvi, et al., (2011), the customs union was established in 2005 and the common market in 2010. The partner states of the EAC also perceived a monetary union among them and eventually a political federation to facilitate sustained and equitable economic development (Kuteesa, 2012).

According to Korwa (2010), the common market is probably one of the significant if not the most important achievement of the EAC yet. The EAC Common Market Protocol (signed on 20th November 2009) entered into force on 1st July 2010 and became binding upon the contracting partners of the EAC (Muluvi, et al., 2011). The EAC Common Market Protocol was also inspired by 1991 Abuja Treaty upon which the establishment of
the African Economic Community (AEC) was conceived (Marobe, 2014). Entailed within the common market protocol were key principles, which were deemed imperative to boosting intra-regional trade and ultimately greater regional integration within the EAC.

Korwa (2010) explains that the main principles entailed in the common market protocol included among others, the observance of the liberal principle of non-discrimination of nationals of other partner states of the EAC based on nationality. Another key principle was the enhancement of transparency with regard to issues that concerned the other states; enhancement of information sharing regarding the implementation of the protocol among others (Muluvi, et al., 2011). The framework for the establishment of the EAC Common Market (EAC–CM) was provided for under Articles 76 and 104 of the East African Community Treaty. With respect to Article 1 of the EAC Treaty, “Common Market” implies the integration of the partner states’ markets into a single market such that there are free movements of goods, capital, labor (people) and services (Marobe, 2014).

Nonetheless, after these developments regarding the establishment of the customs union and the common market, there have been mixed results regarding the economic viability of the initiatives inspired by the EAC partner countries and partner states compliance with the EAC-CMP (the World Bank & EAC Secretariat, 2014). The regional economic statistics for the EAC are confusing (Reith and Bolt, 2011). Between 2004 and 2009, trade among the EAC countries expanded from $ 1.81 billion to 3.54 billion indicating an increase of 96%. According to Reith and Bolt (2011), in 2005, internal exports for the EAC stood only at 15% of the total exports of the regional member states. Furthermore,
in 2006, internal trade declined by an approximated 12.5% of the previous years before sharply rising in 2008 by at least 37.6% (Reith and Bolt, 2011).

By the end of 2010, the situation of intra-regional trade was still disappointing standing only at 13% of the total trade volume. This in more so when compared to trade volumes among other regional trade arrangements. According to Muluvi, et al., (2011), intra-regional trade in the EU and the NAFTA accounts 60% and 48% of the total trade portfolios in those regions. Thus, among the most fundamental questions that arise with respect to the EAC is that concerning its benefits to the partners states. According to the World Bank and EAC Secretariat (2014), the challenge facing the EAC concerns partner state compliance and implementation of specific EAC-CMP provisions.

1.2 Problem Statement

The EAC-CMP was established to accrue some benefits to the partner states of the EAC. Some of the more explicit benefits conceived by the EAC-CMP were the facilitation of greater cooperation and integration of the EAC partner states, both socio-political cooperation and economic cooperation for the mutual benefit of all (Wangwe, 2001). These benefits. These broad benefits were specified in the Four Freedoms that were integral to the EAC-CMP, including free movement of labor, free movement of capital, free movement of goods and services (Mareobe, 2014). The ultimate outcome of these four freedoms was perceived to be the facilitation of intra-EAC trade and the boosting of economic development in the region.

Furthermore, according to Marobe (2014), World Bank and EAC Secretariat (2016), under Article 3(2), of the Common Market Protocol (CMP) it is provided that the that the operation of the Common Market is directed by four principles which are; equal
treatment, non-discrimination, transparency and information sharing among the partner states regarding its proper implementation. As such, the potential for the EAC-CMP to bring about the benefits which it so explicitly sought to accrue to the partner states was contingent on partner state compliance with its very provisions (Maruping, 2005).

However, as the World Bank and EAC Secretariat (2014), the EAC countries have exercised some laxity in implementing the Common Market Protocol and crucial agreements regarding the free movement of goods and capital within the region. Indeed, while the partner states have continued to exercise indifference with the EAC-CMP, limited studies have gone to the analysis of partner state compliance with the Protocol. The little studies that have been done have been conducted by the World Bank and EAC Secretariat. These two however, only give an annual report, which while somewhat comprehensive fails to provide a chronological, evaluative and comparative assessment of partner state compliance.

As such as Muluvi, et al., (2011) contends the understanding of partner state compliance with the EAC-CMP is still grossly limited. Furthermore, due to limited comparative studies on compliance, it is difficult to understand whether there has been a uniform or relative treatment of the EAC-CMP between strong economies in the EAC such as Kenya and Tanzania, and weak economies such as Rwanda and Burundi. Furthermore, it is increasingly reported in the media that Tanzania has been grossly indifferent to the EAC and Rwanda has been more compliant with the Protocol (Anyanzwa, 2017; The Economist, 2014). However, no studies have focused to specifically examine this differential treatment of the EAC-CMP by Tanzania and Rwanda.
This study aims to abridge this gap in literature by examining partner state compliance with the EAC-CMP. It specifically focuses on Rwanda and Tanzania and assesses their relative treatment or compliance with the protocol. It seeks to answer several questions including, how has both Rwanda and Tanzania complied with the EAC-CMP? Is there a distinction between the two states in terms of their treatment of the EAC-CMP? What benefits or missed opportunities have accrued to each of these two states with regards to their treatment of the EAC-CMP?

1.3 The Purpose of the Study

The purpose of the study was to conduct a comparative analysis of the compliance with the EAC-CMP among partner states with Rwanda and Tanzania being the case studies.

1.4 Objectives of the Study

The following were the objectives of this study;

1.4.1 To investigate the Rwanda compliance levels with the EAC-CMP.

1.5.2 To investigate the Tanzania’s compliance levels with the EAC-CMP.

1.5.4 To compare the Rwanda compliance levels with the EAC-CMP with that of Tanzania.

1.5.5 To examine the benefits and missed opportunities that have accrued to Rwanda and Tanzania from their compliance with the EAC-CMP.

1.5 Research Questions

The following were the research questions for the study;
1.5.1 In what ways has Rwanda complied with the EAC-CMP?

1.5.2 In what ways has Tanzania complied with the EAC-CMP?

1.5.3 How do the compliance levels for Rwanda compare with that for Tanzania?

1.5.4 What benefits and missed opportunities have accrued to Rwanda and Tanzania from their compliance with the EAC-CMP?

1.6 Significance of the Study

This study was of potential importance to different stakeholders in the East African integration process.

1.5.1 Epistemological or Theoretical Knowledge

The current study is potentially of great epistemological significance. Firstly, the study contributes to the study of regional integration in general and more specifically in Africa. The information it generates stand not only to contribute to current literature gap in the understanding of EAC partner state compliance with the EAC-CMP. Secondly, it contributes to current literature regarding not only the issue of regionalism in Africa, but also the issue of partner state compliance in regional integration. It contributes literature that would aid future researchers to familiarize with the EAC and the EAC-CMP and the issues shaping the regional integration within the region. Thirdly, the study examines theories that have been advanced to account for regional integration, in so doing, it raises the issue of the applicability of current theories on regional integration and as such, it would facilitate further scrutiny of these theories by future scholars.
1.5.2 Policy Framework

The study is important to policymakers of the individual states as well as to the EAC secretariat. The regional governments are the main actors in the regional body and influence the direction of the body including the economic activities carried within the region. As such, the study is of potential and benefits to the regional governments; it provides some information about the trends in the EAC integration process including the benefits, challenges and opportunities. The study presents relevant and important information for the policymakers, information that is potentially of need for policy formulation. The study provides decisive information regarding the challenges and opportunities affecting and offered by the common market respectively and may therefore allow the policymakers to formulate sound policies for effectively addressing the challenges and exploiting the opportunities.

1.7 Scope of the Study

1.7.1 Scope of the Study

The study concentrated on the EAC particularly on the partner state compliance with the EAC-CMP focusing on Tanzania and Rwanda’s compliance with the Protocol. It sought to answer four specific questions, namely; In what ways has Rwanda complied with the EAC-CMP? In what ways has Tanzania complied with the EAC-CMP? How do the compliance levels for Rwanda compare with that for Tanzania? What benefits and missed opportunities have accrued to Rwanda and Tanzania from their compliance with the EAC-CMP? The study was a qualitative research and therefore, relied primarily on secondary sources of information. The study was conducted over a period of three months. The study examined literature sources on material that are relatively dated, and
which have been published on the research problem over the past decade. Nonetheless, it may consult older sources where appropriate to provide information not found in new sources, none the consultation of older sources will be kept to the minimum.

1.8 Chapter Outline

Chapter One has highlighted the background of the study and discussed the problem statement. The chapter has further described the purpose of the study and identified the research objectives and questions that guided and directed the study. The significance to various stakeholders including the governments of Rwanda and Tanzania, the policy makers in both countries and the other partner states of the EAC has also been discussed in Chapter One. This was followed with a discussion of the scope of the study including limitations.

In Chapter Two, the literature review of the study is provided. The Chapter examines literature relating to the economic benefits of the EAC-CMP for the partner states. Chapter Three of the study provides the research methodology that was used. Chapter Four of this study provides the study findings as per the research objectives. Chapter Five, is the final chapter of this study and presents the summary of the principal findings of the study, the conclusion of the study and the recommendations for policy improvement and for further research.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of literature concerning the EAC. The chapter focuses on the EAC-CMP and examine literature pertaining to benefits of the Protocol. The aim of the review is two-fold; firstly, it seeks to conceptualize the EAC-CMP specifically the benefits entailed in the Protocol, secondly seeks to identify gaps in existing literature concerning the compliance to the EAC-CMP by the partner states and benefits of the EAC-CMP to the partner states. The chapter also discusses the theoretical framework for the study and provides the conceptual framework for this study.

2.2 Empirical Review

2.2.1 The EAC-CMP

The benefits inherent in the EAC-CMP for the partner states are entailed in the four freedoms conceived and promoted by the Protocol. Marobe (2014) explains that the four freedoms, are the vital elements of the EAC-CMP and are namely; free movement of labor, the free movement of capital, the free movement of goods and services. Furthermore, according to Marobe (2014), World Bank and EAC Secretariat (2016), under Article 3(2), of the Common Market Protocol (CMP) it is provided that the operation of the Common Market is directed by four principles which are; equal treatment, non-discrimination, transparency and information sharing among the partner states regarding its proper implementation. These freedoms and principles that guide the EAC-CMP are nonetheless contingent on the level of partner states’ compliance with this
provision. However, Marobe in his assessment fails to link these inherent benefits and compliance.

Under Article 104 of the EAC Treaty, partner states are encouraged to implement measures that would facilitate the attainment of free movement of labor persons and services as well as guarantee the right of residence of EAC citizens within the community (The World Bank and the EAC Secretariat, 2014). Consequently, Article 6 of the EAC Common Market Protocol provides for the free intra-Community movement of the locally produced goods (Kuteesa, 2012; (World Bank & EAC Secretariat, 2016). Article 7, 13 and 14 of the Protocol encourage the free movement of individuals as well as the right for the citizens of the five original partner states to establish residence in any of the partner states. The citizens of the partner states are therefore free to settle in any of the EAC partner states without fear of victimization or discrimination (Davoodi, 2012).

They can also study, train and work in the partner states and are allowed to visit any of the partner states whenever they desire (The World Bank and the EAC Secretariat, 2014). With regard to the principle of non-discrimination, the migrant resident becomes legally protected in the receiving partner state and is entitled to employment and social rights just like the citizen of the recipient state. The immigrants are accorded legal parity with nationals of the partner states in which they have decided to settle (EAC Secretariat, 2012; (World Bank & EAC Secretariat, 2016).

The movement of services is provided for under part F of the EAC-CMP. Pursuant to Article 16 (2), the EAC-CMP incorporates the supply of services through four specific modes. According to the World Bank & EAC Secretariat (2016), these are Mode 1, which addresses cross-border flow; second is Mode 2 which is linked to consumption
abroad; third is Mode 3 that attests to commercial presence; and finally, Mode 4 which pertains to presence of natural persons. It incorporates virtually all services in every service sector (World Bank & EAC Secretariat, 2016). Nonetheless, partner states compromised on a positive list schedule on particular commitments as indicated in Table 4.1.

2.2.2 The EAC-CMP and Coordination of Economic Activities and Trade Facilitation

One of imperative motivations behind regional integrations is to facilitate the coordination of economic activities of the partner states so that there is a more organized and efficient intra-regional trade as well as trade between the partner states and the rest of the world (Carbone, 2003). In fact, it has been realized that cooperation within the Regional Trade Agreements (RTAs) is much easier and efficient than it is through multilateral frameworks. In such arrangements partner states are more likely to develop economic policies that they perceive as vital for their own economic development (Maruping, 2005).

Within the East African region, the establishment of the Common Market has been significant and important advancement in the level of intra-EAC economic cooperation. Despite the fact that partner state compliance with the EAC – CM Protocol remains uncertain, the Common Market has contributed to the deepening of economic cooperation among the partner states (Davoodi, 2012). Marobe (2014) explains that the overriding objective of the EAC – CM is to expand and intensify cooperation among the partner states of the EAC in the socio-political and mostly in the economic arenas. This has the potential of precipitating sustainable economic growth among the EAC states.
According Kuteesa (2012), the EAC Common Market covers a geographical area 1.82 million sq. km. This area has a combined population of approximately 133.1 million persons (Katemo, 2008). In 2005, the market price Gross Domestic Product (GDP) was $74.5 and in 2010, it was $79.2 billion. This could be an indication of the fact that the deepening of economic integration of the partner states of the EAC has progressively facilitated the economic growth of the individual partner states of the EAC (Davoodi, 2012). Furthermore, through greater and deeper cooperation precipitated by the establishment of the EAC – CM, the partner states of the EAC now have greater bargaining power in negotiations with other trade partners and other RTAs (Ogalo, 2012).

Table 2.1: Real GDP, Million Dollars

<table>
<thead>
<tr>
<th>Partner State</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>1,116.30</td>
<td>1,225.60</td>
<td>1,246.70</td>
<td>1,135.70</td>
<td>1,103.00</td>
</tr>
<tr>
<td>Tanzania</td>
<td>11,907.40</td>
<td>11,941.10</td>
<td>11,396.30</td>
<td>12,149.30</td>
<td>12,825.00</td>
</tr>
<tr>
<td>Uganda</td>
<td>9,705.50</td>
<td>9,611.20</td>
<td>8,830.30</td>
<td>9,210.30</td>
<td>9,338.10</td>
</tr>
<tr>
<td>Kenya</td>
<td>18,026.50</td>
<td>18,619.80</td>
<td>17,346.10</td>
<td>19,054.60</td>
<td>19,578.40</td>
</tr>
<tr>
<td>Rwanda</td>
<td>5,929.60</td>
<td>6,138.90</td>
<td>6,410.00</td>
<td>6,721.50</td>
<td>6,670.80</td>
</tr>
<tr>
<td>EAC</td>
<td>46,735.30</td>
<td>47,536.50</td>
<td>45,224.00</td>
<td>48,271.40</td>
<td>49,515.20</td>
</tr>
</tbody>
</table>


2.2.1.3 Facilitation of Trade among Partner States

According to Kuteesa (2012), since the entry into force of the EAC – CM Protocol, the intra-EAC trade has expanded. This increase in trade has been witnessed concerning exports, the value of total trade, imports as well as the trade balance between and among the EAC partner states (Mwapacu, 2012). Marobe (2014) contends that the Common Market has enhanced the level intra-EAC trade and in so doing has prepared the partner states to be globally competitive. The establishment of a single market also inspires increased economic production.
This arises from the fact that in a single market characterized by a free movement of goods, capital, labor and services there is an efficient allocation of the factors of production (Katembo, 2008). Kuteesa (2012) contends that the establishment of a single market can also lead to increased Gross Domestic Product (GDP) for the partner states. Davoodi (2014) explains that other benefits that accrue to the partner states of the EAC that facilitate economic development relate to price stabilization and convergence, which have the potential of reducing market discrimination.

Furthermore, Davoodi (2014) contends that macroeconomic synchronization among regional countries has the outcome of boosting economic growth within each of the partner states. The less financially viable partner states are able to gain significantly from the synchronization of their economic activities with other partner states. According to Ogalo (2012), synchronization effects with economically powerful partners increases the financial constancy of the less economically powerful partner states by diminishing their macroeconomic volatility.

Indeed, Kenya and Tanzania are the economic powerhouses within the EAC with a real GDP of $19,578.4 million and $12,825.0 million respectively as of 2013 (EAC Secretariat, 2014). These two countries offer the other partner states benefits that have the potential of facilitating financial stability and growth in the other economically smaller partner states (Kuteesa, 2012). Marobe (2014) contends that both the East African Community Customs Union (EACU) of 2005 and the EAC - CM of 2010 have the greatest potential of establishing economies of scale for the partner states of the EAC.

Furthermore, the Common Market Protocol can accelerate competitiveness and precipitate technological diffusion within and among the partner states. The establishment of the economies of scale within the EAC is fundamental in that it has
Baldwin (2004) contends that the concept of the economies of scale can be conceived as the advantage in costs that is precipitated with enhanced production or market availability of a product. The inverse relationship between the quantity available in the market or that, which is produced and the per-unit fixed precipitates the economies of scale (Baylis and Smith, 2001).

In the context of the EAC, the establishment of the Common Market has led to the attraction of more investors and dealers in the domestic markets of the partner states. Goods, services and capital are now permitted to move more freely across the partner states (East African, 2013). Therefore, the most perceptible result has been the increase in the availability of products and services in the local markets of the partner states and this has led to the reduction of product prices for the citizens (Kuteesa, 2012).

Furthermore, agricultural production has also improved markedly due to the availability of huge tracks of arable land being brought under agricultural production, as the partner states were able to receive enterprising farmers from other partner states and also from elsewhere (Ogalo, 2012). For instance, in Tanzania, it has been estimated that the land mass under coffee stood at 233,000 hectares, about double of what it had been in 2012, that is 127,000 hectares. Kenya also experienced an increase in its production when its sugar production expanded by 5% over the same period. Therefore, in general, there was an increased agricultural production among the partner state of the EAC especially in the three traditional partners – Kenya, Uganda and Tanzania (EAC Secretariat, 2014). Table 2.2 shows production for selected crops across the EAC.
Table 2.2: Production for Selected Crops, ‘000 tones

<table>
<thead>
<tr>
<th>Crops</th>
<th>States/Years</th>
<th>2009</th>
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<th>2012</th>
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<td></td>
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<td>42</td>
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<tr>
<td></td>
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<td>19</td>
<td>16</td>
<td>20</td>
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</tr>
<tr>
<td></td>
<td>EAC</td>
<td>344</td>
<td>299</td>
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<td>345</td>
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<tr>
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<td></td>
<td>EAC</td>
<td>439</td>
<td>541</td>
<td>529</td>
<td>524</td>
<td>589</td>
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<tr>
<td>Sugar Cane</td>
<td>Burundi</td>
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<td>189</td>
<td>207</td>
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<tr>
<td></td>
<td>Kenya</td>
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<td>8,569</td>
<td>8,648</td>
<td>8,876</td>
<td>9,969</td>
</tr>
</tbody>
</table>

Source: EAC Secretariat, 2014

2.2.4 Comparative Advantage

The Common Market Protocol provides one of the main means which the EAC partner states can experience a comparative advantage vis-à-vis other developing countries. According to Ogalo (2012), the EAC – CM Protocol can facilitate the process of enhancing the competitive skills of the entrepreneurs within the partner states. The integration of economic activities through the EAC – CM Protocol has the potential of enhancing the capacity of the partner states to conduct a more balance trade with the rest of the world including countries that are more economically stronger.

According to Reith and Boltz (2011), there are trade-offs between competition and economies of scales, however, with market enlargement this trade-off is eliminated and instead two things are established. These are (i) huge firms possessing greater efficiency in productivity for any industry with economies of scale; (ii) in increased competition which has the potential to motivate firms to expand sales, reduce internal
efficiencies and expand sales within and among the partner states and also outside the partner states (Otieno, Moyi, Khainga and Biwott, 2013). In this sense therefore, the single or common market enables the local firms among and within the partner states to obtain a competitive advantage vis-à-vis foreign firms.

For the local firms of the EAC partner states, the common market allows them to be financially viable with regard to the cost of doing business. The common market leads to a significant reduction in the cost of doing business, which ultimately allows the local industries to obtain efficiency at a relatively lower cost and in so doing to achieve parity with the foreign firms, which could be more financially viable (Kamala, 2006).

Therefore, with regard to high levels of fragmentation in EAC before the EAC Treaty and also before the signing of the EAC Protocol, the establishment of the Common Market is anticipated to precipitate market enlargement, which will permit local firms an enterprise within the EAC to fully exploit the benefits that derives from the economies of scale (Katembo, 2008).

The Common Market will be characterized by stiff competition among the local industries of the partner states (EAC Secretariat, 2004). According to Davoodi (2014), competition among the partner states’ firms and industries would precipitate the rationalization of production and ultimately the removal of inefficient firms. Furthermore, the completion will also lead to the acquisition and adoption of modern technology, modern methods of production and facilitate efficiency in production (Marobe, 2014). As such, the EAC – CM will create an opportunity for the partner states and their local industries to achieve greater competitive advantage.
2.2.1.5 Attraction of Foreign Direct Investments

Otieno, *et al.*, (2013), contend that the establishment of the Common Market for the EAC has the potential of attracting foreign direct investments into the region. Indeed, it can be observed that since the revival of the EAC, the level of direct investments into the region has expanded significantly. Semwanga (2011) has observed that when the EAC Treaty came into force in Kenya into force in 2000, the amount of FDI that the EAC had received was $574 million.

In 2005 and after the signing of the Customs Union, it stood at $895 million and by 2009, just a year before the coming into force of the Common Market Protocol, the FDI to the EAC was worth $1585 million (Otieno, *et al.*, 2013). This trend presents a very positive picture for the EAC with regard to attracting FDI in among the partner states.

In fact, the establishment of the Common Market for the EAC has the potential of precipitating two results which can increase the inflow of FDI into the region, these are; (i) market enlargement and (ii) the rationalization of production. According to Mwapacu (2012), through a common market, several partner states have been opened for trade and investors are interested in exploiting the benefits that such an expansion can bring.

Through the rationalization of production, there is reduced distortion and the diminishing of the marginal costs in production that highly encourage investors to engage in such a market (Marobe, 2014). The overall result that a common market can bring is increased invents as individuals and businesses are permitted to move their capital, services and goods across the partner states without having to fear any
additional costs that may come with certain restrictions which are present in without the existence of a common market (Semwanga, 2011).

2.3 Summary and Gaps to Fill
The literature review suggests that the benefits of the four freedoms conceived in the EAC-CMP was intended to cut across the region among the countries and the citizens of the CMP. This is however not the case, the EAC-CMP has had different effects for the EAC partner states. It is further apparent from the review that limited studies if any have been conducted to evaluate the effect of the EAC-CMP on the partners states. It is also evident that studies such as the one conducted annually by the World Bank and the EAC Secretariat only focus on the level of implementation and do not give insight into the effect of the EAC-CMP on these countries.

Nevertheless, even when this can be inferred from several studies, the studies are broad and do not provide specific information that can aid complete understanding of the consequences of the EAC-CMP for the partner states. There is no specific study that has examined the effect of the EAC-CMP on Rwanda and Tanzania, and none has compared the two. As such, it is difficult to comprehend whether the benefits promised by the EAC-CMP and the EAC in general are cross-cutting among all partner states or otherwise.

This study aims to abridge these gaps in literature by examining the benefits, of the EAC to the partner states. In so doing, it focuses on Tanzania and Rwanda, the second largest and the second smallest economies within the EAC. It aims at answering three questions, namely; How has the CMP benefited Rwanda since its establishment? What benefits has Tanzania experienced from the EAC-CMP? How does the benefits of the EAC-CMP for Rwanda compare to those for Tanzania?
2.4 Theoretical Framework

This part of the foregoing examines different theoretical perspectives in an attempt to provides a theoretical framework for the study. It can be noted that several theories have been advanced to conceptualize and explain the reason for and benefits of regionalism. Some of the contending theories include; neo-functionalism, neo-liberal.

2.4.1 Neo-Functionalism

Neo-functionalism has played a central role in the development of theories of European integration (Gochhayat, 2014). Neo-functionalists argued that high and rising levels of interdependence would set in motion an ongoing process of cooperation that would lead eventually to political integration. Supranational institutions were seen as the most effective means of solving common problems, beginning with technical and non-controversial issues, but ‘spilling over’ into the realm of high politics and leading to a redefinition of group identity around the regional level (Hurrell, 1995).

Neo-functionalist interpretations of regional integration retained the thrust of the functionalist approach, which is that cooperation between nation-states begins with low level economic and social cooperation, but then shifted their analytical focus from the international to regional and introduced a utilitarian framework to describe the motives of rational political actors (Gochhayat, 2014).

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1 Regionalisms is conceived differently through neorealism, structural interdependence and globalization), regional and interdependence theories (neo-functionalism, neoliberal institutionalism and constructivism) and finally, domestic level theories (regionalism and state coherence, regime type and democratization and convergence theories.)
As such, the neo-functionalist perspective seeks to understand and explain why sovereign nation-states choose to integrate in such a manner as to exchange aspects of their sovereignty for the authority of regional institutions. Proponents of this view argue that the explanation lies in the concept of ‘spill over’ and the interests of national and supranational political actors.

Through the interdependence inherent in the various sectors of modern economies, integration in one sector ‘spills over’ into other sectors and necessarily leads to sectoral integration (Gochhayat, 2014). Furthermore, due to the interwoven nature of the economic and political spheres, according to this argument, functional and political spill over induces the processes of regional integration to take place. The result is that supranational regional institutions are created with the jurisdiction over their member states to facilitate these integrative functions (Hurrell, 1995).

The Neo-functionalist approach is essential for this study as a theoretical framework because it not only allows for accounting for the development of the EAC but it sheds light in the utilitarian basis of the EAC-CMP. This theoretical framework helps to conceptualize why the EAC-CMP was created or the purpose that the EAC-CMP was aimed at delivering to the partner states. Furthermore, it helps to examine the historical development of the EAC as a regional body and to unearth the underpinning aims of the EAC.

2.4.2 Neo-Liberal Institutionalism

Another perspective is the Neo-liberal institutionalism, which has been the most influential theoretical approach to the recent study of international cooperation and presents a highly plausible and generalizable theory for understanding the resurgence of
regionalism (Gochhayat, 2014). Neoliberal institutionalists emphasize the role of institutions in the formation of regional organization. These institutions, it is argued, lower the transaction costs, increase cooperation and thus satisfy the demand of increased interconnectedness at the regional level. Quite dissimilar to the neo-functionalists, the theory of neoliberal institutionalism focuses on the analyses of the state as a self-interested rational actor in an anarchistic system of states. From this perspective, states seek long-term, absolute gains from cooperation and are discouraged by the actions of states that seek to cheat or defect from their mutual obligations (Hurrell, 1995).

Regional institutions, it is argued, may provide the transparency, unified expectations, and the mechanisms to inhibit cheating through their coordination role at the supranational level (Gochhayat, 2014). Consequently, for adherents to the neoliberal institutionalist school of thought, akin to the Neo-functionalists, the conception of regional agreements or institutions is contingent on the benefits of cooperation accorded to the regional actors involved. Therefore, these regional institutions are subject to the actions of states and motivated by internal political interest groups and domestic political objectives. The success and longevity of these regional institutions, then, depend on their ability to successfully carry out their coordinating functions (Buzdugan, 2007).

2.4.3 Liberal Intergovernmentalism

Liberal intergovernmentalism has been widely used to conceptualize regional integration of the European Union (EU) (Laursen, 2008). This theory is associated with the works of Andre Moravcsik (1991 – 1993, cited in Puchala 1999) who developed this perspective from the early 1990s in an attempt to explicate the Europe’s regional integration process. This theory integrated some arguments of the liberal theory to provide an explanation of
national preference formation integration. It also sought to explicate interstate bargaining that result in substantive outcomes for the member states. The big decisions that states make to participate as members in regional integration is what Moravcsik conceived as the “grand bargains” (Laursen, 2008).

Intergovernmentalism considers regional integration as occurring in two stages. The initial stage is concerned with the formation of national preferences. In this stage, the main question is whether the formation of the national preference for integration is dominated by geopolitical or economic interests (Puchala, 1999). According to Laursen (2008), the European integration was perceived by liberal inter-governmentalists as having been dominated by considerations of economic interest more than anything else. The second stage in regional integration entails interstate bargaining. As such, the liberal intergovernmental theory seeks to explicate the distributional and efficiency outcome of the EU integration process through interstate negotiations (Laursen, 2008).

Moravcsik considered two explanations for agreement; asymmetrical interdependence and supranational entrepreneurship. He contended that the former had relatively more explanatory power over the latter. Bergmann and Niemann (2013) contend that in the negotiations of the EU, some member states manifest having more at stake than others and accordingly work much harder to determine the outcomes including issuing concessions. The liberal intergovernmentalism perspective has been adopted to explain regional integration outside Europe (Bergmann & Niemann, 2013). By placing national interests at the core of the decision for state to participate in regional integration, this perspective not only provides insight as to why state may not comply with certain provisions of integration but also insight into the instrumental function of regional integration.
2.6 Conceptual Framework

Source: Compiled by Author from the World Bank and EAC Secretariat (2016).

Figure 2.2 Conceptual Framework

2.7 Chapter Summary

Chapter Two has provided the review of literature, the summary of gaps to fill, the theoretical framework and conceptual framework for the study. The literature review has focused on the assessment on the four freedoms of the EAC-CMP. It has found several studies have been conducted and several scholars have commented on the EAC-CMP including the four freedoms. However, the review has revealed that few academic sources exist regarding the compliance and benefits of the EAC-CMP on partner states. It has found that while several studies have examined partner states' compliance with the EAC-CMP few have analyzed it from a comparative perspective. The next chapter provides the research methodology that was used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology for the study. It seeks to discuss and clarify the steps that the researcher took to conduct the study. As such, this chapter discusses the research design for the study, the sources of data that were used, the techniques for data collection, the data analysis methods that the researcher deployed, as well as the ethical issues and the study limitations that were considered and addressed.

3.2 Research Design

The study adopted a mix of descriptive research design. The researcher deemed that this design would permit for the description of the EAC-CMP in detail and also aid the explanation of how the EAC-CMP has been beneficial to the two countries of interest (Tanzania and Rwanda). Moreover, the researcher considered a descriptive technique of important significance in presenting and comparing the relative compliance by Tanzania with the EAC-CMP vis-à-vis Rwanda’s compliance with the same.

3.3 Sources of Data

The study was entirely fully a desktop review and hence it completely relied on qualitative sources of data. As such, the sources of data consulted comprised entirely of secondary sources, academic sources were especially considered. These accessed secondary sources included, peer reviewed journal articles, publications by the EAC Secretariat and the World Bank, books and relevant government departments of the partner states as well as internet sources. The researcher utilized the USIU Library
services to access e-books and e-journals that facilitated the acquisition of the relevant data for the study. The information which the author sought to gather from these sources included that information regarding the EAC treaty in general and the EAC-CMP in particular. Information concerning trade policies by Tanzania and Rwanda including trade liberalization or restriction policies, policies regarding labor and immigration.

3.4 Data Collection Techniques

The study being partly historical in nature, the researcher utilized the historical or background study technique to collect the available data. The historical approach involved the identification and gathering as much relevant information about the topic, that is EAC-CMP and partner states, specifically Tanzania and Rwanda compliance with the protocol. This approach also involved rigorous gathering and ordering of evidence, and the recording of conclusions in a narrative that makes sense.

In applying this technique, the researcher endeavored to gather information on and examine the history, development and aims of the EAC-CMP. The researcher further sought to examine data sources related to the economic history of the two countries (Tanzania and Rwanda). In so doing, the aim of the historical data collection technique was to unearth necessary information in the historical analysis that could be used to build a case for the compliance or otherwise of Tanzania and Rwanda with the CMP.

3.5 Data Analysis Methods

The researcher utilized a mix of two qualitative data analysis methods, namely content and logical techniques. Through the application of the content technique, the researcher sought to examine and understand a wide spectrum of sources and identify the sources deemed potentially relevant for meeting the objectives set out in this study. The
researcher also applied logic (rational thinking) developed through years of study to pick out the relevant information from the selected and examined sources as informed by the research objectives and questions. Moreover, the researcher applied logical thinking to make sense of and interpret the information obtained to effectively answer the research questions.

3.6 Study Limitations

A few issues could have influenced the study and defined its parameters. One, this study was basically a qualitative desktop review and as such could have been influenced by the political and ideological biases of the scholars whose work, the researcher consulted. It could also may have fallen victim to certain limitation of previous studies. Two, the absence of consistency on the information regarding certain aspects of the study such as partners states adherences to the principles of the EAC-CMP may negatively influence the effectiveness of these study to fully realize the objectives it sought to achieve. Thirdly, Tanzania's indifference to the EAC despite being a founding member, may impair the findings of this study to effectively account of the effect of the EAC-CMP on the country.

3.7 Chapter Summary

This chapter has highlighted and discussed the research methodology that the researcher deployed in the study. The chapter has identified, explained and justified the research design which was chosen for the study. It has discussed how the research designs links with the research objectives. The chapter has discussed the sources of data that were used, how data was collected from the sources including the data collection techniques. The researcher has described the methods of data analysis, the ethical considerations and study limitations. The subsequent chapter, Chapter Four provides the study findings in
line with the three objectives of the study, namely; the compliance by Rwanda and Tanzania with the EAC-CMP and a comparison of the compliance levels by the two countries with the EAC-CMP.
CHAPTER FOUR

4.0 FINDINGS

4.1 Introduction

Chapter Four discusses the findings of the study as per the research objectives. The chapter compliance by Rwanda and Tanzania with the EAC-CMP and the economic benefits of the EAC-CMP to the two-member states. The chapter then compares the effects of the EAC-CMP on Rwanda and Tanzania. The aim of the comparative analysis is to provide information that may aid the improvement of the EAC-CMP. The chapter focuses on study findings as per the four freedoms conceptualized under the Protocol and in accordance with the four principles highlighted by the EAC-CMP.

4.2 Rwanda’s Compliance with EAC-CMP and Associated Economic Benefits

Rwanda has had promising trade and economic growth over the past decade. It has EAC’s second smallest country in terms of population and has the lowest trade as a percentage of its gross domestic product (GDP). Its basic exports are the coffee and tea (accounting for 18% of its GDP) and mineral products (accounting for 36% of GDP) (USAID, 2015). The EAC and particularly the EAC-CMP is very significant for Rwanda with respect to Rwanda's drive to be economically viable.

The EAC Treaty and the EAC-CMP had as one of their underpinning aims, a call upon the partner states to establish conditions that would facilitate the free movement of people and recommends that the partners ease border crossing for the citizens of the partner states and harmonize shared labor and employment policies through programs and legislation (World Bank & EAC Secretariat, 2016). In a move to comply with the
provisions of the EAC-CMP, the Rwandan government has enacted a migration policy which among other things aims to facilitate the entry into the county, of foreign skilled workers from the EAC partner states to fill Rwanda's own labor gaps (Anyanzwa, 2017).

In February 2012, the Rwandan Cabinet established the National Policy and Strategy on EAC. The strategy was aimed at aligning national laws to comply with the provisions of the EAC-CMP. In 2011 Rwanda also enacted Immigration Law No 04/2011 to enhance the implementation of the CMP (Kanyesigye, 2011). As such, one of the effects of the EAC-CMP for Rwanda has been the enactment of migration policy or laws considered to be compliant with the Protocol and with Rwanda's labor needs.

Rwanda, together with Uganda and Kenya are the partner states of the EAC that have waived work permit for EAC citizens (World Bank & EAC Secretariat, 2016; Ubwani, 2017). Rwanda is also the partner state of the EAC that has taken decisive steps to harness the promises of the EAC-CMP relating to the free movement of labor. As early as 2011, Rwanda had emerged as the most attractive country for workers/laborers from the East African Community (Kanyesigye, 2011).

The country's migration policy makes it possible for citizens of the EAC partner states to obtain visa upon arrival for free and the country has also completely waived the work permit fee for citizens of the EAC-CMP wishing to work or do business in Rwanda (Anyanzwa, 2017). Rwanda gives visitors from other partner states providing a 6-months visitor pass without visa (Anyanzwa, 2017; Ubwani, 2017). While students pass is given free, the Rwandan government charges Rwandan Francs, 20,000 for trade permit, semi-skilled labor, business, artists and service for people from other regional states.
This fee is quite low as compared to what non-EAC citizens are charged (RWF 100,000) (Kanyesigye, 2011). It is estimated that 31% of migrant laborers to Rwanda now come from Tanzania, 11% from Uganda and 14% from Burundi (IOM Rwanda, 2014). Rwanda’s robust migration policy is intended for allowing Rwanda to realize at least three crucial objectives; Acquire the needed skills that would propel Rwanda’s economic development, obtain high taxes from the migrant laborers and that the Rwandan nationals will acquire knowledge and skills from the migrant laborers from the EAC partner states (Kanyesigye, 2011).

In terms of free movement of capital, Rwanda has taken decisive steps to facilitate the free flow of capital in compliance with the EAC-CMP. According to the Common Market Scorecard of 2014, Rwanda is second only to Kenya in terms of being the easiest to move capital in (World Bank & EAC Secretariat, 2014). Up to 15 out of the 20 capital operations singled out in the EAC-CMP are unrestricted in Rwanda which is suggestive of Rwanda’s intention of easing the free flow of capital within its borders (Dubai Exports, 2016). In furthermore to enhance capital flow, Rwanda established the Integrated Payment Processing System, which it then integrated with the East African Payment System to provide multi-currency option and real-time gross system for Intra-EAC transactions (World Bank & EAC Secretariat, 2016).

Rwanda has also realized an improvement with respect to the facilitation of its trade with the rest of the EAC partner states. Its access of the Northern Corridor road infrastructure has resulted in significant gains for Rwanda. The country has witnessed a remarkable drop in the cost of transporting containers to Kigali from Mombasa by about US$ 1000 (The Independent, 2014). The EAC-CMP has led to a reduction of doing business in Rwanda in the transport sector by up to 40% (Anyanzwa, 2017). At the same time, the
use of the Northern Corridor has led to a significant drop in the amount of time needed to move commodities from Mombasa to Kigali from 21 days to just 5 days (The Independent, 2014). The EAC-CMP has also facilitated Rwanda's transport sector and saw to the increasing success of the RwandAir as among the top performing airlines in the region. The company now operates in almost all the regional countries and is increasingly gaining a significant market share within the EAC air market.

The partner states, through the EAC-CMP committed to the liberalization of services and partners pursued or committed to liberalize different sub-sectors that they were not afraid to open up (World Bank & EAC Secretariat, 2016). Rwanda committed the most number of service subsectors (101 as shown in Table 4.1) of all the EAC countries to the CMP. This implies that it is Rwanda that has committed the most to the liberalization of services as per the EAC-CMP. Nonetheless, the full positive effects of the EAC-CMP in the telecommunication sub-sector has not been realized as Rwanda restricts the total number of companies that can engage in the provision of mobile services in Rwanda (Baker, Estevez & Bosman, 2015).

Table 4.1: No. of Services Sub-Sector Committed by EAC Partner States in the EAC-CMP

<table>
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<tr>
<th>Services Sub-Sectors</th>
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</tr>
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<td>4</td>
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</tr>
<tr>
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<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Financial</td>
<td>9</td>
<td>12</td>
<td>15</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Tourism and Travel</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Transport</td>
<td>17</td>
<td>9</td>
<td>20</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Total Sub-Sectors Committed</td>
<td>74</td>
<td>63</td>
<td>101</td>
<td>59</td>
<td>98</td>
</tr>
</tbody>
</table>

Source: Compiled by Author from the World Bank and EAC Secretariat (2016).
Another effect of the EAC-CMP for Rwanda has been realized in the trade sector. Rwanda's membership in the EAC and its ratification of the EAC-CMP has also had significant effects on the country's trade. According to National Institute of Statistics of Rwanda (NISR) (2015), Kenya a partner states of the EAC, has become among the top-three destinations of Rwanda's exports with the other countries being DR Congo and United Arab Emirates. Kenya and Burundi are also among the top-five destination of Rwanda's re-exports while at the same time Kenya and Uganda are among the top-five origins of imports for the country (NISR, 2015). All these facts attest to the significance of the EAC and particularly the EAC-CMP for Rwanda.

Partner country analysis reveals that Kenya received the largest value of Rwanda's exports in the first quarter of 2015 estimated at US$21.29 million compared to other non-partner countries such as DR Congo (US$14.75), UAE (US$12.58) and Austria (US$7.27) (NISR, 2015). In the same period, Rwanda's domestic exports to the EAC expanded by 7% compared to previous year, 2014 (World Bank & EAC Secretariat, 2016). Kenya alone, received 79.36% of Rwanda's total value of domestic exports followed by Uganda and Burundi at US$2.81 and US$ 1.88 million respectively (NISR, 2015). In terms of imports, the EAC also featured strongly with Rwanda receiving from Kenya, imports valued at US$32.39 million in the first quarter of 2015.

Nevertheless, Uganda supposed Kenya with imports to Rwanda at 51.44%, compared to Kenya's 29.66% and Tanzania at 17.26% (NISR, 2015). In general, in the first quarter of 2015, Rwanda's EAC imports stood at US$109.19 million (24% of total imports in first quarter of 2015). However, this was a significant drop in Rwanda's imports from its EAC partner states compared to the same period the previous year. According to NISR (2015) there was decrease of 10% in the value of Rwanda's imports in the first quarter of 2015.
compared to 2014 (from US$121.47 to US$109.19 million). A reduction in Rwanda's trade with the rest of the EAC partner states has moderate but constant. In first quarter of 2017, Rwanda drastically cut its share of regional trade with other partner states to 27.5% (Anyanzwa, 2017).

While several reasons can be pointed to in accounting for a drop in Rwanda's trade with the rest of the EAC partner states, the deterioration of the ease of doing business in the country ranks among the top. By 2015, the ease of doing business in Rwanda had deteriorated by 7% to and at 62 from 55 recorded in 2014. However, the lowest recorded value in terms of ease of doing business in Rwanda was in 2013 when it stood at 32 (Dubai Exports, 2016). The ease of doing business index is ranking countries in terms of how the regulatory environments is conducive for doing business and the degree of protection of property rights. Economies with friendlier and simpler regulatory environments are ranked highly, between 1 and 20 (Dubai Exports, 2016).

4.3 Tanzania’s Compliance with EAC-CMP and Associated Economic Benefits

Tanzania is the most populous country among the partner states of the EAC, it is the second-largest exporter to the region despite trailing the regional economic hegemony, Kenya, by one-third (USAID, 2015). Trade accounts for 55% of the country’s gross domestic product (GDP) (USAID, 2016). In addition, exporting agricultural products, Tanzania also exports several natural resources including precious stones and metals making up 37% of its exports (USAID, 2015). This part of the chapter provides findings on the effects of EAC-CMP for Tanzania. It focuses on the four freedoms and trade. Tanzania has been the most unforthcoming on the issue of compliance with the EAC-CMP of all the partner states. Nonetheless, the country continues to gain significantly from the Protocol and the effects of the Protocol on Tanzania is well documented.
Freedom of movement of labor is central to the EAC objectives and is underscored as fundamental goal for the partner states in the EAC-CMP. However, Tanzania has been indifferent in complying with this provision and remains the only country with no clear indication of intention to waiver work permits for the EAC citizens (Namata, 2014). The indifference shown by Tanzania towards the actualization of freedom of movement of labor through enactment of a new migration policy is due to the need to protect domestic workers.

Tanzania assumes that full compliance with the provision of freedom of movement of labor would expose its unskilled laborers (who are in the majority) to aggressive competition for employment with more skilled workers from other partner states especially Kenya (Kanyesigye, 2011; Namata, 2014). Tanzania has established 13 sub-classes of work permits to ensure the protection of its citizens (Ligami, 2017). This can be conceived as a way of creating bottle necks to the EAC-CMP objectives. The cost of business permit in Tanzania ranges from $6 to $3000 while other countries including Rwanda, Kenya and Uganda have waived these charges (Kariuki, 2016).

It can be argued that instead of facilitating the freedom of movement of labor in Tanzania, the EAC-CMP has generated protectionist and unequal treatment by Tanzania against and of EAC partner states' laborers in Tanzania. In a 2016 speech, Tanzania President John Magufuli demanded an end to what he termed as haphazard issuance of work permit arguing that foreigners (including EAC citizens) should not be allowed to engage in jobs or work that Tanzanian's can perform (Njoroge, 2016). Consequently, non-Tanzanian nationals find quite hard to set a foothold in the country and these has had direct negative effects on the speed and quality of service delivery in Tanzania. Tanzania has at the same time tried to maximize its gains from the EAC-CMP. For instance, some
Tanzania's conglomerates are venturing in other partner states and enhancing Tanzania's regional presence (Cooksey, 2016).

The effect of the EAC-CMP on Tanzania has been witnessed as well on the issues of movement of capital. In 2016, Tanzania acted contrary to the EAC-CMP by proposing a media law that was largely inconsistent with the EAC-CMP provisions. The Media Services Act, 2016 and the Media Services regulations, 2017 demand that foreigners including those from EAC partner states show 51% local shareholding before they are issued with the licenses for print media. Similar provisions have also been witnessed in the country's Fisheries Institute Bill, 2016 as well as the Agricultural Institute Bill, 2016 which make local partnerships mandatory (Alingo, 2017).

Tanzania has benefited proportionately well from trade with the other EAC partner states. In 2013, the total trade turnover for Tanzania (exports plus imports) with the rest of the EAC increased to over US$1.5 billion (The Economist, 2014). Tanzania's intra-EAC trade expanded by 26% in 2013 while exports to the region rose by a whopping 115% while imports fell by 41%. As such, between 2012 and 2013, Tanzania realized a positive balance of trade in the EAC recording a surplus of US$723 million in 2013, an impressive performance compared to the previous year's deficit of US$ 158.8 million (The Economist, 2014). Between 2012 and 2014, Kenya remained the country's largest trade part with an estimated trade flow worth US$1.2 billion (The East African, 2014).

Tanzania's main trade commodities were rice, tea and manufactured goods like mosquito nets and cement (The Economist, 2014). The country's other largest intra-regional trade commodities include maize/cereals, wadding, felts and non-woven materials amounting to US$97.39 million and US$63.38 million correspondingly. The total value of the country's intra-EAC exports was estimated at US$317.56 in 2016 of which the mentioned
commodities accounted for 51% (USAID, 2016). While Kenya imports cereals/maize from Tanzania valued at US$94.08 million, Tanzania only accounts for 7.91% of intra-EAC trade suggesting that it prefers to export to markets outside the EAC (USAID, 2016). This suggests that Tanzania has not realized the full economic benefits of the EAC. This can be explained by the general indifference that Tanzania is considered to have towards greater integration into the EAC.

Tanzania has cut its trade with other EAC partner states radically in 2017 to 20% (Anyanzwa, 2017). This drop can be associated with Tanzania's protectionist tendencies against the EAC-CMP. According to a report by Alingo (2017) published on the *east African*, the number of non-tariff barriers (NTBs) imposed by Tanzania more than tripled in 2016 in blatant disregard of the EAC-CMP. Hence, it is evident, and it can be argued that protectionisms have been a real consequence of the EAC-CMP in Tanzania. Tanzania's trade barriers rose to 24 from 7 putting apparent doubts on Tanzania’s commitment to the EAC-CMP and to the facilitation of intra-EAC trade (Alingo, 2017).

### 4.4 Comparative Assessment of Rwanda and Tanzania’s Compliance and Benefits

The benefits of the EAC-CMP have been felt differently in both Rwanda and Tanzania. Rwandan government and society perceives the EAC-CMP as crucial opportunity for trade facilitation especially with the rest of the EAC partner states. Rwandan's consider the EAC-CMP as providing credible opportunities for increasing investment and for benefiting from the regional health services and infrastructure development in the region (Anyanzwa, 2017). This is a contrast with Tanzania where despite experiencing the benefits of the EAC-CMP, apprehension and indifference towards the protocol punctuate Tanzania leadership's perception of the EAC-CMP (Namata, 2014).
The establishment of the EAC-CMP in 2010 resulted in almost immediate increase in Rwanda's export to the EAC region by 3 times and a drop in Tanzania's EAC trade by over 7 times (EAC Civil Society, 2014). Rwanda considers economic integration as a potentially beneficial means for economic growth and transformation. Indeed, parallels can be drawn with Tanzania which favors limited integration perceiving more integration as a threat to its own economic growth and competitiveness.

The benefits of the EAC-CMP to Rwanda were echoed by the country's president, Paul Kagame when he remarked at a 2014 Business Summit with other leaders of the EAC partner states in Kigali that "Rwanda has benefited from EAC deeper in market...benefits have come from many sources...Rwanda has been much better in the last seven years" (The Independent, 2014). However, considered in terms of the benefits of the EAC-CMP for Rwandan and Tanzania, it seems that the latter has experienced more gains. As indicated in Table 4.2, the latter has a lower cost of export (US$1,000) and a lower time of export (18 days) compared to the former's US$ 3,245 cost of export and time of export of 26 days. Hence, it can be argued that the Tanzania has a relative competitive advantage over Rwanda in terms of cost of doing business.

**Table 4.2: Selected Trade Statistics, 2014**

<table>
<thead>
<tr>
<th>Country</th>
<th>Cost to Export (US$ per Container)</th>
<th>Time to Export (Days)</th>
<th>Trade (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burundi</td>
<td>2,905</td>
<td>32</td>
<td>41</td>
</tr>
<tr>
<td>Kenya</td>
<td>2,255</td>
<td>26</td>
<td>50</td>
</tr>
<tr>
<td>Rwanda</td>
<td>3,245</td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td>Tanzania</td>
<td>1,090</td>
<td>18</td>
<td>49</td>
</tr>
<tr>
<td>Uganda</td>
<td>2,800</td>
<td>28</td>
<td>47</td>
</tr>
</tbody>
</table>

Source: World Bank, World Development Indicators
It can also be stated that the EAC-CMP has had the benefit if increasing Rwanda and Tanzania's bargaining power alongside other partner states when conducting trade with the rest of the World. This was realized when the partner states engaged in the negotiations for the economic partnership agreement (EPA) with the European Union (EU) in early 2016. However, only Kenya and Uganda signed the partnership deal with Tanzania and Rwanda having abrogated. As always, Tanzania was keen to protect it local industry which it assumed the deal would kill (Wafula, 2016).

At the same time, the two countries in liaison with the rest of the EAC partner states were able to lobby, negotiate and secure a US$ 1.2 billion for infrastructure development from the World Bank (Jumuiya News, 2015). Such collective bargaining has helped these countries and the rest of the EAC partner states to assure the donors of proper utilization of money and eliminate the donor’s apprehension over the money being lost to corruption.

Despite increase in Tanzania's trade with the rest of the EAC partner states, which can be directly associated with the EAC-CMP, Tanzania's exports to the partner states is just a minor share of its total exports to non-EAC partner states. The country's main trading partners are China, UAE, Netherlands, India, Germany and Japan, to which it exports mostly agricultural commodities such as cotton, tobacco, cloves and cashew nuts (USAID, 2016). Table 4.2 shows Tanzania's main trading partners

### Table 4.3: Tanzania's Main Trading Partners

<table>
<thead>
<tr>
<th><strong>Trading Partner</strong></th>
<th><strong>Exports (US$ in millions)</strong></th>
<th><strong>Imports (US$ in million)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>767</td>
<td>-</td>
</tr>
<tr>
<td>India</td>
<td>702</td>
<td>1,770</td>
</tr>
<tr>
<td>South Africa</td>
<td>631</td>
<td>442</td>
</tr>
<tr>
<td>China</td>
<td>354</td>
<td>3,500</td>
</tr>
<tr>
<td>Kenya</td>
<td>313</td>
<td>-</td>
</tr>
<tr>
<td>United Arab Emirates (UAE)</td>
<td>-</td>
<td>424</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-</td>
<td>256</td>
</tr>
</tbody>
</table>
As such, it is evident while Tanzania has continued to trade with its EAC partner states, these states are not among its top trading partners. On the other hand, at least two partner states, Kenya and Burundi appears in Rwanda's top-five export destinations for Rwanda's products. Nonetheless, both Rwanda and Tanzania have not exploited the EAC-CMP to increase their imports from the partner states. Rwanda's main export destinations and imports origins are shown in Table 4.4.

### Table 4.4: Rwanda's Main Trading Partners

<table>
<thead>
<tr>
<th>Trading Partner</th>
<th>Exports (US$ in millions)</th>
<th>Imports (US$ in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR Congo</td>
<td>197</td>
<td>-</td>
</tr>
<tr>
<td>Kenya</td>
<td>99</td>
<td>-</td>
</tr>
<tr>
<td>UAE</td>
<td>87</td>
<td>-</td>
</tr>
<tr>
<td>Switzerland</td>
<td>54.9</td>
<td>-</td>
</tr>
<tr>
<td>Burundi</td>
<td>35.9</td>
<td>-</td>
</tr>
<tr>
<td>France</td>
<td>-</td>
<td>264</td>
</tr>
<tr>
<td>China</td>
<td>-</td>
<td>108</td>
</tr>
<tr>
<td>India</td>
<td>-</td>
<td>87.5</td>
</tr>
<tr>
<td>USA</td>
<td>-</td>
<td>74.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>-</td>
<td>66.8</td>
</tr>
</tbody>
</table>

Source: https://atlas.media.mit.edu/en/profile/country/rwa/

### 4.5 Chapter Summary

This chapter has provided the research findings regarding the three research objectives. It has found that the EAC-CMP has had mostly positive effects for both Rwanda and Tanzania. It has however found that there is discrepancies between the benefits that Rwanda and Tanzania has derived from the EAC-CMP. It has found that Rwanda has gained more from the EAC-CMP than Tanzania because it is more committed to the protocol than Tanzania. As such it has determined that while Tanzania has a bigger economy and a larger trade, Rwanda trade with the rest of the EAC partner states increased with the introduction of the EAC-CMP. The next chapter, which is chapter
Five provides the summary of the study, the concluding remarks and the recommendations.
CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter is the final chapter of the study and it therefore provides a recap of the study. The chapter commences by providing a summary of the study and particularly the summary of the major findings of the study with respect to the three research questions. This chapter then provides the conclusion of the study and highlights the recommendations of the study with respect to the findings of the study.

5.2 Summary of Major Findings
This research sought to conduct a comparative analysis of the compliance with the EAC-CMP among partner states with Rwanda and Tanzania being the case studies. Hence, the study sought to achieve three objectives, namely; to investigate the Rwanda compliance levels with the EAC-CMP, to investigate the Tanzania’s compliance levels with the EAC-CMP, to compare the Rwanda compliance levels with the EAC-CMP with that of Tanzania, to examine the benefits and missed opportunities that have accrued to Rwanda and Tanzania from their compliance with the EAC-CMP.

The study adopted a qualitative approach and relied purely on secondary sources of information. The research design for the study is was both a descriptive and exploratory. The researcher deemed that this design would permit for the description of the CMP in detail and for an explanation of how both countries have complied with the CMP (Tanzania and Rwanda). The sources of data for the study included secondary sources comprising of books, peer reviewed journals, electronic sources and publications by relevant organizations. A historical or background study technic was used to collect the
relevant data. Content and logical techniques of data analysis were used. The study made the following findings as per the research objectives that it purposed to realize.

5.2.1 Rwanda's Compliance with EAC-CMP and Associated Economic Benefits

Rwanda's basic exports are the coffee and tea (accounting for 18% of its GDP) and mineral products (accounting for 36% of GDP) (USAID, 2015). The EAC and particularly the EAC-CMP is very significant for Rwanda with respect to Rwanda's drive to be economically viable. In a move to comply with the provisions of the EAC-CMP, the Rwandan government has enacted a migration policy which among other things aims to facilitate the entry into the county, of foreign skilled workers from the EAC partner states to fill Rwanda's own labor gaps.

In a move to comply with the EAC-CMP Rwanda established the National Policy and Strategy on EAC. The strategy was aimed at aligning national laws to comply with the provisions of the EAC-CMP. In 2011 Rwanda also enacted Immigration Law No 04/2011 to enhance the implementation of the CMP. Rwanda is also the partner states of the EAC that has taken decisive steps to harness the promises of the EAC-CMP relating to the free movement of labor. Rwanda gives visitors from other partner states providing a 6-months visitor pass without visa.

In terms of free movement of capital, Rwanda is second only to Kenya in terms of being the easiest to move capital in the EAC region. Rwanda has also realized an improvement with respect to the facilitation of its trade with the rest of the EAC partner states. Its access of the Northern Corridor road infrastructure has resulted in significant gains for Rwanda. The country has witnessed a remarkable drop in the cost of transporting containers to Kigali from Mombasa by about US$ 1000. Rwanda
committed the most number of service subsectors (101 as shown in Table 4.1) of all the EAC countries to the CMP.

5.2.2 Tanzania’s Compliance with EAC-CMP and Associated Economic Benefits

Tanzania has been indifferent in complying with this provision and remains the only country with no clear indication of intention to waiver work permits for the EAC citizens. The indifference shown by Tanzania towards the actualization of freedom of movement of labor through enactment of a new migration policy is due to the need to protect domestic workers. Tanzania assumes that full compliance with the provision of freedom of movement of labor would expose its unskilled laborers (who are in the majority) to aggressive competition. Tanzania has established 13 sub-classes of work permits to ensure the protection of its citizens.

Instead of facilitating the freedom of movement of labor in Tanzania, the EAC-CMP has generated protectionist and unequal treatment by Tanzania against and of EAC partner states’ laborers in Tanzania. Tanzania has at the same time tried to maximize its gains from the EAC-CMP. For instance, some Tanzania's conglomerates are venturing in other partner states and enhancing Tanzania's regional presence.

Tanzania has benefited proportionately well from trade with the other EAC partner states. In 2013, the total trade turnover for Tanzania (exports plus imports) with the rest of the EAC increased to over US$1.5 billion. Tanzania's intra-EAC trade expanded by 26% in 2013 while exports to the region rose by a whopping 115% while imports fell by 41%. Tanzania has cuts its trade with other EAC partner states radically in 2017 to 20%. This drop can be associated with Tanzania's protectionist tendencies against the EAC-CMP. Hence, the effect of the EAC-CMP on Tanzania
can be said to be calculated engagement by the country a handful of issues that it considers beneficial but restriction of other aspects of the EAC-CMP.

**5.2.3 Comparative Assessment of Rwanda and Tanzania’s Compliance and Benefits**

Rwandan government and society perceives the EAC-CMP as crucial opportunity for trade facilitation especially with the rest of the EAC partner states. Rwanda's consider the EAC-CMP as providing credible opportunities for increasing investment and for benefiting from the regional health services and infrastructure development in the region. The establishment of the EAC-CMP in 2010 resulted in almost immediate increase in Rwanda's export to the EAC region by 3 times and a drop in Tanzania's EAC trade by over 7 times (EAC Civil Society, 2014).

Rwanda considers economic integration as a potentially beneficial means for economic growth and transformation. Indeed, parallels can be drawn with Tanzania which favors limited integration perceiving more integration as a threat to its own economic growth and competitiveness. However, considered in terms of the benefits of the EAC-CMP for Rwandan and Tanzania, it seems that the latter has experienced more gains. As indicated in Table 4.2, the latter has a lower cost of export (US$1,000) and a lower time of export (18 days) compared to the former's US$ 3,245 cost of export and time of export of 26 days. Hence, it can be argued that the Tanzania has a relative competitive advantage over Rwanda in terms of cost of doing business.

It can also be stated that the EAC-CMP has had the benefit if increasing Rwanda and Tanzania's bargaining power alongside other partner states when conducting trade with the rest of the World. At the same time, the two countries in liaison with the rest of the EAC partner states were able to lobby, negotiate and secure a US$ 1.2 billion for infrastructure development from the World Bank. Despite increase in Tanzania's trade with the rest of
the EAC partner states, which can be directly associated with the EAC-CMP, Tanzania's exports to the partner states is just a minor share of its total exports to non-EAC partner states. The country's main trading partners are China, UAE, Netherlands, India, Germany and Japan.

The intergovernmental theory provides perhaps the best means of conceptualizing regional integration with the EAC. It provides a means of construing and assessing partner state indifference and non-compliance with the EAC-CMP provisions a function of their calculated interests and how specific provisions facilitate or hinder the attainments of the national interest. Indeed, similar to argument put forward by Moravcsik (Laursen, 2008) regarding the grand bargains. It would seem that while for Rwanda deeper cooperation facilitate its economic interests, for Tanzania, it seems that cooperation is premised on serving a geopolitical interest rather than an economic one and this explains Rwanda’s greater compliance and Tanzania’s indifference.

5.3 Conclusion

5.3.1 Rwanda’s Compliance with EAC-CMP and Associated Economic Benefits
The EAC-CMP has greatly affected Rwanda's economy in several ways. The EAC-CMP has influenced economic and immigration policies in the country and affected the country's trade with the rest of the EAC partner states. However, the positive effects of the EAC-CMP on Rwanda are not as many as compared to those of other states. This is principally because Rwanda's relatively weaker economy and capacity has not allowed it to exploit the full potentials of the EAC-CMP.
5.3.2 Tanzania’s Compliance with EAC-CMP and Associated Economic Benefits

Tanzania has gained considerably well from the EAC-CMP through increased trade especially with Kenya and attraction of foreign direct investment (FDI) particularly from other regional states. However, Tanzania has received with EAC-CMP with apprehension and the drive to protect its relatively weak economy from competition from partner states. However, the benefits that could accrue to Tanzania is limited by its own apprehension of greater integration into the EAC as implied by the EAC-CMP.

5.3.3 Comparative Assessment of Rwanda and Tanzania’s Compliance and Benefits

The benefits of the EAC-CMP for Rwanda and Tanzania have been different. This is unsurprising considering that the two countries are at different levels of development. While Rwanda has fared well in realizing increased trade with the rest of the EAC partner states, through the expansion of regional market, the benefits that it could realize are limited by other partners states protectionist tendencies and relative non-compliance with the provisions of the EAC-CMP. The entry into force of the EAC-CMP accrued benefits to Tanzania in terms of market expansion, creation of trade opportunities for its markets the relative freedom of movement of its goods and service across the region.

5.4 Recommendation

The study makes the following recommendations as per the major findings of the study. Recommendations for improvement and for further research are made herein.

5.4.1 Recommendations for Improvement

5.4.1.1 Rwanda’s Compliance with EAC-CMP and Associated Economic Benefits

The leadership of Rwanda should push for the enactment of one overriding regional law through the East African Legislative Assembly (EALA) to ensure that the EAC-CMP takes full effect in all countries and is not implemented partially by the partner states. The
leadership of Rwanda should move with speed to harmonize the relevant laws to comply with the provision of the EAC and particularly the EAC-CMP. However, it needs to take proper precaution to ensure that the laws enacted do not compromise its own prospects for economic growth and do not benefit the larger economies such as Kenya and Tanzania at its own expense. Rwanda also need to take direct steps to improve the cost of export and the amount of time it takes to export from the country in order to realize the full effects of the EAC-CMP. Hence, Rwanda should engage other partner states at the summit or executive level to encourage them to fully commit to the implementation of the EAC-CMP for the mutual benefit of all partner states.

5.4.1.2 Tanzania’s Compliance with EAC-CMP and Associated Economic Benefits

The leadership of Tanzania should fully commit to the EAC-CMP and implement it in full. However, it can air its concerns with particular provisions of the EAC-CMP at the EALA or the summit level and push for amendments of particular provisions that it deems could compromise Tanzania’s as well as other partner states economic interests. The leadership of Tanzania, instead of demonstrating apprehension, indifference and general lack of full commitment to the EAC-CMP, it can invoke the jurisdiction of the East African Court of Justice (EACJ) to interpret particular provisions of the EAC-CMP with which has concerns. Tanzania should commit to more trade with the partner states and enhance the free movement of labor into the country to realize the full potential of the body. The leadership must take caution however to ensure that its national interests as well as its sovereignty is not compromised by the four freedoms entailed in the EAC-CMP.
5.4.1.3 Comparative Assessment of Rwanda and Tanzania’s Compliance and Benefits

The leadership of the partner states of the EAC must realize that benefits accruing to the small partners is not the same as those that accrue to the larger economies in the EAC. It is imperative that the leadership of the EAC ensure that proper mechanisms are implemented to protect the smaller economies. The EAC leadership, through the EALA should enact laws that provide different timelines for the smaller EAC partner states such as Rwanda and Burundi to comply with the provisions of the EAC-CMP, compared to the larger economies to ensure that the benefits of the EAC-CMP are felt by all without having the bigger economies benefiting while the smaller ones are negatively affected.

5.4.1.4 Suggestions for Future Research

Researcher and scholars need to do a country analysis for each of the five EAC partner states to aid the understanding of the effect of EAC-CMP on partner states that may adversely influence their attitudes towards compliance. Researchers should also conduct a cross-country analysis of the economic effects of the EAC-CMP for the partner states and aid deeper understanding of the discrepancies between the larger economies and the smaller economies in the organization. Researchers need to conduct specific studies and aim at understanding the negative repercussions for of the EAC-CMP. Further research is necessary regarding the political consequences of the EAC-CMP for the partners states and as such researchers need to examine the validity of Tanzania’s apprehension of greater integration of the EAC to a monetary and a political union. The findings of these studies may facilitate to a great extent the improvement of the EAC and the facilitation of greater integration within the EAC.
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