The Political Economy of the East African Community:
Elite Coalitions Competing for the Money

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1.1 Introducing the East African Community

The leading regional organization in East Africa is the East African Community (EAC). While usually overlooked by academics, policymakers have been quicker to acknowledge the emergence of the EAC since 2000, with both the European Union and the United States recognizing the EAC as "most successful illustrations of regional integration on the African continent." The present-day EAC is a formal regional organization that was re-founded in 2000 by the leaders of Kenya, Tanzania, and Uganda. An earlier incarnation of the EAC (1967-1977) had sought to maintain the high levels of economic and administrative integration that the British had developed among their three adjacent colonies during the first half of the 20th century. However, the first EAC collapsed spectacularly in 1977 due to stark differences between the leaderships of the three post-independence countries: Julius Nyerere's Tanzania invaded Uganda to oust erratic dictator Idi Amin in 1978, while Tanzania and Kenya squabbled over jointly owned infrastructure throughout the 1970s, ultimately leading Tanzania to completely close off their border in 1977.

The second EAC has sought to avoid the fate of its predecessor by focusing most of its attention on economic (rather than political) integration, with the heavy involvement of the East African private sector. Its major milestones have been relatively conventional, with the launch of a customs union in 2005, the declaration of a common market in 2010, and the beginnings of a region-wide monetary policy being agreed to in November 2013 (with an eye towards rapid adoption of a single currency). In 2007, Rwanda and Burundi were accepted to join the East African Community, and just two months ago South Sudan became the EAC's 6th member state.

Right off the bat it should be noted that the EAC is fundamentally an elite project. East African publics play relatively little role in shaping their countries' policies, particularly at the regional level. Both comparative datasets such as the Worldwide Governance Indicators as well as individual political observers (e.g. Taylor 2003; Herbst 2007) highlight East Africa's tendency towards autocratic government and the anemia of its civil society.[1] What limited polling data exists on ordinary East Africans opinions' about regional integration suggests that while most are somewhat supportive of the EAC, many also have no idea what is going on.[2] All in all, then, the views of ordinary East Africans seem to have little discernible impact on regional politics.

The rest of this paper instead analyzes how elites relate to East African regional integration, noting how the region's politics are increasingly coalescing around a conflict between two distinct regional coalitions: the rent-oriented coalition and the export-oriented coalition. Each of these elite coalitions seeks greater wealth, but they use different strategies: the rent-oriented coalition hopes to maintain administrative and physical barriers to trade in order to continue collecting rents, whereas the export-oriented coalition seeks remove barriers to trade and increase their exports (primarily to Europe) as a path towards wealth. In presenting the region's politics in this way, I draw heavily on Solingen (1998), who was the first to depict regional organizations as a site of contestation between differing elite coalitions.[3]

In sections 1.2 and 1.3, I respectively map out the broad contours of the rent-oriented and export-oriented coalitions in East Africa. Section 1.4 provides a brief "state of play" of how the two coalitions are presently situated vis-à-vis one another. In Section 1.5, I stress the strategic nature of the completion between the two coalitions, and describe some common strategies practiced by both coalitions as part of their conflict. However, each coalition also has unique strategies available to it—most notably, the rent-oriented coalition seeks to "localize" politico-economic decision-making whenever possible whereas the export-oriented coalition prefers to "internationalize" politics by making appeals for assistance to powerful external actors. These coalition-specific strategies are discussed in Sections 1.6 and 1.7, respectively. Have the export-oriented coalition's international appeals enabled it to "win" its campaigns against the rent-

[1] Academics are increasingly paying attention to the strategies of resistance that "the weak" in Africa and elsewhere deploy: de Certeau (1984); Scott, J. (1985); Sivini (2007); Thomson (2013); Ryan (2015). While quite interesting and a useful corrective to political scientists' tendency to focus on elite politics, these marginalized groups unfortunately continue to have little impact on the policy decisions at the national, regional, and international levels that nevertheless impact their lives. They may be able to partially "resist" the decisions made in the capital, but they rarely exert influence beyond their immediate environs.

[2] Afrobarometer (2008, 2010) polls found that 67% of Tanzanians and 65% of Kenyans supported having free movement of goods, services, and people throughout the region. At the same time, however, those same surveys found that 34% of Tanzanians and 41% of Kenyans have never heard of the EAC, let alone any specific policy proposals relating to it.

[3] In addition to Solingen, other academic analyses that have significantly shaped my thinking on the political economy of East Africa include Shaw (2000), Fischer (2006), Söderbaum (2007), and Mawuko-Yevugah (2014).

oriented coalition? Section 1.8 provides statistical evidence that the export-oriented coalition is making gains, noting improvements in East Africa's trade infrastructure and a concurrent increase in East Africa's trade with the rest of the world. Finally, I conclude this paper in Section 1.9 by explicitly drawing out the implications of East African regional integration for the region's future democratic prospects.

1.2 The Rent-Oriented Coalition

A great deal of research exists on how certain African states seem to be organized in order to benefit a small set of elites: these elites utilize their positional power combined with a lack of oversight to seek to obtain rents from their economies (Boone 1994; Fischer 2006; Mbaku 2007; Bayart 2009). Broadly speaking, rent extraction can be defined as successful attempts to obtain profit by manipulating the social or political environment in which economic activities occur, rather than by creating new wealth (Krueger 1974; Gallagher 1991; Fischer 2006: Chapter 2). In East Africa, most of these rents are extracted via official government channels, such as large public tenders, the operation of parastatals, or in association with the provision of routine government services.

While trade is not the most significant economic sector in present-day East African countries, it nevertheless offers at least three avenues for rent extraction: official tariffs on imported goods; government-imposed import/export monopolies; and so-called non-tariff barriers (NTBs). NTBs are defined by the EAC as "quantitative restrictions and specific limitations that act as obstacles to trade, and which appear in the form of rules, regulations and laws that have a negative impact on trade." Classic examples include difficulties or delays in obtaining import licenses, cumbersome or redundant inspection regimes, and forcing importers to comply with arbitrary product standards. NTBs can be the result of simple inefficiencies in the system or of deliberate efforts to protect domestic industries from foreign competition. In Africa, however, economists have noted that many NTBs may be maintained because of the opportunities they provide for rent-extraction (Krueger 1974), especially when high disparities exist across borders, as is the case between Kenya and its neighbors (Jessop 2003; Söderbaum 2007: 195). The amounts in question are not inconsequential: it is estimated that in 2008 trucking companies paid about $10 million in bribes to officials at weighbridges, police roadblocks, and customs departments (EABC 2008b: 3).

In order to maintain their existing avenues to wealth, rent-oriented elites seek at all times to maintain a coalition of like-minded partners.[4] At the core of this coalition are entrenched political elites, who can be either within or without government (Fischer 2006: Chapter 2.2). They are usually supported at lower levels by a phalanx of bureaucrats in national ministries. For example, Mbaku (2007: 162) notes that—regardless of degree focus or skill level—the most coveted job for university graduates in Nigeria and Cameroon is the customs and excise department of the national revenue authorities, because of the opportunities for rent-extraction that it provides. So desirable are these positions that when public examinations are held, they can cause stampedes resulting in deaths.[5] Supplementing political elites and government officials in the rent-oriented coalition are a small number of well-connected business elites who stand to lose from economic liberalization, such as directors of state-owned enterprises or the managers of companies that operate in protected sectors (Fischer 2006: Chapter 8). Even smugglers and some other elements of organized crime tend to align themselves with the rent-oriented coalition, since their business-model would evaporate if trade restrictions were lifted (Booth et al. 2007: 4).

Other important components of the rent-oriented coalition are the cultural and educational figures who provide it with ideological justifications, typically via appeals to tradition, anti-capitalism, anti-colonialism, nationalism, and religious or ethnic identity. The status quo orientation of the rent-oriented coalition is appealing to many within society, even those who lose out directly because of rent-seeking behavior.[6] Interestingly, unlike in many parts of the world, on the whole university professors in East Africa have tended to align more with the rent-oriented coalition than the export-oriented coalition. This can be traced to several factors: the first generation of post-independence professors overwhelmingly espoused anti-colonialism and Marxism, and have only recently begun to retire and yield their professorships to younger cohorts; the best universities in East Africa are public institutions, with traditionally

[4] Contrary to visions of corrupt officials acting alone in dark back offices, empirical studies of rent-seeking behavior in East Africa confirm that "most rent-creating and rent-protecting strategies require some degree of group mobilization" (Fischer 2006: 13; see also Sardan 1999). Indeed, rent-seeking can be analyzed as an interest group problem, where small groups of rent-seekers are highly motivated to protect their revenue sources, whereas the diffuse nature of the costs of rent-seeking make it difficult for society at large to mobilize against it.
[5] "16 killed in stampedes for jobs in Nigeria," by Bashir Adigun, *Washington Post*, March 16, 2014.
[6] Fischer (2006: 251, 255) identifies a number of psychological variables that can lead people to adopt a status quo bias, such as the difficulty in calculating net winners and losers from proposed policy reforms *ex ante*. The general findings of prospect theory could also be added to his list (Tversky & Kahneman 1992).

close ties to the state; and there is little tradition of the private sector and academics directly cooperating in East Africa, as there has been in the West in recent decades. Fischer (2006: 54-55) provides an additional reason why universities in East Africa are far more status quo-oriented than in other parts of the world: "in most developing countries university places are often only available for children of privileged families. […] Obviously, the allocation of benefits mostly to wealthy families is unlikely to reflect the preferences of society in a poor country. […] In Tanzania, for instance, the cost of a university education is equivalent to that of 238 primary school students."

This claim that university professors and students have tended to side with the rent-oriented coalition is of course subject to various disclaimers (it may be becoming less true; it applies more to some countries, such as Tanzania,[7] than to others; etc.), but it has been long-standing. In the late 1990s, noted Kenyan professor of political science Ali Mazrui started a kerfuffle by arguing that East African universities were too close to their respective states, and that professors had basically become agents of the government instead of its critics (e.g. Mazrui 2003). While Mazrui would probably not have embraced all the goals of the export-oriented coalition, his point that many East African intellectuals remain blindly committed to certain ideologies and are not sufficiently interested in empowering East African civil society echoed widely (Bemath 2005: 348-350).

If I have been insisting so much on the cultural elites who participate in the rent-oriented coalition, it is because it is precisely the discourses that these elites disseminate are what unify rent-oriented elites sufficiently across national borders that it makes sense to think of them as a collective, instead of simply isolated individuals acting locally. These discourses are typically issued in Swahili, Rundi, Rwanda, or other African vernacular languages, making them particularly difficult objects for researchers without deep language skills to study.

1.3 The Export-Oriented Coalition

Like the rent-oriented coalition, the export-oriented coalition is primarily defined by the way in which it generates its wealth: trade. Hence, the primary goal of the export-oriented coalition is to enact reforms which will deepen East African integration into the global economy,

[7] See, for instance, the discussion of the University of Dar es Salaam in Kamola (2014), as well as Yoweri Museveni's intriguing recollections of his time there during the late 1960s (Museveni 1997: 23-28).

thereby generating increased returns for elite exporters.[8] The export-oriented coalition is not solely concerned with exports abroad: it is generally supportive of increasing both intra-regional trade as well as imports from the outside world. The coalition realizes, however, that given East Africa's structural position in the world economy, the most significant route to wealth for East African traders comes from exporting goods East Africa has a comparative advantage in to the developed world, primarily the EU and the US markets (Booth et al. 2007: 6). Accordingly, the main concerns of the export-oriented coalition are: i) maintaining and improving preferential access to the EU and US markets (primarily through the EU's Economic Partnership Agreement and the US' African Growth and Opportunity Act); ii) improving East Africa's physical infrastructural links with its foreign markets to lower transportation costs; iii) removing NTBs in East Africa that hamper trade with the outside world; iv) ensuring regional stability, so that the flow of goods across the region is not disrupted; and v) harmonizing governmental policies at the regional level to lower firms' transaction costs.

Stated more simply, the main thrust of the export-oriented coalition's efforts over the past 15 years has been upgrading the *physical* and *administrative* infrastructure of the region.[9] Projects seeking to improve East Africa's physical infrastructure include improving regional highways, increasing the capacity of the ports of Dar es Salaam and Mombasa (as well as dredging a new commercial port and oil refinery at Lamu in Kenya), resurrecting railways dormant since colonial times, and many other projects. It is worth noting two points about East Africa's physical infrastructure. First, given the land-locked status of Uganda, Rwanda, and Burundi, even projects that seem purely national in scope (such as upgrades at the port of Dar es Salaam) can have profound regional implications. Second, the potential payoff of these projects could be very significant. Economists have consistently found that East African trade is particularly sensitive to changes in transportation costs, and have emphasized that one of the main factors limiting East African growth is poor transportation infrastructure (for an early take, see Massell 1963: 19-23; for more recent discussion, see Arvis et al. 2010; Dasgupta 2011;

[8] By exports, I am principally referring to legal, physical goods that openly enter foreign markets. This definition excludes looted resources such as timber or minerals illegally obtained in conflict zones in Central Africa, as well as the informal cross-border trade done by small traders across East Africa. It also downplays the importance of services relative to physical goods. I believe the export-oriented coalition should also be interested in exporting services abroad, but there is very little data on services in East Africa. Accordingly, I do not consider the role of the tourism sector in this chapter, although it is an important component of GDP in some East African countries.

[9] This physical and administrative infrastructures dichotomy is also sometimes referred to as upgrading both the region's "hardware" and "software."

Sattayanuwat 2011). For instance, one study of Sub-Saharan African trade concluded that a one-day reduction in inland travel times leads to a 7 percent increase in exports (Freund & Rocha 2010). Another study of road networks in Ethiopia found that a 1% increase in the quality of local roads led to a 1.2% increase in the number of firms operating in the closest town (Shiferaw et al. forthcoming).

Unfortunately, while significant investments in improving East Africa's transportation infrastructure have been made by both East African countries and major international donors such as the World Bank and African Development Bank,[10] such projects take long periods of time and very large sums of capital to come to fruition. Therefore, the export-oriented coalition has looked to East Africa's administrative infrastructure as a possible source of "quick fixes" that could improve the region's trade potential. By administrative infrastructure I mean the various government processes and bureaucracies that must be dealt with in order to run a trade-oriented business in East Africa: the customs authorities, the (air)port authorities, the tax authorities, the trade ministries, the standards bureaus, the border police, and others. Each department has in place formal, informal, and (sometimes) illicit procedures that trade-oriented firms must comply with, which often lead to high direct and indirect costs.

Improving administrative infrastructure can therefore refer to at least three distinct types of actions. First, it can entail identifying and removing specific NTBs that hamper trade, such as the 19 police roadblocks cargo trucks encounter on an average trip—each one necessarily causing a delay and usually requiring a bribe to get through (Hangi 2010: 17). A second way of improving administrative capacity can be to harmonize governmental policies either within an EAC member state or across EAC member states. For instance, transit times at the Kabanga border crossing between Tanzania and Burundi decreased dramatically when the customs officials from both countries agreed to synchronize their working hours, resulting in fewer instances of trucks passing through one post only to have to wait a day until the other post re-opened (World Bank 2013: 52). A separate ongoing project has involved harmonizing tax policies across the EAC member states so that regional firms only have to deal with one set of rules regardless of where they operate (GTZ 2009; GIZ 2011). Simplifying and standardizing

[10] In 2008, academic-turned-entrepreneur-turned-finance-minister-of-Uganda Ezra Suruma made road improvement the single largest expenditure of the Ugandan government, with nearly 20% of the total budget, a dramatic victory for the export-oriented coalition (Suruma 2014: 149).

governmental procedures across the EAC member states directly lowers costs for trading firms, improving their bottom lines and increasing their competitiveness. Third, improving administrative infrastructure can also simply refer to increasing the capacity, performance, and transparency of the afore-mentioned governmental agencies so that they can operate more effectively and efficiently (this is usually referred to by development agencies as "capacity-building").

Unsurprisingly, the core pillar of the export-oriented coalition consists of East African business elites. These business elites can be further subdivided into four distinct categories. Perhaps the most ardent supporters of the export-oriented coalition are large, multinational firms located in East Africa (with both their expatriate and local staff). Global in perspective, highly adept at negotiating different national contexts, and typically without particularly deep local roots, large foreign firms are quick to see the upsides of lowering all types of barriers to cross-border trade. Interestingly, foreign firms in East Africa tend to be concentrated by country and by sector (for instance, almost the entirety of mining in Tanzania is done by multinational corporations, but both Tanzania agriculture and Ugandan mining are almost wholly domestically owned), making their influence on the political economy of East Africa strong in some sectors but absent in others.[11]

A second group of East African business elites who typically support the export-oriented coalition are large locally-owned East African firms. These firms, which have long existed in private hands in Kenya and Uganda, but have emerged more recently in Rwanda and Tanzania, have their eyes on foreign markets abroad and derive much of their revenue from shipping commodities to Western markets. Accordingly, they are a key bastion of the export-oriented coalition.

A third class of East African business elites who have generally been supportive of the export-oriented coalition are the merchant class of Asian descent based in East Africa. While ethnically Asian merchants have long considered themselves (and been considered) distinct from other East African large business owners for cultural and historical reasons, they share a similar structural position in the economy and has perhaps an even more international outlook (Himbara

[11] In sectors where Western firms are strong, they often make use of Western embassies in East Africa to lobby directly on their behalf, as in the case of consistent pushback by some embassies in Dar es Salaam against efforts by the Tanzanian government to reform its mining laws.

1994b; Oonk 2013). Accordingly, "the growth of a business culture that is more oriented to making profits on the basis of scale of production and less dependent on political protection… may be particularly relevant to [East African Asian family businesses] because for a long time they have had the networks needed to invest and work effectively across the region's national borders but have not been encouraged to do so by the prevailing political economy" (Booth et al. 2007: 4).

The fourth class of East African business elites to consider are the heads of small and medium enterprises (SMEs) across the region. By definition these businesses employ less than a hundred people, and typically operate in just a single market. Overall, SMEs account for about 87 percent of all East African companies and typically are domestically owned, particularly in the services sector (Ramdoo & Walker 2010: 22-23). Economists are divided about whether in theory SMEs should support regional integration or not. On the one hand, researchers have found that SMEs are more likely to suffer in a highly corrupt environment than larger firms, who can afford the increased costs of doing business, and who are partially sheltered from competition by the higher barriers to market entry (Fischer 2006: 55). If this is true, then SMEs should be natural proponents of the increased transparency and openness the export-oriented coalition typically endorses. On the other hand, however, lower barriers to cross-border trade can mean increased competition for small firms that may not be very competitive to begin with. Furthermore, the biggest upsides promised by the export-oriented coalition—increased access to foreign markets and increased FDI—may not be particularly relevant for SMEs, who may not be able to scale up and who may already benefit from informal cross-border trade (for a review, see Kiggundu & DeGhetto 2015). Furthermore, export-oriented sectors of the economy tend to be dominated by a handful of large firms, who have the capacity to meet the regulatory thresholds markets like the EU insist upon.[12]

Fortunately, in the case of East African SMEs we do not need to rely just on theory but instead can turn to a series of opinion surveys of regional business managers taken over the years.[13] These surveys show that a large majority of East African businesses, including SMEs,

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[12] In part because of the burdensome requirements imposed by an EU regulation, it was expected in 2005 that the Kenyan cut flowers export sector would contract from 200 registered firms to only 6: "A Sledgehammer to Miss the Nut," *EUReferendum.com*, August 25, 2005.

[13] Methodologically speaking, the most significant problem with the surveys I discuss here is their use of convenience and purposive samples instead of random samples, which could be significantly biasing results. In addition, while Sutton et al. (2015) are to be commended for their evenhandedness in dealing with their data and

support further regional integration as a way of accessing regional and international markets. A 2008 poll of business owners in the original three EAC member states found high levels of support for the EAC Customs Union: "Free movement of goods within the EAC has been a major boost to businesses, a position supported by 77%, 73% and 46% of companies in Uganda, Kenya and Tanzania respectively" (EABC 2008a: vi). A separate survey of regional CEOs by PricewaterhouseCoopers that same year found over 90 percent support for regional integration, although again support was lower in Tanzania.[14] More recently, Sutton et al. (2015) performed a content analysis of short reflections penned by 13 business leaders in East Africa.[15] They found very strong demand among the managers of both East African SMEs and larger firms for increased regulatory harmonization by the EAC member governments, especially in the areas of currency convertibility, product standards, registration requirements, and tax codes. Indeed, the managers considered the cultural, social, and linguistic differences between the five East African countries to be much less of an impediment for expanding their businesses than the differences in the formal regulations of the EAC-5. All of this suggests that East African SMEs are sympathetic to the goals of the export-oriented coalition.

East African business elites who support the export-oriented coalition engage in politics first and foremost by organizing themselves into lobbying organizations. In 1997, East African business owners founded the East African Business Council (EABC) to lobby for their collective interests across the region. The EABC's stated goal is "to be an effective change agent for fostering an enabling business environment for a diversified, competitive, export-led, integrated and sustainable economy," which it seeks to accomplish via a mix of private sector coordination, policy research, educational workshops, naming and shaming, and extensive lobbying.[16] Its emergence as a significant player in East African politics is notable, in part because the EABC polices itself and is genuinely committed to an above-board East African political economy: "it believes that defending a stable business environment for its members involves actively resisting the pattern in which particular firms from within or outside the region approach governments for

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their explicit attention to negative/null findings, the EABC is far from a neutral party in administering surveys about the desirability of regional integration, undermining the credibility of their surveys.

[14] "Majority businesses in East Africa favour regional integration," *This Day* (Dar es Salaam), July 17, 2008.

[15] The written statements that provide the basis for the content analysis are also provided in the 2015 special issue of the *Africa Journal of Management*.

[16] It should be noted that the EABC, whose tagline is "The Voice of the Private Sector in East Africa," has received substantial funding from the German, Norwegian, and other European development agencies over the years.

special treatment—for example, tax breaks or concessions on the importation of raw materials, presented as an investment incentive" (Booth et al. 2007: 6). In addition to the EABC, the three national Chambers of Commerce came together to form the East African Chamber of Commerce, Industry and Agriculture in 2005.

In addition to business elites, the other major component of the export-oriented coalition in East Africa is the nascent professional classes that stand to benefit from increased economic activity, such as journalists, lawyers, accountants, engineers, and consultants. Like business elites, these professions are also increasingly organizing themselves at the regional level in addition to at the national level, forming vocal professional organizations such as the East Africa Law Society or the East African Community Institutes of Accountants. An examination of skilled professions in East Africa by the World Bank concluded that "the heterogeneity of professional endowments and the sectoral earnings differentials across countries suggest that there is a great potential for… cross-border movements of professionals to provide services [in neighboring countries], and important gains to be derived from creating an integrated regional market for professional services in East Africa" (World Bank 2010a: 46). Recalling Solingen's (1998: 18) argument that ideology matters greatly in coalitional clashes and her focus on the "mobilizing capacity of prevailing norms, powerful identity concepts, and historical myths," the onus of developing legitimizing justifications for the export-oriented coalition with broad popular appeal largely falls on these professional organizations. Their arguments typically rely on appeals to modernization, economic and national progress, and the need to address the challenges of globalization. Sahle (2008) and Söderbaum (2007: 189-190) both argue that the New Partnership for Africa's Development (NEPAD), an African Union-affiliated international organization-cum-think tank, serves as an important locus for developing ideological justifications for the export-oriented coalition. An important rhetorical touchstone for export-oriented East African leaders is the example of the East Asian tigers, who it is argued used their exporting prowess in the 1980s and 1990s to obtain significant growth.[17]

Finally, there is one significant set of actors in the East African political economy that is not easy to place in either coalition, namely East African militaries. Solingen (1998: 33-35) and Fischer (2006: 56-57) both argue that national militaries will usually align themselves with rent-

[17] Since the publication of a 2010 McKinsey Global Institute Report, this parallel is invariably framed as one between Asian "tigers" and African "lions" (Roxburgh et al. 2010).

oriented coalitions. However, it is unclear to what an extent this prediction holds for East Africa. On the one hand, human rights NGOs have consistently accused the militaries of the Great Lakes region of extorting local economic actors, particularly in the mining sector (e.g. Garrett & Mitchell 2009). Furthermore, the secrecy which typically surrounds defense spending provides easy opportunities for rent-extraction (Abbas et al. 2016), as occurred during Tanzania's 1999 totally unneeded and kickback-laden acquisition of a military radar from BAE to the tune of £28 million, or Kenya's equally dubious attempt to acquire a spy satellite in 2003. On the other hand, some East African militaries have a strong tradition of avoiding political and economic entanglements—most notably the Tanzanian People's Defense Forces (Omari 2001; Lupogo 2001), but also to a lesser degree the Kenyan Defense Forces, which, for example, were commended for their actions in the aftermath of Kenya's 2007 post-election violence by the independent Waki Commision report (Commission of Inquiry into Post-Election Violence 2008: 380).[18] Additionally, there has been an uptick in peaceful cooperation among East African militaries, leading to the holding of a number of joint military exercises since 2005, which runs counter to predictions that East African militaries are primarily interested in pursuing nationalist goals. The emergence of peacekeeping as a crucial source of revenue for all the East African militaries (both institutionally and at the level of individual soldiers) may have mitigated the desire of East African militaries to engage in rent-seeking within their countries.[19] All in all, then, it is difficult to consistently place East African militaries in either coalition.

I want to clarify two further points about the export-oriented coalition before moving on. First, I want to reiterate that while the export-oriented coalition is generally supportive of increasing intra-regional trade, it is more interested in extra-regional trade. Indeed, the export-oriented coalition's main regional goal is simply ensuring stability. For instance, it is estimated

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[18] One should be careful not to read too much into the depoliticization of East African militaries. Had the British not happened to have a small flotilla off the Tanganyikan coast when the 1964 army mutiny broke out, or had the coup plotters of the 1982 abortive coup in Kenya not been hyper-incompetent, East Africa's political trajectory could appear quite different today.

[19] Data on East African participation in UN peacekeeping missions are provided in Table 6.1. At least one EAC member state has been a Top Ten contributor of UN peacekeepers for each of the past five years. On the ways in which contributing significantly to peacekeeping operations solves a number of problems for East African governments, see: Beswick (2010); Fisher (2012); Cunliffe (2014); Wilén et al. (2015). The significance of peacekeeping as a source of funds for East African governments was underscored by the fact that the EU specifically targeted Burundi's peacekeeping revenue in March 2016 as a way of putting pressure on the Nkurunziza administration: Edmund Blair, "Exclusive: EU takes aim where it hurts Burundi: peacekeeper funding," *Reuters.com*, March 29, 2016.

that the post-election violence in Kenya in 2007-2008 cost Tanzanian exporters hundreds of thousands of dollars, primarily because international airlines stopped servicing the Nairobi airport through which 65% of Tanzanian flower exports typically go through.[20] Even more pronounced disruptions were experienced in landlocked Uganda, where the suspension of normal trucking routes through Kenya caused fuel prices in Uganda to surge, with knock-on effects throughout the economy. Avoiding similar disruptions in business is an ongoing concern for the export-oriented coalition.

Second, note that in my description of the export-oriented coalition I have avoided suggesting that either its ideology or practices are neoliberal. There is a growing scholarly literature on the emergence of neoliberalism in Africa (Söderbaum 2004; Ferguson 2006; Mensah 2008; Harrison 2010; Mawuko-Yevugah 2014), strongly linked to the growing influence of multilateral financial institutions such as the World Bank (Harrison 2004). To a certain extent, the emergence of the export-oriented coalition in East Africa overlaps with the increasing neoliberalization of Africa. For instance, the export-oriented coalition typically supports three planks of the typical neoliberal agenda: lessening business regulations, devaluing the national currency to favor exports, and embracing trade and financial liberalization. However, in other instances the export-oriented coalition wants *more* government, not less. This is clearly the case in the continual demand for better public infrastructure, for instance. Accordingly, it would be too simplistic to reduce the desires of the rent-oriented coalition to simple neoliberalism.[21]

In closing this section, I hope it will already be apparent to the reader how the fundamental economic interests of the rent-oriented and export-oriented coalitions are usually in direct opposition. The rent-oriented coalition wants to preserve high tariffs and export taxes, which provide a significant percentage of East African governments' revenue.[22] The export-oriented coalition wants to remove them in order to lower their costs. Similarly, the rent-

[20] "Kenya's deadlock puts Tanzanians horticultural under siege," by Adam Ihucha, *eTurboNews.com*, February 6, 2008.

[21] For a contrasting view that equates "market-integration regionalism" with neoliberalism, see Söderbaum (2007: 189-192). Our differences may be linked to two factors: first, he focuses on Southern Africa, which may differ from East Africa. Second, the word "public" can be confusing. The export-oriented coalition has little to no interest in actually involving the public, i.e. the bulk of East Africa's citizenry, in political or economic decision-making, preferring to keep politics at the level of elite coalitions. However, the export-oriented coalition does want public institutions, i.e. the government, to play select roles in the economy, if only to absorb certain economic costs and risks.

[22] Taxes on international trade amounted to 9.2% of total government fiscal revenue in 2012 (unweighted average for the EAC-5), according to data from the IMF's Government Finance Statistics database.

oriented coalition wants to maintain the NTBs that provides it with opportunities for rent-extraction, whereas the export-oriented coalition wants to do away with them. The export-oriented coalition wants to increase the transparency, accountability, and effectiveness of government bureaucracies, whereas the rent-oriented coalition wants none of those things. In general the rent-oriented coalition has a status quo bias, whereas the export-oriented coalition seeks economic and political reforms.

In short, I am arguing that the competition between the two coalitions approximates a zero-sum game. To be sure, there are some murky areas. For instance, while the export-oriented coalition supports large-scale infrastructure projects that will improve the region's transportation links, large infrastructure contracts paid out by East African governments also provide a tempting opportunity for rent extraction. Or again, a recent grand corruption scandal in Tanzania—the so-called EPA scandal at the Bank of Tanzania uncovered in 2007—featured illegal payouts that went out precisely to private firms heavily involved in importing goods into the country. But in general the gains of one coalition come at the expense of the other.

So, who is winning in East African politics? Before we can tackle that question, however, we need to sketch out where the coalitions are strongest in East Africa.

1.4 The Distribution of the Two Coalitions across East Africa

The relative strength of the two coalitions shifts both over time and from country to country. Historically, the rent-oriented coalition was far more powerful than the export-oriented coalition during the 1980s, when many of the most corrupt leaders in recent East African history ruled (the second presidency of Obote in Uganda, Moi in Kenya, Mwinyi in Tanzania). Important differences also exist from country to country. The export-oriented coalition is most strongly present in Uganda and Rwanda. Burundi, on the other hand, is a bastion of the rent-oriented coalition. Kenya and Tanzania, East Africa's two largest economies, sit somewhere in the middle, with long traditions of entrenched corruption but also recent moves that favor the export-oriented coalition. This section provides a contemporary snapshot of the status of the two coalitions across East Africa.

As noted earlier, the story of Uganda's political evolution over the last 30 years is really the story of Museveni. When Museveni's National Resistance Army ousted Tito Okello in early 1986, he accomplished an African first: "It was the first time that power had been captured and retained successfully by an insurgent army, as opposed to a small group of officers organizing a palace coup. The NRA's victory was achieved with very little material or moral support from outside Uganda, mainly through winning the confidence of the population and capturing the weapons of the disintegrating national army" (Pinkney 2001: 162-163). As a result of his popular legitimacy, Museveni had relatively free reign to structure the country's economy as he pleased. He surprised many of his contemporaries by leaving aside the socialist policies he had espoused during his younger years and instead quickly embraced Western recommendations about economic liberalization. He wrote in his autobiography that "What is crucial is the market—the rules that govern that market and the ease with which people can do business" (Museveni 1997: 185). A program of privatization and decentralization has followed ever since, one that pleased Uganda's Western donors so much that they overlooked the marked lack of political liberalization (Pinkney 2001: 164). Foreign exchange controls were ended in 1990, Uganda's main export sector—coffee—was liberalized in 1991, and financial sector reforms were undertaken in 1993 (Suruma 2014). With Museveni's continued blessing and the appointment of technocrats at the Ministry of Finance and the Central Bank, the export-oriented coalition has continued to see its power grow in Uganda over the years (Olympio 2013: 619; although see Tripp 2010 for a dissenting view).

In Rwanda, the devastation of traditional elites during the 1994 genocide created a *tabula rasa*, which Kagame and that Rwandan Patriotic Front have filled ever since. Kagame's embrace of donor-supported economic reforms has led to major gains for the export-oriented coalition in Rwanda (Crisafulli & Redmond 2012). According to Transparency International's Perceived Corruption Index (which surveys country experts), Rwanda is the least corrupt East African country by a fair margin. This finding is borne out by Transparency International's other research publication, the Global Corruption Barometer, which directly surveys country nationals about their experiences with corruption in daily life. In 2014, 89% of Rwandan respondents said that corruption had decreased either a little or a lot over the past two years. Whether or not that may change as the Rwandan government becomes increasingly authoritarian is an open question.

Unlike in Rwanda, no decisive victor has ever emerged from Burundi's seemingly interminable civil strife. With a so-called "selective genocide" in 1972, military coups in 1976 and 1987, a second genocide in 1993 that led to a civil war that lasted until 2005, and recent clashes between supporters of President Nkurunziza and opposition groups protesting his unconstitutional claiming of a third presidential term throughout 2015, at no point since its independence has Burundi enjoyed sufficient political stability to develop a major export sector. Indeed, the repeated bouts of violence have led Burundi to be the most ineffective EAC member state, which coupled with Burundi's landlocked status and poor transportation infrastructure make for a very difficult environment for the export-oriented coalition. Instead, the rent-oriented coalition dominates local and national politics. According to Transparency International's Global Corruption Barometer, 49% of Burundian survey respondents felt that public officials were corrupt, 69% of respondents felt that the judiciary was corrupt, and 82% of respondents felt that the police were corrupt. 66% of Burundians interviewed claimed that corruption had gotten worse in the preceding two years.

Paradoxically, both elite coalitions are well established in Kenya. In absolute terms, Kenya has both the most rents *and* exports in the EAC, owing to the size of its economy. On paper, Kenya is the only East African country to have consistently followed an explicitly capitalist economic policy since independence. In reality, the interweaving of the two contradictory coalitions in Kenyan political life began in the immediate post-colonial period, when President Kenyatta ensured that a large part of government positions (and the rent-seeking they enabled) went to his ethnic group, the Kikuyu. This forced elites from other ethnic groups to seek alternative avenues towards wealth, and many turned to exporting, benefitting from Kenya's relatively developed British-built infrastructure. Thus from the very get-go an indigenous Kenyan capitalist class (dominated by Kenyans of Asian origin) existed independent of the state (Kennedy 1988; Himbara 1994b). When Moi succeeded to the presidency in 1978, the same two tracks persisted, but the ethnic groups switched, with the Kalenjin receiving the plurality of high government offices while the now jobless Kikuyu suddenly found themselves forced to embrace the private sector (Wrong 2009: 52). Corruption became even more entrenched in Kenyan political life during the 1980s and 1990s (Kibwana et al. 1996), such that a common joke became rewriting Louis XIV's famous phrase as "L'état, c'est Moi." Despite rampant corruption, however, Kenyan exporters have shouldered on, agreeing to an unspoken modus vivendi with major elements of the rent-oriented coalition that allowed them leeway over economic policymaking in exchange for turning a blind eye to top-level corruption.[23] While the

[23] For a discussion of a similar type of relationship between the government, rent-extractors, and entrepreneurs in neighboring South Sudan, see Twijnstra (2015).

export-oriented coalition made gains throughout the 2000s, they received a rude awakening in 2008 as the Kenyan economy spiraled downwards following post-election violence triggered in part by widespread anger over elite corruption. It is unclear if the uneasy live-and-let-live agreement the two coalitions have traditionally shared in Kenya will persist moving forward.

In contrast with Kenya, Tanzania's economic policy has been avowedly socialist for much of its history, particularly during Nyerere's years in office (1960-1985). While Nyerere was strongly opposed to corruption in government, this anti-corruption drive petered out under his successors Mwinyi and Mkapa. Tanzania continues to operate as a de facto one-party state, with the Chama Cha Mapinduzi (CCM) enjoying power since 1962. Accordingly, the crux of the coalitional clash in Tanzanian politics currently plays out within the CCM party itself, where exporters and rent-extractors co-exist in an uneasy balance (for an excellent study of the CCM's various factions, see Gray 2015).[24]

This has led to a high degree of policy instability within the Tanzanian government, with policies that favor one coalition being overturned months later as a result of factional infighting within the CCM (cf. Pinkey 2001: 196). For instance, when Tanzania faced an acute electricity shortage in 2005, a call for proposals for emergency electrical generation was issued by the national electricity utility (Nyang'oro 2010: 230-235). All submitted bids were initially deemed insufficient, but then the energy minister, in conjunction with the prime minister Edward Lowassa, overruled the utility and approved the bid from a private firm called Richmond Development Company LLC. When a year later Richmond had proven incapable of improving the country's electrical supply in any meaningful way, a corruption investigation was opened by the Prevention of Corruption Bureau, only to be quashed soon thereafter. This in turn led to a full parliamentary investigation of the Richmond contract, and eventually to the resignation of both ministers. Gray (2015) argues that these frequent policy reversals are the result of the anti-corruption faction within the CCM being able to occasionally get the upper hand over entrenched rent-extractors, although the factions are careful to limit the damage from infighting lest the party's domination of Tanzanian politics be threatened. President Kikwete himself, while not able to exercise perfect control over his party, has generally been viewed as export-oriented. In a

[24] A good sense of the factional nature of the CCM also comes through in US diplomatic cables leaked by WikiLeaks, particularly those featuring off-the-record conversations with CCM insiders – see, for example, 05 DARESSALAAM 972.

speech to the Tanzania Ministry of Foreign Affairs, he stated that "the hallmark of [Tanzania's] foreign policy is Economic Diplomacy; therefore we need our diplomats to change orientation accordingly. *We expect them to be more proactive in securing markets for our products abroad*; they should market our tourism attractions and facilitate acquisition of appropriate technology for the development of our country" (Nyang'oro 2010: 240, emphasis added).

1.5 The Strategic Nature of East African Regional Politics

Having considered the distribution of the two coalitions across East Africa, we can now focus on the strategies they employ to pursue their economic goals. Despite their diverse internal make-ups, an assumption of this dissertation is that we can treat each coalition as a single collective actor. Furthermore, these coalitional actors act strategically, that is to say they use various strategies and counter-strategies in order to gain advantages over the rival coalition.

Some strategies are unique to one of the coalitions, but others are used by both. For instance, both coalitions seek to lock-in their gains when possible. The locking in usually involves erecting significant legal, social, or material barriers in an issue area to prevent subsequent reforms on the issue, thereby indefinitely maintaining the existing arrangement. For instance, consider the effort outgoing Kenyan President Moi made in 2001 to prevent the Kenya Anti-Corruption Authority from being able to investigate any allegations older than four years old, as well as granting immunity from prosecution to all retired politicians and civil servants.[25] This seems like a rather transparent effort by elements of the rent-oriented coalition to take advantage of a temporary advantage to pass a constitutional amendment locking-in some of their advantages ahead of major elections which might reconfigure the status quo. (The proposed amendment was subsequently rejected by Parliament in a close vote.)

In contrast, others have found evidence of lock-in being used by the export-oriented coalition:

> The possibility that any formal agreements on harmonisation will be neutralised by the persistence of informality in practice is a real one. However, according to one senior official the EAC process is showing that it has the power to "lock in" reform policies that might otherwise not be sustainable against patronage-driven politics at national level. On this view, the perception that policy regimes are now "determined in Arusha," and therefore can assumed to be stable, has already had a positive impact on the investment climate. (Booth et al. 2007: 6)

[25] "Corruption in Kenya: Moi at Bay," *The Economist*, August 16, 2001.

Another strategy regularly used by both coalitions is to engage in venue-shopping when they feel events are taking place in a forum that is tilted against them (cf. Busch 2007). The various fora can be either national (the executive vs. the legislature vs. the judiciary, one ministry over another), regional (the East African Legislative Assembly, various technical bodies such as the Lake Victoria Basin Commission), or international (international governmental organizations, state-led working groups). Typically the export-oriented coalition prefers like-minded, powerful venues it thinks will have the resources to help it pursue its goals, while the rent-oriented coalition may prefer diverting an issue to a weaker, less capable venue as a form of foot-dragging. An example of venue-shopping in action could be the export-oriented coalition's increasing usage of the legal system in Rwanda and Uganda in recent years to advance its policy goals, while it shies away from the (less sympathetic) courts in Tanzania and Burundi.

1.6 The Rent-Oriented Coalition's Strategies

Let us turn now to strategies that are unique to one or the other of the coalitions. Identifying the strategies of the rent-oriented coalition can prove very challenging for academic researchers, for several reasons. First, whereas the export-oriented coalition tends to desire public notice of its actions, rent-extractors tend to avoid public scrutiny for obvious reasons. Second, the fundamentally local outlook of the rent-oriented coalition makes its actions difficult to observe from afar, and even more so from abroad. Third, the less internationalized nature of the rent-oriented coalition means that many of its key actors do not use English in their communications, creating language difficulties for Western researchers.

Despite these difficulties, some direct empirical research on the strategies of the rent-oriented coalition in East Africa have emerged in recent years (Ludeki 2003; Fischer 2006; Macharia 2007). Some of the main strategies of the rent-oriented coalition include: foot-dragging; expanding patronage networks; devolving politics to the local level; and using intimidation and violence (see Figure 6.1).

Foot-dragging is a well-observed phenomenon in East African politics. Given the rent-oriented coalition's status-quo orientation, they often refuse to implement reforms that they believe will benefit the export-oriented coalition. Collier (2007: 109) notes that the Kenyan government promised the World Bank to liberalize its maize sector on five separate occasions over a 15-year period, only to do nothing time and time again (it turns out that Kenya's president was one of the largest players in the profitable maize industry – Toye 1992: 190f). Alternatively, the rent-oriented coalition may nominally embrace reforms, without actually investing the necessary resources and political will to implement them (cf. Ludeki 2003; Andrews 2013).

Part of this foot-dragging entails resisting globalization as much as possible. Several researchers have found that the more a country is integrated into the global economy, the lower its level of corruption tends to be (Ades and Di Tella 1999; Sandholtz and Koetzle 2000; Sandholtz and Gray 2003). Accordingly, the rent-oriented coalition has a pretty straightforward interest in resisting international (and regional) economic integration. The discourse of national sovereignty is frequently deployed by the rent-oriented coalition for this purpose.

A second strategy the rent-oriented coalition can use is to attempt to directly buy off any segment of society that it considers crucial for its survival (Fischer 2006: 204-208). The logic here is straightforward: while buying off more people cuts into the profits one accrues via rents, it is nevertheless preferable than losing access to those rents entirely. In addition, expanding patronage networks alters the political conversation surrounding rents. Beneficiaries may stop perceiving them as income obtained despite not contributing anything meaningful to the economy, and instead view them simply as a form of social redistribution. The OECD ruefully observed this about the Ghanaian economy during the 1990s: "There are signs that the reduction of distortions and renewed growth in Ghana over the last ten years have not improved the population's sense of well-being. This paradox could stem from the fact that the rents associated with these distortions were widely distributed among the population to begin with" (cited in Fischer 2006: 141). The rent-oriented coalition seeking to maintain and expand its patronage networks is the essence of the neo-patrimonial system that has been found to be prevalent in many parts of East Africa (Bratton & van de Walle 1994; Bayart 2009).

Devolution is a third strategy pursued by the rent-oriented coalition. The flipside of the export-oriented coalition's tactic of "internationalizing" political and economic issues, devolution seeks to have policy-making occur at as small and local a level as possible. There are two reasons for this: first, devolution makes scrutiny from higher levels less likely, making it easier to obtain rents. Second, devolution may actually create rents, because an important type of rent occurs when there are artificial boundaries to trade between neighboring areas. In other words, if the rent-oriented coalition is able to turn a country into a patchwork of differing local rules instead of a uniform national system, elites will be able to exploit those differences for financial gain.[26] For instance, this is arguably the case of the island of Zanzibar, which has its own political and administrative structures separate from that of mainland Tanzania, and which many have accused allow Zanzibari politicians to line their pockets.

Intriguingly, the call for devolution has also been frequently taken up by some international actors, who believe it can help increase the quality of democracy and policy-making in a locale, since the residents will be closer to the decision-makers with influence over their lives. For instance, the World Bank has had a Decentralization Unit since the early 2000s. However, the tension between rent-extraction and democracy that devolution sets up frequently goes unacknowledged in Western donor circle, or is argued away by stating that individuals and businesses will "vote with their feet" and move to areas with better local governance, despite much evidence that this actually occurs (Shah 2006: 5).

Finally, entrenched rent-extracting elites faced with pressure from the export-oriented coalition may turn to intimidation and violence to maintain their rents. When the rent-oriented coalition controls some or all government offices, official harassment becomes the norm. For instance, Kenya's President Moi "encouraged his supporters in the ministries and parastatals to hamper businessmen… who criticized his administration or declined to pay 'rents,' among other things by refusing to allocate import licenses and foreign exchange, denying land transfers or bank loans, failing to extend public financial support to troubled banks, not issuing waivers on custom duties and government taxes, terminating public power, water, and telephone services, not allocating port facility berths or air cargo space, and using tax departments to aggressively investigate opponents" (Fischer 2006: 209-210; see also Wrong 2009: 160). Even more troubling is the recurrence of politically-motivated violence across East Africa. Kenya, Rwanda, Burundi, and Uganda have long traditions of political assassinations against regime opponents and whistleblowers. Consider the case of John Githongo, appointed Kenya's first anti-corruption czar in 2002. When he realized his bosses and fellow ministers were still engaging in corrupt business deals, he was blackmailed, received death threats from senior government officials, was tarred a homosexual and a foreign spy in the Kenyan press, and fled to the United Kingdom, only

[26] More specifically, devolution makes it more easy to obtain some kinds of rents (those associated with policy differences in neighboring areas) while making other kinds of rents less likely (so-called "grand corruption," whereby top-level politicians and civil servants expropriate large amounts of public funds), because national officials should now have less influence.

for mercenaries to follow him there, although their assassination attempt was unsuccessful (the story is told in detail in Wrong 2009).

1.7 The Export-Oriented Coalition's Strategies

I turn now to a consideration of the strategies available to the export-oriented coalition in its effort to reorient East African economic policies. Three primary strategies are discernible: naming and shaming rent-extractors; strengthening regional levels of governance; and making appeals to powerful external actors to apply pressure against the rent-oriented coalitions (see Figure 6.1).

The simplest strategy available to the export-oriented coalition is to attempt to "name and shame" rent-extractors by publicly disclosing information about them and the techniques they use to obtain and maintain their rents. The logic is straightforward: since rents, by definition, consist of costs borne by society to the benefit of particularistic interests, drawing public attention to rents and rent-seekers should generate a backlash against them. Thus, a great deal of official energy has been expended in East Africa identifying, collating, and publicizing specific instances of rent-seeking behavior. The main point of focus has been on NTBs, because they are the type of rent that most directly adversely affect the export-oriented coalition, but all types of rents have been garnering increased exposure, particularly with the (still embryonic) introduction of the Internet into East African politics. The naming and shaming of groups and organizations responsible for maintaining NTBs takes the form of long, detailed lists of specific NTBs. The first to adopt this strategy was the East African Business Council, which published the results of surveys asking business leaders across the region to identify the biggest problems hampering their businesses (EABC 2007; EABC 2008b; EABC 2011). The strategy was then adopted by the EAC Secretariat, which since 2011 has published eight status reports on the elimination of NTBs in East Africa (EAC Secretariat 2011; EAC Secretariat 2012 a - d; EAC Secretariat 2014 a - c). Foreign entities have also contributed their own lists (Hangi 2010).[27]

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[27] Much of the impetus for focusing on the identification and elimination of NTBs in this systematic, step-by-step manner seems to have originated outside of East Africa, specifically taking written form first in a 2008 World Bank report that called for NTBs to be "the next main area for strengthening the EAC's trade integration" (World Bank 2008). That report was presented to the EAC Secretariat in late 2008 and became the foundation for the EAC's "Time-Bound Programme for Elimination of Identified Non-Tariff Barriers" (EAC Secretariat 2008), a monitoring program which has received most of its funding from GIZ, the German development agency (EAC & EACB 2008?; GIZ 2011: 9).

Figure 6.2 shows a representative excerpt from the most recent status report on NTBs issued by the EAC Secretariat. Several points are worth noting. First, individual NTBs are grouped in three categories: resolved past issues (denoted in a green font), unresolved past issues (written in blue), and NTBs newly introduced since the last status report (marked in red). For each existing NTB, the responsible party is identified, and in some cases a reason is imputed for their ongoing resistance (e.g. "insufficient financial resources to carry out reforms" or "protecting local manufacturers"). To heighten the "shaming" aspect, business reporters from newspapers across the region are officially incorporated into the EAC's NTB Monitoring Mechanism, with the expectation that they will publicize the reports' findings. Accordingly, newspapers and other mass media are an important front for the export-oriented coalition.

Overall, however, it is difficult to assess how successful the naming and shaming strategy has been from the export-oriented coalition's perspective. In contrast to other types of naming and shaming campaigns conducted in international politics (cf. Lebovic & Voeten 2006; Murdie & Davis 2012), which typically target specific corporations or individual political leaders, the rent-seekers that are being targeted here are usually part of an official government ministry which can typically justify its actions on security or sovereignty grounds, however spurious such a claim may be. In addition, the limited knowledge most East Africans have of economic theory may mean that pointing out the existence of rents may be insufficient to generate a demand for policy reforms (Fischer 2006: 251). While the EAC argues that the number of NTBs across East Africa have been going down over the years, it is hard to know if naming and shaming is having a direct effect.

Kamanyi (2006) makes a final point about naming and shaming in East Africa by noting how the EAC has been conspicuously silent about pointing out human rights violations and undemocratic measures in its member states. This silence is particularly striking given the gradual efforts other DWROs around the world have made on protecting human rights, such as the Organization of American States or the Council of Europe. Why, then, does the EAC engage in explicit naming and shaming with regard to NTBs, and not do the same for egregious human rights violations? As is hopefully becoming clear, my answer is that the EAC is an organization of, by, and for business elites, who are much more interested in denouncing inefficiencies at border crossings than extrajudicial killings or infringements on free speech.

The second strategy pursued by the export-oriented coalition is to increase governance at the regional level. This entails shifting policy areas from local or national control and instead making them regional concerns, usually handled by the EAC, but occasionally by a technical body like the Lake Victoria Basin Commission. The idea is to directly counteract the rent-oriented coalition's preference for devolving economic and political issues to the local level. The export-oriented coalition feels that the regional level favors them for at least four reasons. First, they tend to be more adept than typical rent extractors at managing trans-national relations, due to their linguistic, social, educational, and professional backgrounds. Second, moving decision-making up to the regional level has structural advantages, such as allowing national-level veto players to be bypassed or making it easier for cross-national bargains involving issue linkages to be struck. Third, interactions at the regional level facilitate policy diffusion and mimicking, so a successful pro-exports policy innovation that worked in one country can be more easily replicated in others. Fourth, the EAC specifically is seen as favorable to the goals of the export-oriented coalition. One of the eight Founding Principles of the EAC as laid out in the EAC Treaty is to work towards "the establishment of an export oriented economy for the Partner States in which there shall be free movement of goods, persons, labour, services, capital, information and technology." While the EAC evolves over time and has varied in its degree of willingness to support the export-oriented coalition, on the whole it has tended to favor policy harmonization, infrastructure improvement, and trade liberalization, all important policy goals for the export-oriented coalition. The EAC Secretariat in particular is perceived as friendly to regional exporters, especially since it forged a close partnership with the European Union in the mid-2000s. In short, the export-oriented coalition considers it a win whenever decisions are taken at the regional level, almost before it knows the actual content of the decisions, because the regional level is so tilted in its favor.

Some analysts doubt whether the export-oriented coalition actually prefers working in close partnership with a formal regional organization like the EAC. For instance, Solingen (2008: 285) argues on the basis of her East Asian case studies that internationalizing coalitions prefer "informal institutional design."[28] A more African-centric reason to doubt whether

[28] The evidence from East Asia is not as clear-cut as Solingen suggests. Hameiri & Jones (2015) report the rise of "regulatory regionalism" in specific economic issue areas across Asia—their description of regulatory regionalism very closely mirrors the export-oriented coalition's turn towards formal regional organizations I observe in East Africa.

business elites would be eager to work closely with a formal organization is the high degree of informal African trade. While precise numbers are obviously impossible to come by, analysts suggest that informal trade that never enters into official channels may account for up to 60% of intra-regional trade (Musonda 2004: 129; World Bank 2008: 11; Olmpio 2013: 559).[29] Why would actors invested in the grey-economy pin their hopes on a formal DWRO? However my research strongly supports the conclusion that the export-oriented coalition views the EAC as one of its key allies in its struggle with the rent-oriented coalition (see Museveni 1997: 185). The role of the EABC is central here. The EAC's moves to explicitly partner with the private sector are given concrete form in the very close working relationship between the EAC Secretariat and the EABC, which is also based in Arusha (as opposed to, say, Nairobi). For its part, the EABC boasts in its internal reports of its direct access to regional and national officials, from the head-of-state level on down (e.g. Mengi 2009: 3-4). This assessment is borne out by external evaluations as well: "The EABC is regarded in the EAC as being well positioned. The association… works with the EAC as a privileged partner in identifying trade barriers…. Interviewees in the EAC Secretariat described the association as an active lobbyist that brings a broad range of issues to the Secretariat's attention" (GTZ 2010: 7).

The third strategy employed by the export-oriented coalition is to make appeals to external actors for material and political support against the rent-oriented coalition. This strategy is broadly similar to the "boomerang pattern" that Keck & Sikkink (1999) argued activists from the developing world frequently employ. As they put it,

> When the links between state and domestic actors are severed, domestic NGOs may directly seek international allies to try to bring pressure on their states from outside. This is the "boomerang" pattern of influence characteristic of transnational networks where the target of their activity is to change a state's behaviour…. Where governments are unresponsive to groups whose claims may none the less resonate elsewhere, international contacts can "amplify" the demands of domestic groups, pry open space for new issues, and then echo these demands back into the domestic arena. (Keck & Sikkink 1999: 93)

Keck & Sikkink originally focused mostly on human rights campaigns and environmental activism in the developing world, but the boomerang pattern has since been extended to other areas: to human rights campaigns in the developed world (Zippel 2004); to campaigns targeting international financial institutions (Nelson 2002); to campaigns targeting multi-national corporations (den Hond & de Bakker 2012); to activism by labor unions (Armbruster-Sandoval

[29] Looking not just at trade but instead the overall economies of the EAC-5, Ogola et al. (2015: 348) estimate that "the informal sector constitutes at least 25% of total GDP and as high as 45%."

2005); to activism by corporate shareholders (McAteer & Pulver 2009); to activism by epistemic communities (Kinchy 2010); and to terrorist campaigns (Asal et al. 2007). To the best of my knowledge, I am extending the boomerang concept by being the first to argue that sometimes businesses in the developing world are the sources of boomerangs, not just their targets. In other words, I am arguing here that business actors in the developing world also make boomerang appeals, not just human rights advocates or environmental lobbyists.

Indeed, appeals by the East African export-oriented coalition have targeted a range of international actors in recent years, ranging from the African-American business community[30] to the Geneva-based World Economic Forum.[31] However, the bulk of the appeals have been directed towards the EU, as well as to a lesser extent towards the WB and the AfDB. Requests vary in their degree of formality and publicity: some are formal governmental requests, some are comments issued to the media,[32] and presumably many occur via private, backchannel communications.

International actors are often sympathetic to these appeals from the export-oriented coalition, due to a combination of ideological affinity and belief that supporting the export-oriented coalition is one of the best ways of guaranteeing East Africa's long-term stability, peacefulness, and prosperity. Accordingly, the EU and other major international actors intervene in a variety of ways in East African inter-coalitional politics, including:

- funding for large infrastructure projects;
- providing technical assistance to governmental ministries;
- subsidizing and assisting specific export-oriented civil society actors (e.g. the EABC);
- financing research that directly takes on the rent-oriented coalition by "exposing the welfare costs of particular clientelistic policy decisions" (Booth et al. 2007: 8; e.g. Kibwana et al. 1996);
- behind-the-scenes political lobbying;
- and publicly issuing high-status reports advocating the goals of the export-oriented coalition.

[30] The 2008 Leon Sullivan Summit was held in Arusha, Tanzania, and brought together over 4000 participants, including six African Heads of State, to promote tourism and investment in East Africa.
[31] A special session of the World Economic Forum devoted to Africa was held in Dar es Salaam, Tanzania in May 2010; two of the four "thematic pillars" were strengthening African regional organizations and promoting intra-African trade and investment.
[32] See, for instance, "Common market still not reality, says Waiguru," *The Standard* (Nairobi), February 21, 2014.

What is worth stressing here is how closely the EU's interventions hew to the wishes of the export-oriented coalition. For instance, of the €85 million the EU has earmarked to give to the EAC over the 2015-2020 period as part of the 11th European Development Fund (EDF), €45 million are specifically dedicated towards increasing regional economic integration, including exporters' dream items like: "facilitate the online cross-registration of companies across East African jurisdictions;" "support the liberalization of service sectors, notably for professional services;" "remove non-tariff barriers in the transport corridor limiting the free movement of goods;" "support small and medium enterprises, industries, value chains, trade infrastructures and trade financing;" and "support [the] capacity building needs, advocacy work, networking of business associations, chambers of commerce, export groups, [and] professional associations" (EU – EA-SA-IO 2015: 38-40).[33]

A brief illustration of how this boomerang process typically plays out can be seen with the case of sanitary and phytosanitary (SPS) standards in East Africa. SPS standards are governmental requirements that agricultural products must meet in order to be considered safe for humans and other animal and plant life. While their deployment in Europe is rooted in genuine health concerns, in East Africa SPS standards are often instrumentally used to create NTBs that shield local producers and create opportunities for rent extraction. For instance, Ugandan dairy farmers have long complained that their access to the Kenyan market is hindered by the capriciousness of Kenya Revenue Authority customs officials and Kenya Bureau of Standards inspectors, who create lengthy delays, demand bribes, and occasionally insist on standards that are technically impossible to achieve.[34] When complaints to both Nairobi and Kampala fell on deaf ears, despite clear violations of the East African Common Market protocol, dairy farmers across East Africa decided to mobilize, taking advantage of a grant program offered by USAID to support the creation of East African business lobbies and forming the Eastern and Southern Africa Dairy Association (ESADA) in 2004.

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[33] The 11th European Development Fund also contains a much larger pool of money—€600 million—set aside for regional infrastructural projects in Eastern and Southern Africa, such as upgrading regional railways, but it is not yet clear what portion of that money will be spent in East Africa specifically, although it is likely to be substantial. Any such money spent will clearly also be in alignment with the export-oriented coalition's goals.

[34] Wambi Micahel, "East Africa: Milk Trade War Spills Over Uganda and Kenya," *Inter Press Service*, March 12, 2009; Devapriyo Das, "Milk: Keep the Taps on as EAC Realigns Itself in 2010," *The Observer* (Kampala), January 13, 2010.

ESADA pursued the problem of SPS standards on two fronts. At home in East Africa, ESADA (still receiving financial backing and technical assistance from USAID, and in coordination with the EABC) lobbied the EAC to focus on the problem of inappropriate use of SPS standards, eventually leading the EAC to reiterate its commitment to a harmonized set of SPS standards for the entire region in 2010 (EABC 2010?b). But the ultimate prize for the export-oriented coalition is to be able to increase its ability to meet Europe's high SPS standards so that it can increase its agricultural exports to that region. Accordingly, ESADA and other regional bodies representing East Africa's agricultural producers lobbied very hard to have SPS standards be an agenda item in the negotiations surrounding the EU-EAC Economic Partnership Agreement. In a circa 2010 policy brief, the EABC clearly appealed to the EU for support in improving East Africa's ability to meet the SPS standards which are a prerequisite for entry into the European market:

> The EU should provide technical assistance to EAC Partner States in areas relating to TBT [technical barriers to trade] and SPS measures (especially capacity building in the fields of standardisation, metrology, accreditation, conformity assessment, upgrading and setting of laboratories and of other relevant institutions); the EU and EAC Partner States should encourage the participation of the private sector in international standard setting bodies; [and] the EU should ensure that EAC Partner States have always the capacity to meet the international standards put in place by the EU or by other major trading countries. (EABC 2010?a; see also Alipui 2010)

In a telling incongruity, a footnote mentions the fact that the writing of this appeal was itself made possible by a grant from the EU's EDF. In other words, this is an instance of the EU paying East African exporters to ask the EU for ever more money. The EABC appeal for European help in meeting high SPS standards did not fall on deaf ears, and NORAD, the Norwegian development agency, agreed to pay for a project whereby the United Nations Industrial Development Organization worked with the EAC, its member states, and even directly with individual East African exporters to meet internationally-recognized SPS standards (UNIDO Evaluation Group 2011). Among the results of this project, which ended in late 2011, was the establishment of certifying laboratories in East Africa that could test exports, as well as the holding of "Food Safety Weeks" in all EAC member states to "raise awareness among stakeholders." The task of improving East Africa's SPS standards has since been taken up by USAID.

1.8 Is the Export-Oriented Coalition Winning? Recent Evidence from East Africa

Has this alliance between the export-oriented coalition and its international supporters led to any gains on the ground? Is the export-oriented coalition gaining the upper hand against the rent-oriented coalition in contemporary East Africa? There are serious data difficulties in answering these question. For one thing, much of the data we are interested in is either not collected, secret, or unavailable. Even when data are available, it is worth remembering that many official African economic statistics are plagued by poor quality and/or political manipulation (Jerven 2013), and that data availability likely correlates with many of the factors we are studying, introducing systematic biases in the results (Hollyer et al. 2011).

Still, let us postulate that the export-oriented coalition has been gaining the upper hand over the rent-oriented coalition since regional integration was relaunched in 2000. Recall that the EAC has undertaken a number of trade-related initiatives in recent years, including the launch of a customs union in 2005, the entry into force of the Common Market Protocol in July 2010, and the signing of the Monetary Union Protocol in November 2013. The EAC also initialed an EPA with EU in 2014. Given these developments, if the export-oriented coalition is winning then these seven hypotheses should logically follow:

H1) The value of rents extracted in East Africa should be decreasing.

H2) The region's material infrastructure related to exporting goods from East Africa (i.e. "hardware") should be improving.

H3) The region's administrative infrastructure related to exporting goods from East Africa (i.e. "software") should be improving.

H4) The costs of exporting goods from East Africa should be declining.

H5) The value and quantity of exports from East Africa should be increasing.

H6) The value-added (i.e. quality) of exports from East Africa should be increasing.

H7) The size of the export sector relative to the region's overall economy should be increasing.

In the rest of this section, I examine the best data publicly available to see whether these hypotheses hold true or not. Wherever possible I present data for the years 1990-2015 to allow for a comparison of the periods before and after formal regional cooperation was relaunched in 2000.

H1) Right off the bat we encounter difficulties with this approach, since there is no systematic data available about the size of rents in East Africa. This is due not just to the inherent secrecy of many rents, but also because of ongoing measurement problems with rents. Some economists have attempted to develop proxy measures to get a rough sense of the magnitude of rents (e.g. Murphy et al.'s 1999 attempt to compare the number of engineering degrees in a country relative to its law degrees), but these tend to be too flawed or too distant from the actual phenomenon to be of much use (see Fischer 2009: 125-129).

That leaves researchers with only anecdotal evidence about the size of rents in East Africa. For instance, it is estimated that corruption by senior Kenyan procurement officers cost the country $6.4 billion between 1991 and 1997 (Wrong 2009: 65). A separate procurement scandal in Kenya—the so-called Anglo-Leasing affair—may have cost Kenyans $751 million between 2001 and 2004 (Wrong 2009: 165), and dozens of other corruption scandals have been documented in Kenya over the years (see the list in Kibwana et al. 1996: Chapter 4). In Tanzania, the External Payments Account corruption scandal is estimated to have cost the country $133 million during the 2005/2006 financial year.[35] Investigations of these scandals certainly suggest that the absolute size of rent-seeking activity in East Africa is considerable, but are too episodic to allow for a systematic picture of rent-seeking behavior to emerge. Overall, I can neither confirm nor reject H1.

H2) Data on East Africa's export-related infrastructure is also not readily available. For instance, while the World Bank makes an effort to keep track of large public-private infrastructural investment projects in its Private Participation in Infrastructure Projects Database, it would be the first to admit that its dataset is far from complete. Nor do East African governments provide an easily accessible breakdown of their annual spending on infrastructure. Still, there is one measure that provides an insight into one specific aspect of the region's export infrastructure—how long it takes cargo containers to enter and exit from East African countries.

This measure is included in the World Bank's annual *Doing Business* survey, which reports various indicators relating to how easy it is to set up and run a small business in various

[35] "EPA scandal dominated 2008, shook Kikwete," by Mohamed Issa, *The East African*, January 3, 2009.

countries around the world.[36] Data are available annually for all five EAC members since 2006. As can be seen from Figure 7.3, import and export times for a container of goods have been in steady decline in East Africa. It took a minimum of 44 days to export a container in 2006, but only 26 days in 2015.[37] This is mostly due to physical upgrades of the ports of Mombasa and Dar es Salaam. While the region's export infrastructure involves several other aspects, at least for the ports we have partial confirmation of H2.

H3) The *Doing Business* survey also provides some insights into the region's export-related "software." One of the questions it asks governments is how many forms must be filled out in order to legally import and export commercial goods into their country. While only a tiny part of the administrative costs associated with exporting and importing, this measure does very nicely capture the essence of the "software" approach. Figure 7.4 shows that while the pace has been slow, EAC countries have reduced the number of forms they require since 2006. (It is worth noting that the ideal number here is not zero—governments are correct to insist on a certain number of forms in order to verify that the trade is legal. In 2012, the OECD average for the number of forms required to export/import a container of goods was 4.4/4.8, while the sub-Saharan African average was 7.7/8.5.) The available data confirm the validity of H3.

H4) Have the improvements in the region's export-related hardware and software had knock-on effects on the costs of exporting from the East African region? Again, the World Bank's *Doing Business* survey comes to our rescue, providing a relatively clear answer to the query. As Figure

[36] The World Bank's annual *Doing Business* survey reports various indicators relating to how easy it is to set up and run a small business in various countries around the world. The most pertinent indicators for assessing the success of the export-oriented coalition are six measures that focus on how easy it is to conduct cross-border trade in a given country. The six measures are: 1) how many documents a small business must fill out/obtain in order to import a standard shipping container into the country; 2) how many documents a small business must fill out/obtain in order to export a standard shipping container out of the country; 3) what is the minimum number of days it takes to import a standard shipping container into the country; 4) what is the minimum number of days it takes to export a standard shipping container out of the country; 5) what is the cost (in US dollars, adjusted for inflation) to import a standard shipping container into the country, including shipping costs, port fees, and applicable government fees (but excluding tariffs); and 6) what is the cost (in US dollars, adjusted for inflation) to export a standard shipping container out of the country, including shipping costs, port fees, and applicable government fees (but excluding tariffs). For further details on the definitions of and methodology underlying these indicators, see: http://www.doingbusiness.org/methodology/trading-across-borders [last accessed April 13, 2016].

[37] An April 2015 Brookings briefing note stated that "since 2014, there have been improvements in the turnaround in the movement of cargo from the port in Mombasa (Kenya) to Kampala (Uganda) from 18 to four days and from Mombasa to Kigali (Rwanda) from 21 days to six days." See: http://www.brookings.edu/blogs/africa-in-focus/posts/2015/04/30-east-african-community-drummond-williams [last accessed April 13, 2016].

7.5 shows, between 2006 and 2015, the average real cost of exporting a standard shipping container from the EAC region dropped 37%, while the average real cost to import a container dropped 43%. These are substantial reductions, and open the door for East African goods to become truly competitive on the international market (recall from above that African goods are particularly impacted by transportation costs). The available data confirm the validity of H4.

H5) Has the reduction in the costs of exporting correlated with an increase in the region's exports (measured both by value and by volume)? Here we have a fair amount of data, since trade is recorded both by exporting and importing countries and reported to the United Nations, the International Monetary Fund, and the World Bank. Figure 7.6 reports the growth in the *value* of exports by country (again normalized for all countries at 100 in the year 2000). The growth in the value of East Africa's exports has been extraordinary, which likely reflects at least three factors: a) the efforts of the export-oriented coalition in East Africa; b) the commodities boom that existed during the 2000s; and c) East Africa's low starting point. Next, Figure 7.7 reports actual dollar values for exports by country, drawing upon a slightly different dataset. All EAC members except Burundi registered double digit average annual growth rates over the 1990-2014 period.[38] Figure 7.8 shows total exports for the EAC region as a whole. Note that as the export-oriented coalition begins obtaining significant policy victories in the mid-2000s (launch of the customs union, formal entry of Rwanda and Burundi into the EAC, launch of the common market), exports increased dramatically, averaging an 11.6% yearly growth rate between 2000 and 2014.

However, perhaps this increase in the value of East Africa's collective exports is simply the result of an increase in prices (for instance, caused by the commodities boom that ran from 2000-2013). Is there actually fire beneath this smoke? Here we can turn to the *volume* of exports for further confirmation that East Africa's exports are indeed increasing. Traffic at the major East African ports of Mombasa and Dar es Salaam has increased year-on-year since 2007 (Figure 7.9). Turning our attention to overall exports (i.e. not just those that pass through ports),

[38] Export data was obtained from the IMF's Direction of Trade Statistics database, and includes all of a country's exports measured in current US dollars. Some discrepancies may exist between Figures 7.9-7.10 and Figures 7.7-7.8, owing to slight differences between the World Bank and IMF datasets. (Yet a third separate analysis using the UN's Comtrade database broadly confirmed the analysis based on the IMF data, but contained missing data and so is not shown here.) Average annual growth rates were calculated on the basis of averaging yearly growth rates ((later value – original value)/original value).

the trend over the past two decades is clear: while total exports for the EAC-5 were largely stagnant during the 1990s, they took off after 2000 (see Figures 7.10-7.13). Figure 7.7 reports the growth in the *volume* of exports by country, with the values for all countries normalized at 100 in the year 2000. Of the EAC-5, only Burundi did not significantly increase the volume of its exports during the 2000s. In summary, we can strongly affirm H5.

H6) Is the value-added (i.e. quality) of East Africa's exports increasing, or are the imports simply the same raw primary commodities Africa has long been known for? A careful IMF analysis of UN Comtrade data confirms that the quality of East African goods has been increasing. Figure 7.11 is reproduced from Gigineishvili et al. (2014), and shows that the quality of the goods increased for most products in all 5 EAC members (compare the position of the red diamonds between the 1980 chart and the 2009 chart). Thus, the available data confirm the validity of H6.

H7) However, perhaps the dramatic increase in exports is simply a reflection of overall growth in these African countries since 1990, and not a meaningful measure of the influence of the export-oriented coalition. To eliminate this potential counter-argument, we must consider exports as a percent of overall GDP. The World Bank data reported in Figure 7.12 show a slow increase over the 1990-2014 period, with exports on average moving from 13% to 16% of overall GDP. Separate IMF analyses of the weighted data conclude more decisively that "exports are rising as a share of GDP" in East Africa (Gigineishvili et al. 2014: 10-11; IMF 2008: 51). In addition, the IMF analysis notes that East African exports are becoming more diversified in terms of product categories and number of trading partners (Gigineishvili et al. 2014: 11-13). (Indeed, overall the IMF is quite bullish about the future prospects of EAC exports.) Overall, we can largely validate H7.

On the whole, the available data seem to indicate notable gains by the export-oriented coalition over the past decade. Based on the best available information, we were able to confirm the existence of 6 out of 7 trends that would logically be present if the export-oriented coalition were gaining ground in East Africa. In presenting this data, I have been emphasizing the changes over time, since I think they best reflect the outcome of the coalitional clash, but it is worth noting that in absolute terms East Africa's level of trade remains quite low by world standards. This is partially due to the fact that three of the five EAC members are landlocked, and hence have higher shipping costs and longer shipping times than littoral countries, but it also suggests that the export-oriented coalition still has a long ways to go in its efforts to make exports a reliable path to wealth in East Africa.

1.9 Implications for Democracy in East Africa

I have been arguing that contemporary East African politics is best understood as a clash between two competing sets of regional elites: the export-oriented coalition and the rent-oriented coalition. In this battle, the EAC has served a central role in helping the export-oriented coalition gain the upper hand. Accordingly, despite the rent-oriented coalition's best efforts to retain the status quo via foot-dragging and buying off or intimidating opponents, savvy usage of venue-shopping and appeals to like-minded regional and international allies has allowed the export-oriented coalition to make significant and accelerating headway in recent years. What are the likely implications of this trend if it persists in the future, particularly for the region's democratic prospects?

First, it is important to note that states in East Africa are increasingly being eclipsed, with the main political action instead moving to sub-state (for partisans of the rent-oriented coalition) or supra-state levels (for supporters of the export-oriented coalition). This can complicate efforts by political actors to "agree on the rules of the game," since it sidelines the important national institutions (parliaments, ministries, cabinet positions) that are the agreed-upon sites of political contestation in many other parts of the world. Increasingly, various East African interest groups are no longer speaking out in the same places, making it more difficult to resolve their conflicts in an equitable, just manner.

Second, if the move towards sub-state politics intensified, it could open the door to greater deployment of identity politics (or ethnic politics) in East Africa. If the locality is seen as the only meaningful site for politics, it becomes difficult to understand why the concerns of other places should be taken into account, opening the door for possibly violent disagreements about how revenue should be split (Oucho 2002; Wrong 2009; Eifert et al. 2010).

Third, and conversely, the increasing importance of supra-national governance in East Africa is increasingly causing regional policies to be unresponsive to the needs of ordinary East

Africans. The obsession with trade on the part of both East African businesses as well as the European Union may be having small trickle-down effects on some East African groups (for instance, workers in the Kenyan cut-flower industry), but it is difficult to argue against the fact that focusing on other policy areas would lead to better outcomes for more East Africans. Both investing in subsistence agriculture as well as mass electrification (two currently neglected areas in East Africa) would do far more for increasing standards of living.

Fourth, I believe that the EU's very close working relationship with the EAC arguably amounts to veiled neo-colonialism. The EAC has gotten over 2/3 of its total budget in recent years from the EU, and (as I have written elsewhere) is increasingly calling the shots at the EAC, using its largesse to set the EAC's policy priorities. This necessarily undermines the scope for a genuine, grassroots democratic transformation in East Africa.

Fifth and finally, despite its stated aims, regional integration is not currently enabling East Africa's civil society. Or, more specifically, it's only enabling export-friendly portions of the private sector, while ignoring the demands of professional classes, farmers, small traders, and other significant groups. The EAC's by-the-elites, for-the-elites mentality helps maintain an anemic civil society, and the institutions designed to play a watchdog role—most notably the East African Legislative Assembly—are not only toothless, but indeed captured interests (EALA is where East African governments conveniently send-off their retired politicians to enjoy a comfortable sinecure, rather than stir up trouble at home).

All in all, then, the current dynamics undergirding East African regional integration seem to be delaying rather than facilitating the emergence of a meaningful, grassroots democratic transition in East African countries.

Figure 8.1: Principal Components of the Two Coalitions in East Africa

Rent-Oriented Coalition		Export-Oriented Coalition
	International level	European Union, World Bank, International Monetary Fund
		Large multinational firms present in East Africa
	Regional level	Merchant class of Asian descent
		Regional business lobbying organizations
		Large locally owned East African firms
National political elites	National level	
Bureaucrats in national ministries		Professional classes (journalists, lawyers, accountants, engineers)
Directors of state-owned enterprises		Heads of small and medium enterprises
Cultural and religious figures		
University professors, intelligentsia		
Border police and customs officials	Local level	
Local police		

Figure 7.2: The Strategic Interactions of the Export-Oriented and Rent-Oriented Coalitions in East African Regionalism[39]

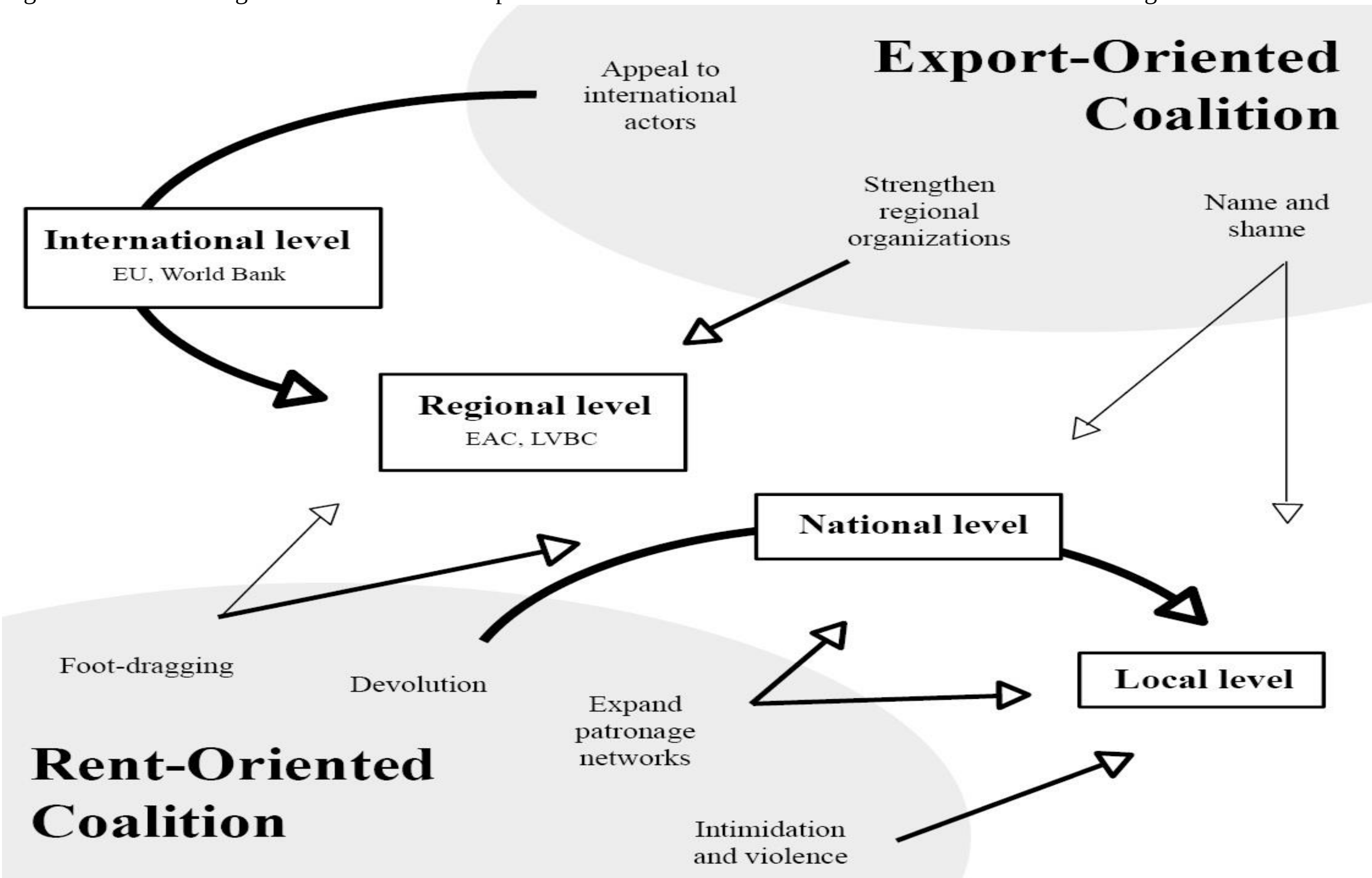


Figure 7.3: Sample Excerpt from EAC "Naming and Shaming" Report

[39] I gratefully acknowledge the assistance of Rosalie Murphy in helping me to design this figure.

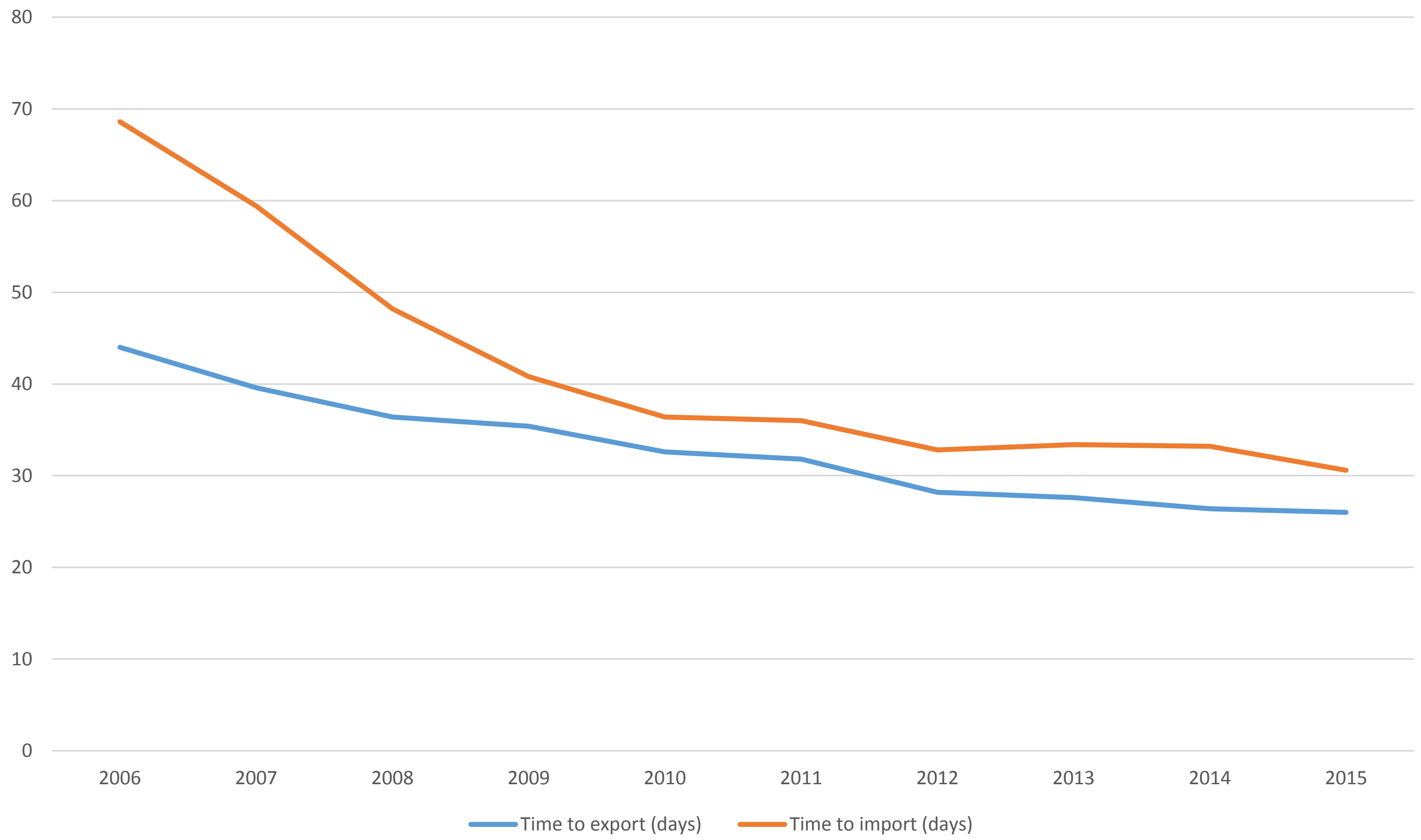
Source: EAC Secretariat (2014c), "Status of Elimination of Non Tariff Barriers in the East African Community: Volume 8, December 2014," pp. 7-9.

No	NTB summary description	Affected countries	NTB source & Ministry/Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
4	**Charges of plant import permit (PIP) at Malaba for tea destined for auction at Mombasa**	Burundi	Kenya Plant Health Services (KEPHIS)	Adds to cost of doing business.	Abolish charges and reorganization of the SPS certificate .	Resistance from issuing authority	The ministers decided that Partner States should recognize certificates issued by accredited institutions of other Partner States. EAC SPS Protocol was signed in July 2013 and once ratified by Partner States it will address the NTB. The NTB will be resolved once the SPS protocol is ratified. The meeting noted that Kenya recognizes Phyto-Sanitary certificates issued by Partner States for tea destined for Mombasa tea auction.	**June, 2015.**
5	**Border management institutions'**	Tanzania, Uganda, Rwanda ,	Revenue Authorities	Business community to identify	Harmonization of working	Security issues and awareness by	**Implementation pending completion of**	**June, 2015**

No	NTB summary description	Affected countries	NTB source & Ministry/Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
	working hours are not harmonized.	Kenya, and Burundi		impact Delays and extra cost to doing business	hours	Business community	**OSBP in June 2015.**	
6	**Non-harmonized road user charges / road tolls**	All Partner States	Ministries of Transport and Infrastructure	Additional cost to doing business	Harmonize the road user charges / road toll .		**Harmonize the road user charges /road toll** **11th TCM Sectoral Council held in June 2014. The Council noted that the study on the harmonization of the road user charges and tolls will commence in the FY 2014/15. This follows from the adoption by the same Sectoral Council the adoption of the EAC Transport Facilitation Study Report which will inform the harmonization process.**	**June, 2015**

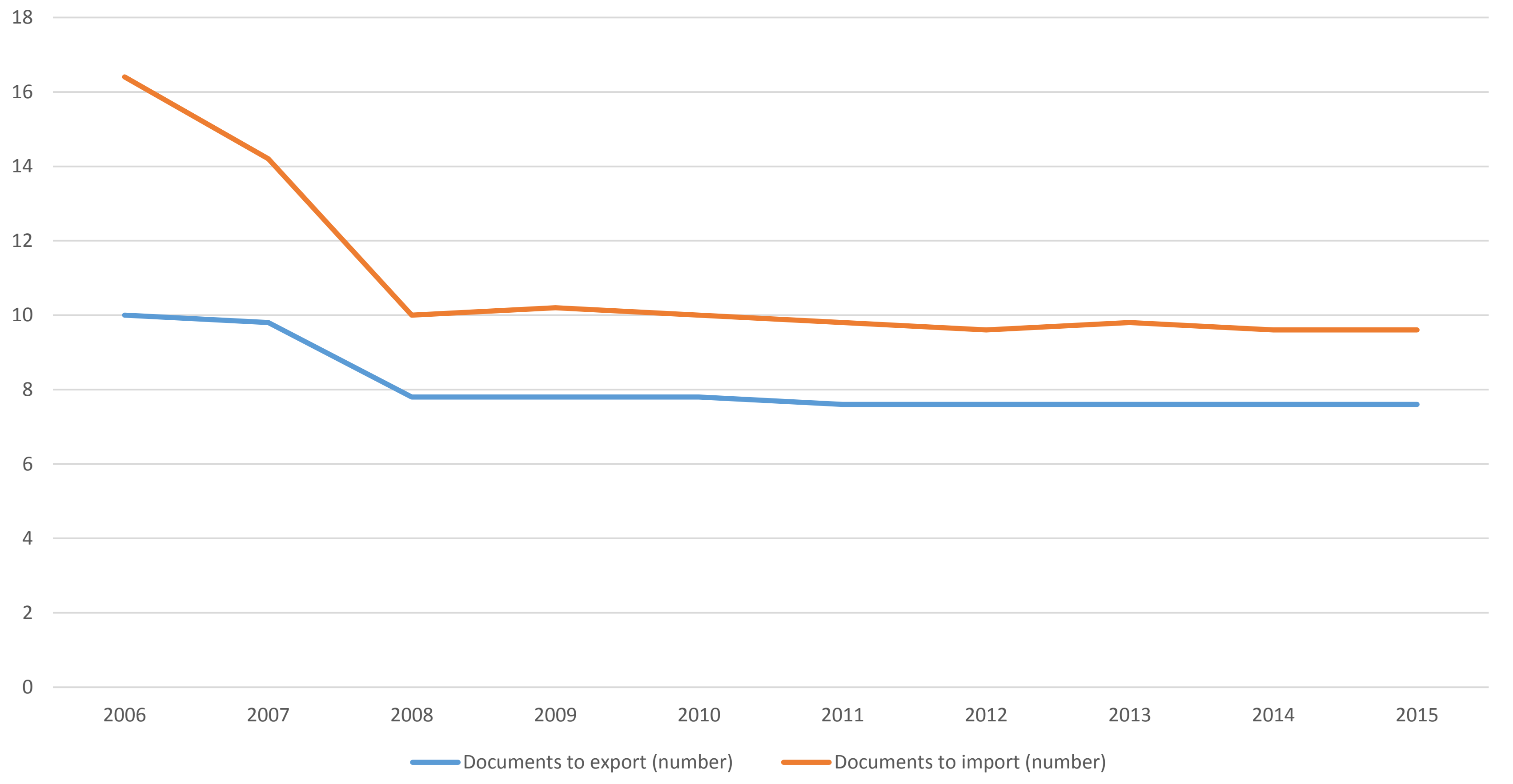
No	NTB summary description	Affected countries	NTB source & Ministry/Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
7.	**Weighing of empty trucks in the Central Corridor-Tanzania**	Rwanda and Burundi	TANROADS	Unnecessary delays for trucks going to load in ports.	Reverse the weighing of empty trucks.	Resistance of TANROADS to amend the Road on Safety regulations.	**The United Republic of Tanzania reported that she had introduced weighing in motion and does not regard this as and NTB.** **The Republic of Rwanda and the republic of Burundi consider it as an NTB. The meeting recommended that the NTB be referred to next meeting of SCIFI.**	**Marc , 2015**
8	**Cigarettes manufactured in Kenya exported to Tanzania required to have a local 75% tobacco**	Kenya	Tanzania	Loss of business	Abolition of the requirement	Resistance from the private sector.	**During the 29th meeting of the Council Tanzania undertook to repeal the law governing the 75% local tobacco content by June, 2015.**	**June, 2015**

Figure 7.4: Minimum Days Required to Import and Export a Standard Shipping Container, EAC-5 Unweighted Average



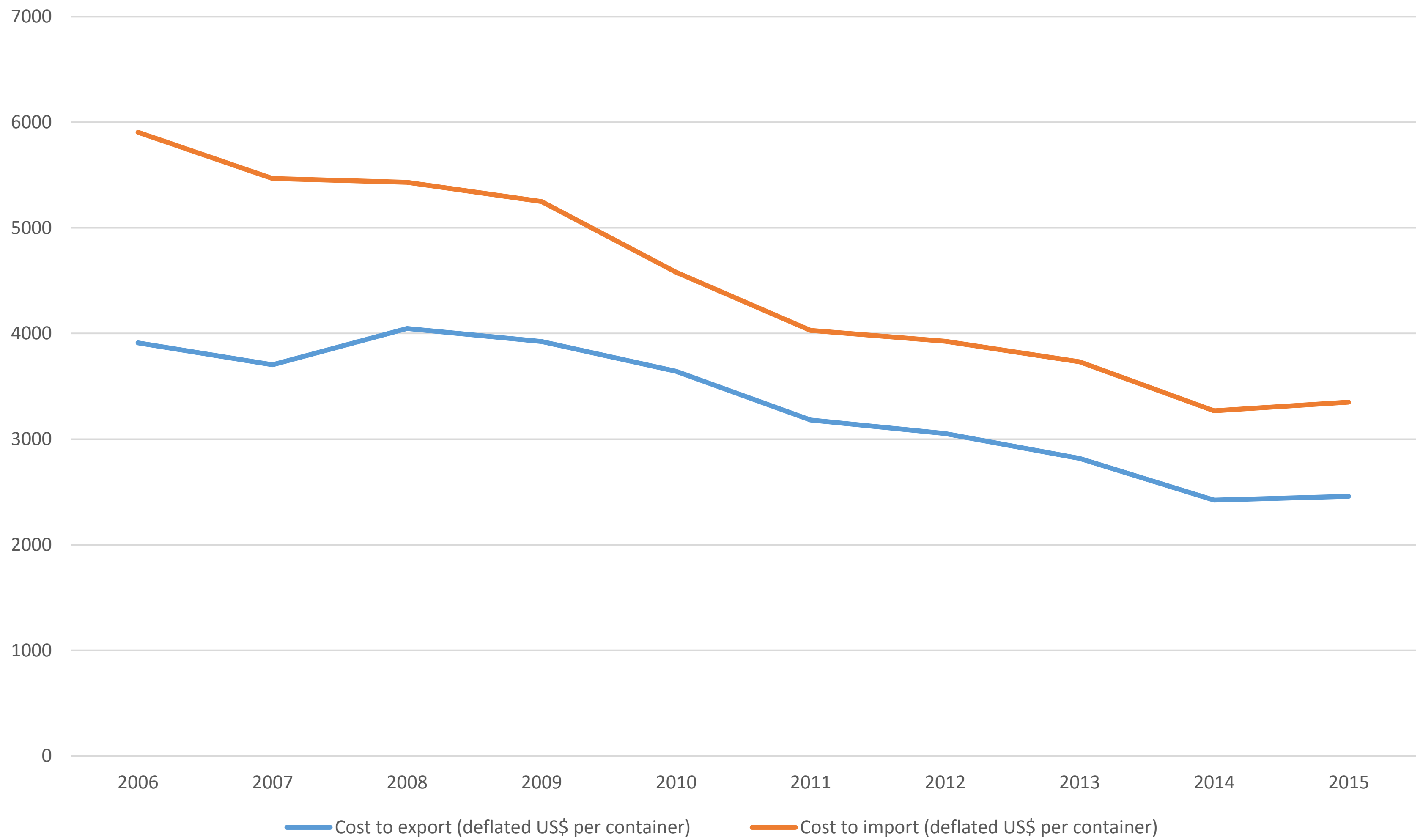
Source: World Bank *Doing Business 2015*

Figure 7.5: Documents Required to Import and Export a Standard Shipping Container, EAC-5 Unweighted Average



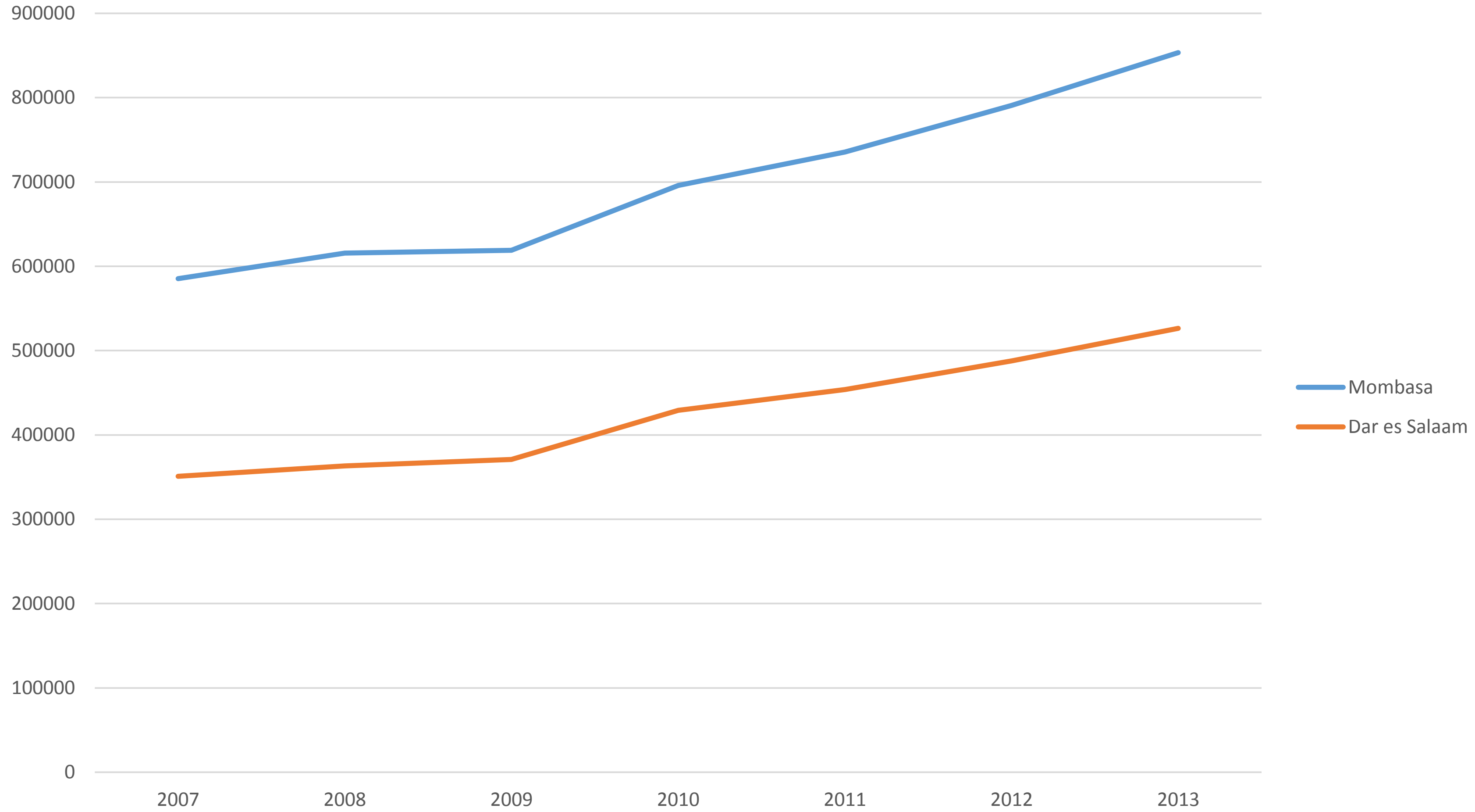
Source: World Bank *Doing Business 2015*

Figure 7.6: Real Cost of Importing and Exporting a Standard Shipping Container, EAC-5 Unweighted Average

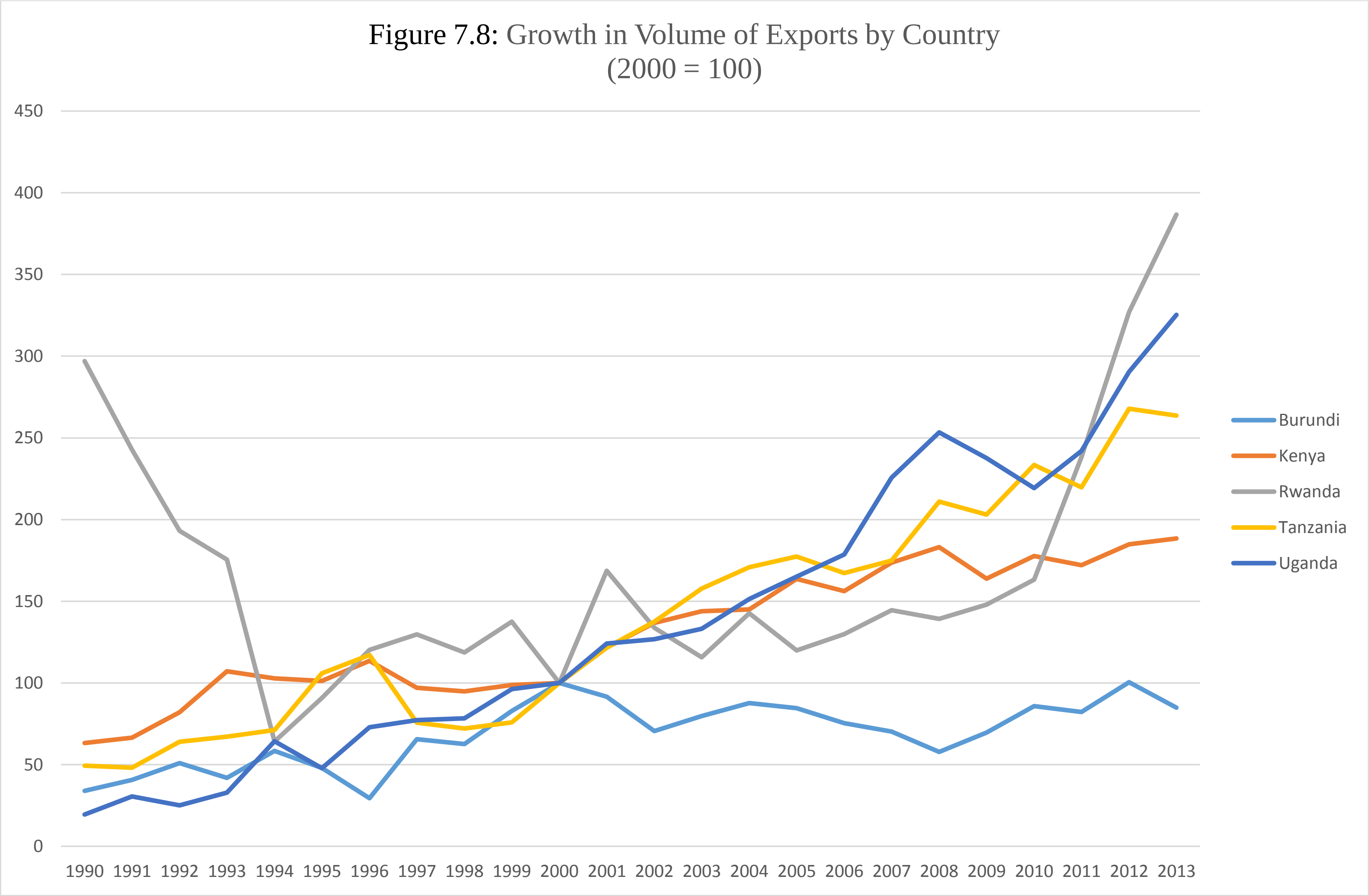


Source: World Bank *Doing Business 2015*

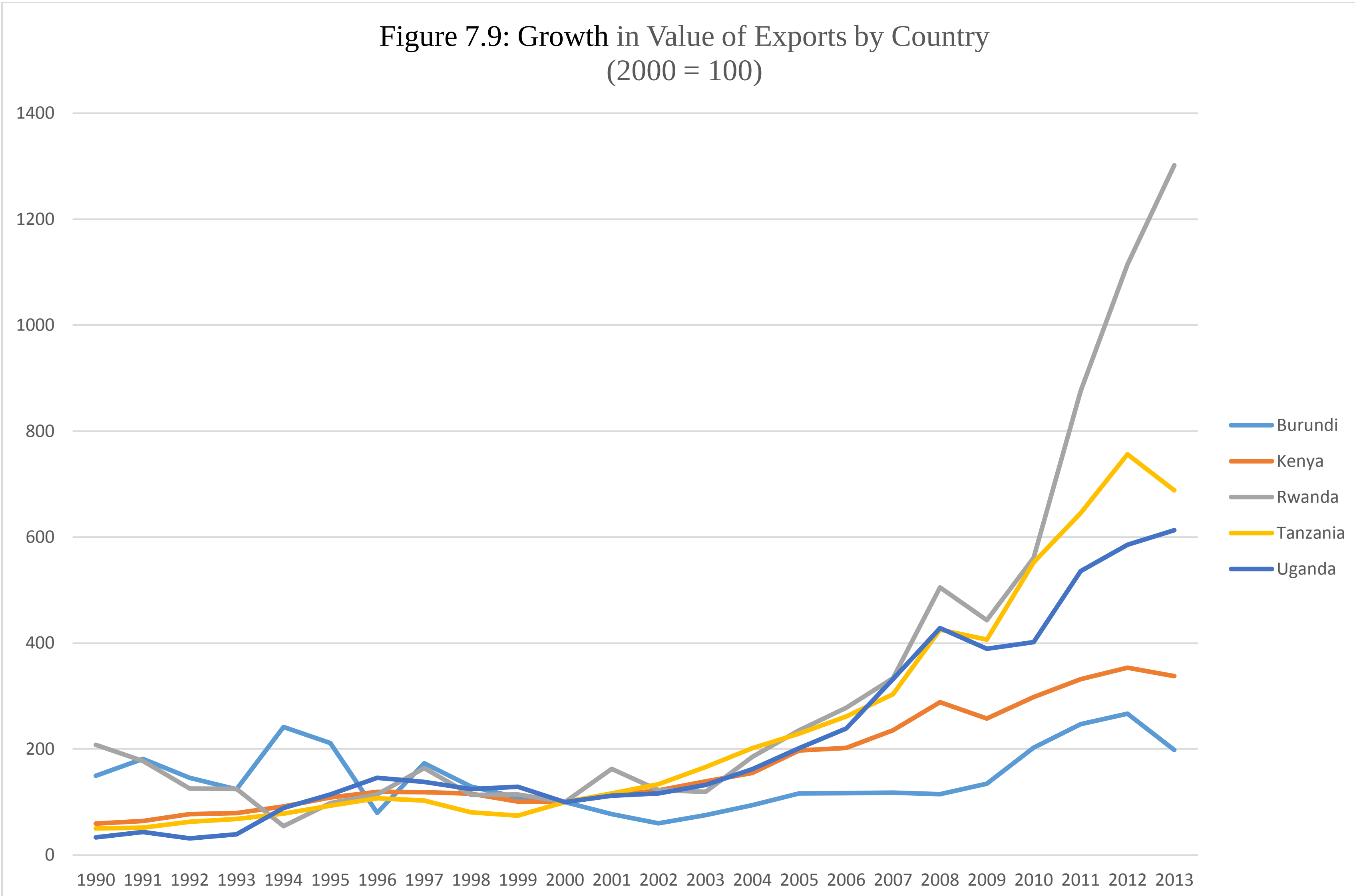
Figure 7.7: Total Port Traffic, 2007-2013
(in number of TEU containers)



Source: World Development Indicators

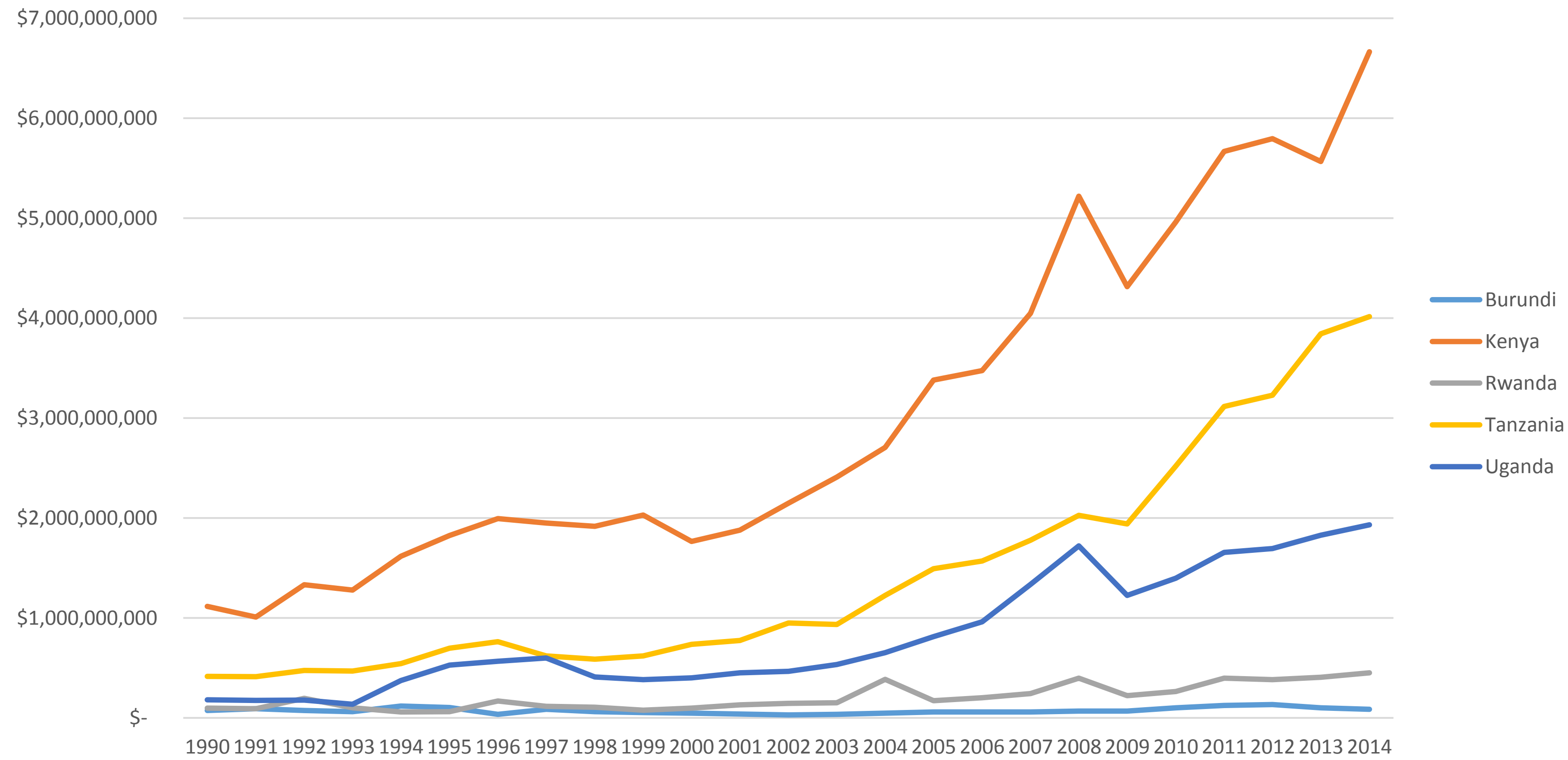


Source: World Development Indicators

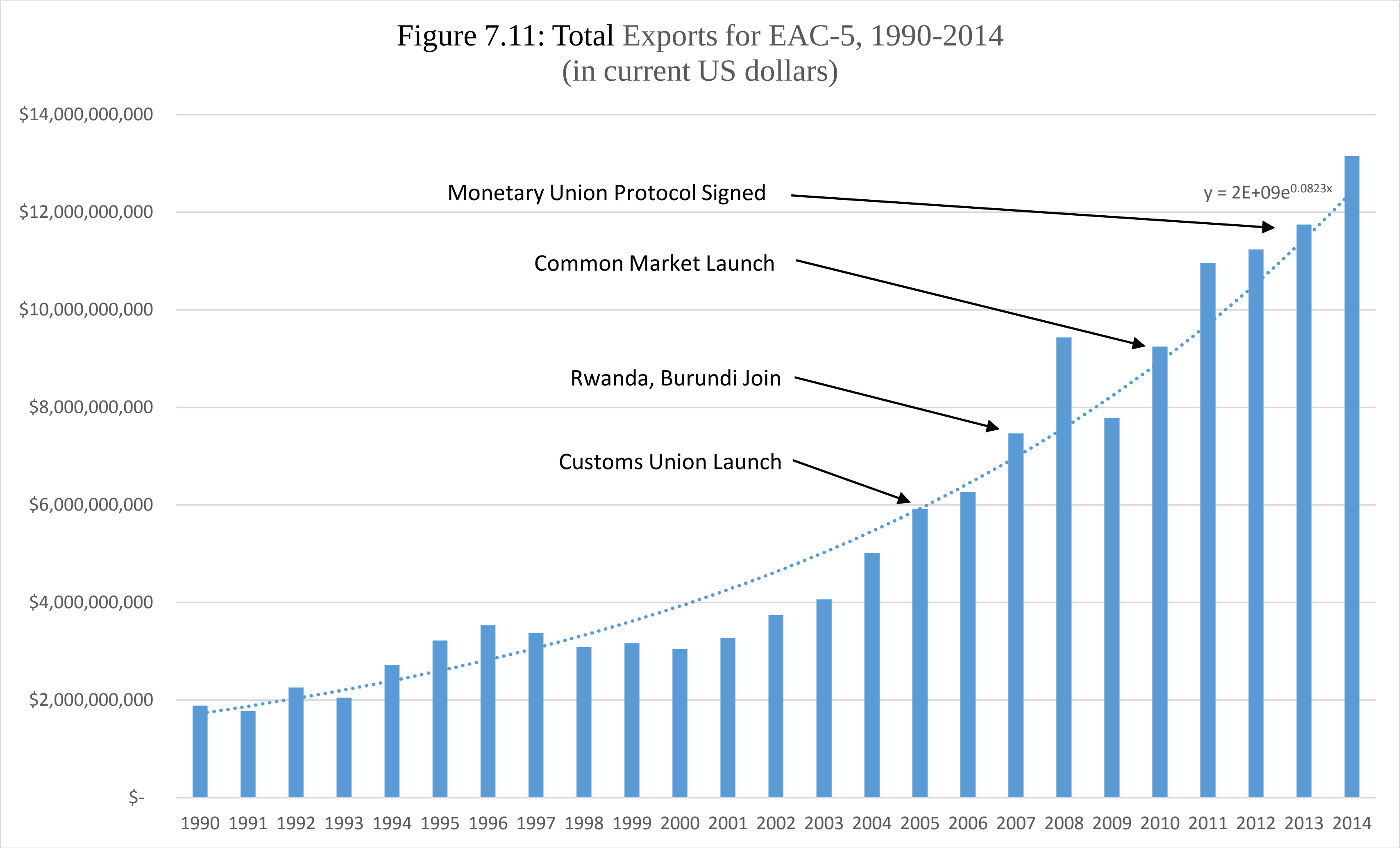


Source: World Development Indicators

Figure 7.10: Total Exports by Country, 1990-2014
(in current US dollars)



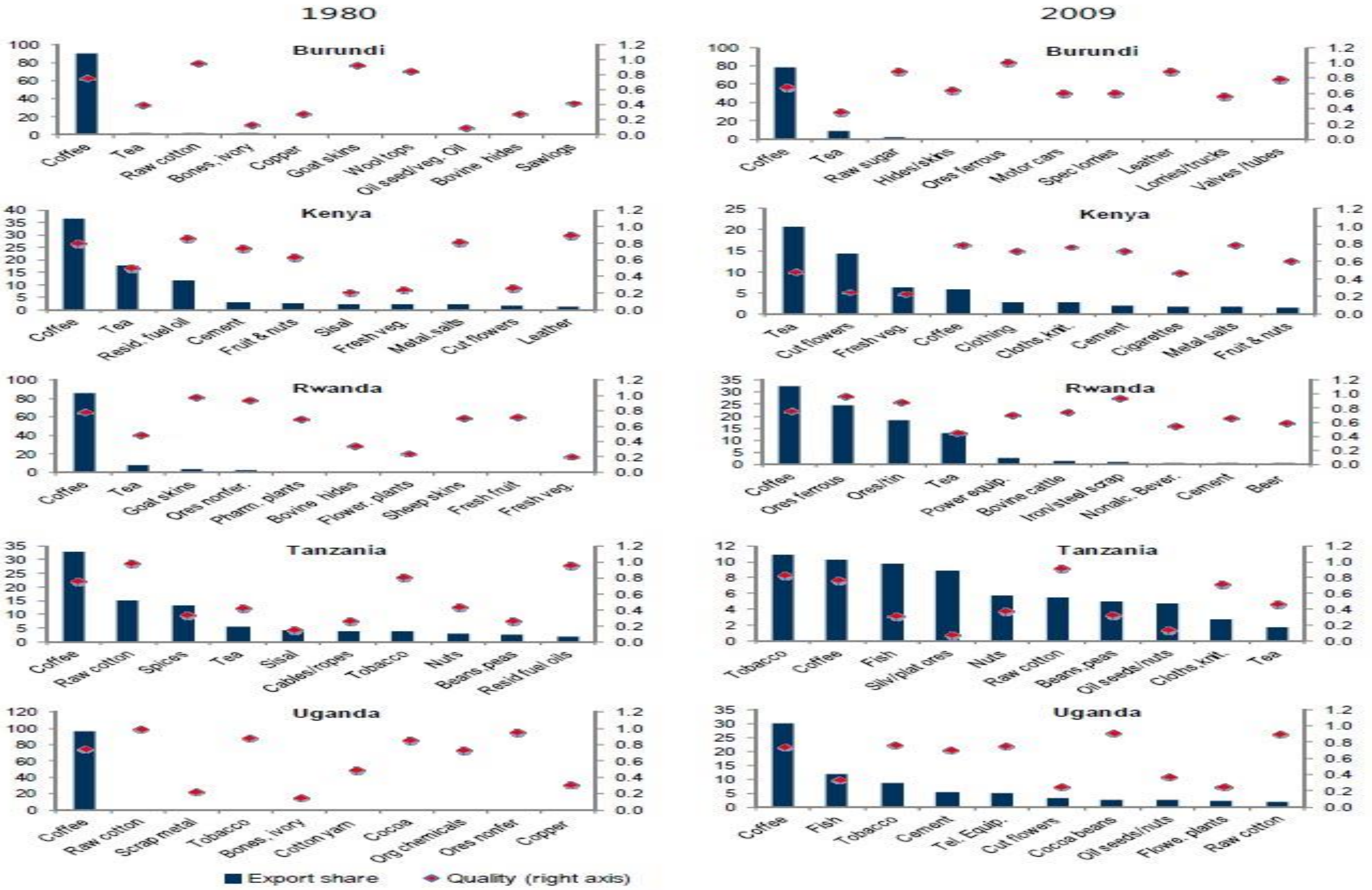
Source: Author's calculations, based on IMF Direction of Trade Statistics database.



Source: Author's calculations, based on IMF Direction of Trade Statistics database.

Figure 7.12: Quality of EAC Goods, 1980 and 2009

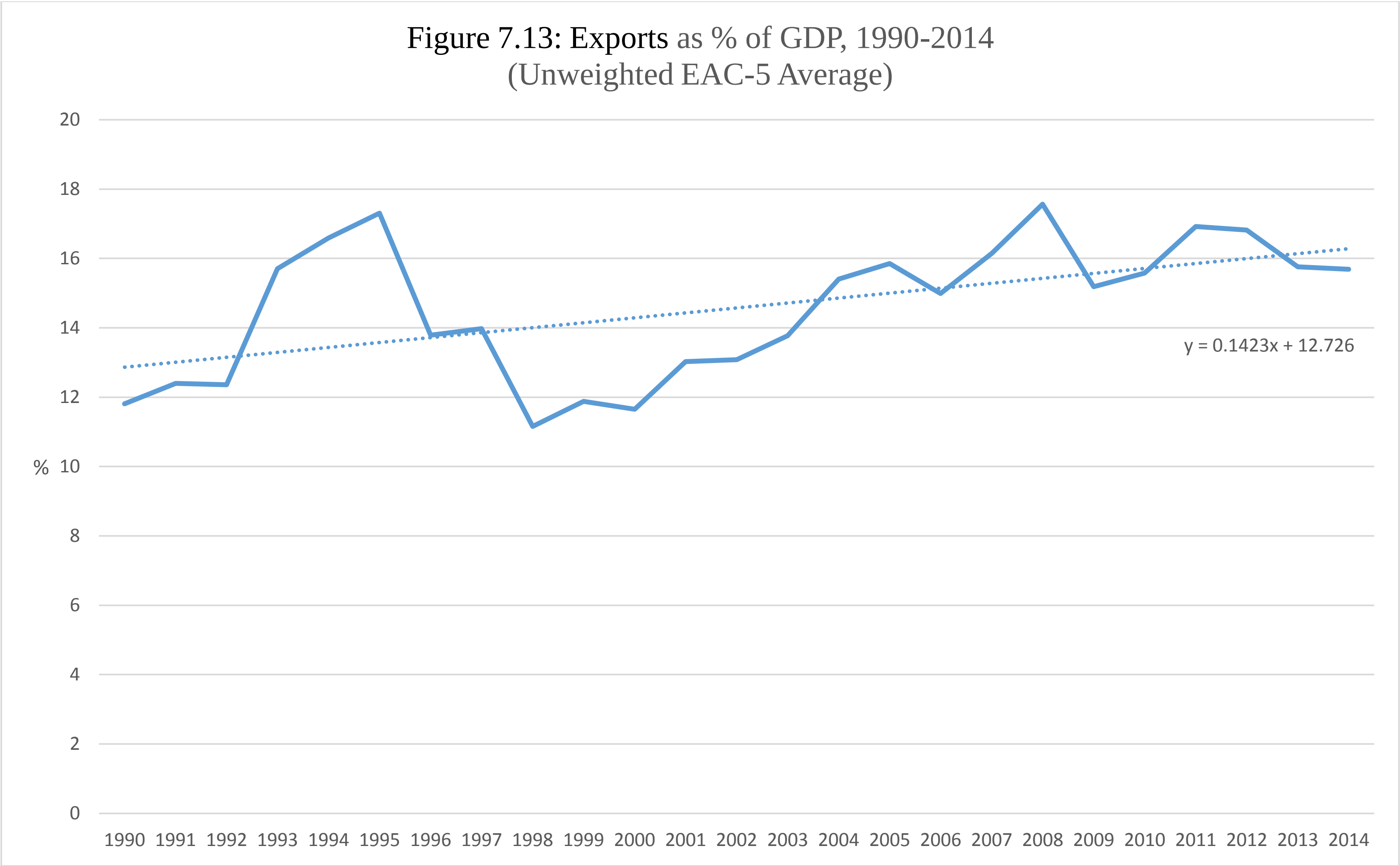
Figure 15. Quality of Top 10 products (four-digit level)



Note: Gold is not included in the export products here.

Source: UN COMTRADE and authors' calculations.

Source: Gigineishvili et al. (2014): 16



Source: World Development Indicators