UNIVERSITY OF RWANDA

COLLEGE OF BUSINESS AND ECONOMICS

Master of Business Administration

ECONOMIC OPPORTUNITIES AND CHALLENGES FOR DEVELOPMENT IN RWANDA

WITH A SPECIAL FOCUS ON COMMON MARKET PHASE IN THE EAST AFRICAN COMMUNITY

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In partial fulfillment of the requirements for the Master's Degree of Business and Administration Degree Awarded by the University of Rwanda

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June 2016

DECLARATION

I, Mukantwali Esperance, I hereby declare the work herby submitted to the University of Rwanda for the degree, Master of Business Administration, is my original work in design and execution, I explicitly state that this work is free of any kind of plagiarism or forgery and that all materials contained therein have been fully acknowledged and that this work has not previously been submitted by me or anyone else for a degree at this school or any other institution.

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ACKNOWLEDGEMENTS

I owe my deepest gratitude to Prof. Murty S. KOPPARTHI for his excellent guidance, motivation and endless enthusiasm and knowledge about my research. His guidance helped me to achieve my dream that was not going to become true if he did not assist me in research process and writing of this thesis.

Besides my supervisor, I would like to thank my family, friends and colleagues for their endless encouragement, assistance and advices.

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ABSTRACT

The general objective of the study is to analyze the challenges and benefits that Rwanda has been facing in accelerating economic growth and development in EAC. Thus to achieve this, the researcher analyzed the extent level of implementation of the common market phase of EAC in Rwanda, the level of awareness of economic opportunities in Rwanda from establishment of regional common market and identified the challenges of implementing of common market phase in EAC. The study adopted a descriptive design basing on the views from respondents to illustrate the benefits and challenges of development in Rwanda following the implementation of EAC activities notably the common market. It targeted a population of staff from the Ministry of the East African Community, Rwanda Revenue Authority and businessmen in Rwanda dealing in cross border trade among EAC member states from whom a representative sample of 30 respondents was chosen using stratified and simple random sampling techniques. Primary data was collected from respondents mainly using structured self-administered questionnaires after which the collected responses were analyzed using Statistical Package for Social Scientists (SPSS). The data was presented and analyzed using statistical tools like percentages, graphs and tables to come up with the relationship between the variables. It was concluded that, the East African Community is accelerating economic growth and development of the partner states through improvements in economic activities specifically trade with notable improvements as: larger market size, improved competitiveness, reduction in consumer prices, expansion of investments with member states and increased specialization to benefit from the principle of comparative advantage.

Key words: **Development, Common market, Economic development, Regional integration, Economic Integration, Opportunities and challenges.**

CHAPTER ONE :INTRODUCTION TO THE STUDY

This chapter presents a brief discussion of the background of the study about the benefits and challenges for development in Rwanda with emphasis on the implementation of the East African Community Common Market, statement of the problem, highlights the objectives of the study, specifies the scope and shows the significance of the study as the subtitles spell.

1.1 Background to the study

Rwanda is the most densely populated country in East Africa boasting 300 people per square kilometer; a small landlocked country with an area of 26,338 km² and a population of 11 million. The Economy of Rwanda has increased considerably after the 1994 Genocide against the Tutsi especially seen between the years 2000 – 2012 whereby the growth rate of GDP in 2008 increased from 8.2 % to 13.4%. In 2011,Rwanda's GDP per capita increased from USD 593 to USD 644 in 2012 thus being ranked as one of the fasted growing economies in Central Africa by World Bank. In 2013, Rwanda experienced a low growth rate in GDP of 4.7 percent and recovered the slowdown recording a growth of 7.0 percent in 2014.

Agriculture constitutes a third of Rwanda's GDP with 80% of the population involved in this sector. There are four EDPRS priorities that will help in boosting Rwanda's economic growth thus play a significant role in poverty reduction and Agriculture is one of them, the others are health, education and road maintenance. There are many international agreements that Rwanda has signed in order to penetrate international markets hence growth acceleration. Some of these organs are WTO, EU, AGOA, EPA and the COMESA-AC SADC Free Trade Area. Rwanda's joining the EAC has given such a great impact especially in the Customs Union and Common Market. This has also been the case with COMESA.

Focusing on Rwanda and EAC, the country has greatly benefited from trading with EAC member countries with market opportunity increase of over 130 million people consuming goods and services from Rwanda. Rwanda's exportation increased from 50.4 to 352.4 US $ million between 2010-2014 all because of implementing the Common Market Protocols that eliminated tariff barriers and harmonization of customs union. As mentioned above, Rwanda being a landlocked country faced a lot of transportation cost problems but these were greatly reduced with the direct connection to ports through the emerging sub-regional corridors.

Nevertheless, Rwanda's economy evidently still faces a lot of challenges although much has been done. Some of these challenges are: Lack of adequate infrastructure for industry, inappropriate technologies, and a good willing of regional integration with all members of EAC. These are key issues that still need to be improved so as to successfully reach regional integration.

The East African Community (EAC) is the regional intergovernmental organization of Kenya, The United Republic of Tanzania, Republic of Rwanda and Republic of Burundi with its headquarters in Arusha, Tanzania. This Treaty for establishment of East African Community was signed on 30th November 1999 and was entered into force on 7th July 2000 following its ratification by the original 3 Partner States -Kenya, Uganda and Tanzania. The Republic of Rwanda signed the EAC Treaty on 18th June 2007 and later became full Members of the Community with effect from 1st July 2007. (From http://www.mineac.gov.rw/index.php?id=27)

East Africa's history of regional cooperation started almost over a century ago. Kenya and Uganda operated a Customs Union since the 1900s, and then it was later joined by Tanganyika (Tanzania) in 1922. The East African High Commission was established in 1948 and lasted up to 1961. This was followed by the East African High Commons Services Organization (EACSO) from 1961 to 1967.The former East African Community was formed in 1967 and collapsed in 1977.Even after the collapse of the community, the spirit of cooperation among the three Partner States remained alive. They were determined to revive the community. Thus under meditation Agreement of 1984, The East African States agreed to explore ways to resume regional cooperation. The undertakings culminated into the signing of the Agreement for establishment of Permanent Tripartite Commission for East African Cooperation on 30th November 1993.

The EAC can be a termed as a harbinger for all five member nations to be one nation as East African Federation. In 2010, the EAC launched its own common market for goods, labor and capital all around the region. This was done with the goal of having a common currency by 2012 and full political federation by 2015. The progress of the EAC regional integration is high for the moment as it is at East African Customs Union when countries signed in November 2009, and its ratification in 2010 of the Common Market Protocol. The consultation on the monetary union which started in 2009 and the fast tracking the process towards, East African Federation all underscore the serious determination of the East African leadership and citizens to construct a powerful and sustainable East African economic and political bloc.

Regional integration arrangements (RIAs) had to have formation of regional cooperation by member countries with liberalized intra- community trade and increased mobility of factors of production. East African States have struggled to attain sustainable economic development and self-reliance through regional economic integration. As part of Vision 2020, Rwanda wanted to join the EAC as one of its key pillars. The goal of joining EAC was to broaden its market size and solving the issue of ports access as mentioned above, the country is landlocked. Rwanda has made some significant policy changes as well as trade liberalization with thought of enhancing regional economic integration. Regional integration and international economic integration is the sixth pillar of the national vision 2020. (GoR report, Annual Report 2009)

Regional integration is necessary and important for Rwanda and other member states as well as the African continent in general. This especially is so that we can stop the handouts aid relationship with the world and move to one of trade and investment. Rwanda joining EAC has a great impact on the economic growth through the elimination of the landlocked costs incurred in transport and business transactions, create a bigger market for the goods and services, and the harmonization of regulatory frameworks will increase if not stop sources of conflict and thus create a good environment that is conducive for profitability. Regional integration is very important as seen as the backbone of Africa in the future. In Rwanda there is a current policy analyses on the performance of trade and it looks the different challenges and also assesses their impact on growth. (GoR, Annual report 2009)

1.2 Problem statement

The country of Rwanda has been putting a lot of efforts in improving and sustaining its economic growth after the historical experience of Genocide of Tutsi in 1994. A lot of strategies and policies have put in place and have positively impacted the economic growth of Rwanda. The country of Rwanda has done a lot of positive changes in terms of political, technological, and economical sectors for the citizens. This has lead the country of Rwanda to be ranked by the World Bank as among top 3rd easiest economy to do business with in Sub-Saharan Africa, and in overall performance it comes to the 1st place compared to partner states in EAC. Nevertheless Rwanda is still among the poorest countries when compared to some of the same partners in EAC. This is mainly that Rwanda is a small and landlocked country which faces a lot challenges in terms of trade where transportation cost is very high and import duties are also high. The country's main goods are imported from its neighboring member countries of EAC and from other parts of the world. As stated above, one of the benefits of economic integration is that it facilitates member countries to practice a free trade area followed by having a customs union and a union of political state of the countries in the EAC.

Since Rwanda has all along largely depended on taxes that are collected from the imported merchandises, the implementation of the EAC activities means that there is a big impact that is likely to be faced by Rwanda having joined the East African Community common market. Therefore, as a scholar, this has created a big need to find out whether this action is going to benefit positively or negatively to promote commercial activities for Rwandan Government source of revenue.

1.3 Objectives

The study have both general and specific objectives

1.3.1 General Objective

To analyze the challenges and benefits that Rwanda has been facing in accelerating economic growth and development in EAC.

1.3.2 Specific objectives

i. To investigate the extent level of implementation of the common market phase of EAC in Rwanda

ii. To analyze the awareness of economic opportunities in Rwanda from establishment of regional common market

iii. To identify the challenges of implementing of common market phase in EAC

1.4 Research Questions

The main research question is to find out what are the challenges and opportunities of the regional integration process focusing on common market phase in Rwanda

i. To what extent has the common market phase of the EAC been implemented in Rwanda?

ii. What is the level of awareness of Rwandans about regional market opportunities that are available in other EAC countries?

iii. What are economic factors that have potential to challenge the implementation of common market phase in Rwanda?

1.5 Methodology

This involves the methods and techniques that have been used to conduct the study. The study adopt a descriptive design basing on the views from respondents to illustrate the benefits and challenges of development in Rwanda following the implementation of EAC activities notably the common market. It targeted a population of staff from the Ministry of the East African Community and businessmen in Rwanda dealing in cross border trade among EAC member states from whom a representative sample is chosen using stratified and simple random sampling techniques. Both primary and secondary data are used and collected from different sources; MINEAC, RRA and business people in Rwanda operating cross border trade in East African community as well review of existing about economic integration. Primary data was collected from respondents mainly using structured self-administered questionnaires after which the collected responses were analyzed using Statistical Package for Social Scientists (SPSS) and rating scale for questions requiring the extent. The data are presented and analyzed using statistical tools like percentages and tables to come up with the relationship between the variables. It summarized study design, population, sample size, sample selection and data collection. The techniques used for data collection are questionnaires and interviews.

1.6 Organization of the study

The study is presented in five chapters. Chapter one presents the background of the study, problem statement, objectives of the study, scope of the study, significant of the study and the limitations of the study. Chapter two is comprise of the literature review: This chapter highlights what different authors have said about region integration, common market, different stages of region integration and four freedoms of common market. Chapter three is the research methodology; it shows the study design, the study population, sample of the study and sampling techniques, methods of data collection and how data was analyzed. Chapter four is data presentation, interpretation and data analysis. Finally, chapter five presents a summary of the findings, conclusions and recommendations as well as areas for further studies.

CHAPTER TWO : LITERATURE REVIEW

2. 0 Introduction

This chapter presents the review of literature relating to economic, trade opportunities and challenges of Rwanda's development after joining EAC community and how Common market phase has been implemented**,** the problems faced by EAC members and how they have overcome them and the impact of Common Market phase in Rwanda's economy.

2.1 Definition of key concepts

2.1.1 Development

According to Seers (1979) the purpose of development is to reduce poverty, inequality and unemployment. For Sen (1999), development involves reducing deprivations or broadening choice. Deprivation represents a multidimensional view of poverty that includes hunger, illiteracy, illness and poor health, powerlessness, voicelessness, insecurity, humiliation and lack of access to basic infrastructure (Narayan, 2000, pp 4-5)

According to Richards and Elaine (1999), development is founding belief of the world, development means using productive resources of society to improve the living conditions of the poorest people. In development, all modern advances in science, technology, democracy, ethics and social organization fuse into single humanitarian project of producing a far better world.

Development refers to the act of expanding, enlarging or improving which something passes by degrees to different stages especially a more advanced stage. It can also be defined as the process of economic and social transformation that is based on complex cultural and environmental factors and their interactions.

2.1.2 Economic development

According to Professor of Economics & Public Policy Alan Deardoff at the University of Michigan as part of his International economics Glossary calls it “Gradual and ongoing increase in the economic life standard of a country’s population, meaning gradually increasing physical and human capital and improving its technology”.

Wayne Nafziger said in his book of Economic development Fourth edition (2006) that Economic development refers the increase of the economy especially in the output stage. The change may be majorly reflected in the GNP, less dependency on agriculture, increase in education level and better skills of labor, and good technical products originating from within the country. A lot has been said when defining economy development but generally it can be referred to the gradual increase of economic life standards measured by the income level of a country’s population.

2.1.3 Economic Growth

According to E. Ayne Nafziger economic growth refers to increase in a country’s production or income per capita. It is measured by the rate of real income per capita. Richland also said Economic growth is an increase in the standard of living (or quality life) for society overall. This includes an increase in items available to use, whether they are electronics, medicines, education etc.… Without an increase in innovation society couldn’t advance. The best measure is GDP (Gross Domestic Product). GDP is the sum of money values of all final goods and services produced in the domestic economy and sold on organized markets during a specific period of time, usually a year. (https://people.richland.edu/bhemenwa/macro_economicgrowth.pdf)

Economic growth can occur when GDP increases. This means either more products have been produced and sold or products have increased their value. When there is a decrease in GDP over two consecutive quarters, there is inflation being considered in the society. To regulate GDP can be complicated, when GDP increases quickly, it increases the economic growth however it can create also inflation and it can be bad if the increase rate is high.

2.1.4 Economic Integration

According to Anderson and Blackhurst (1993) economic integration refers to trade unification between different states by the partial or abolishing of customs tariffs on trade taking place within the borders of each state. This is meant in turn to lead to lower prices for distributors and consumers as no customs are paid within the integrated area and the goal is to increase trade.

Economic integration refers to trade unification between different states by the partial or full abolishing of customs tariffs on trade taking place within the borders of each state. This is meant in turn to lead to lower prices for distributors and consumers (as no customs duties are paid within the integrated area) and the goal is to increase trade. The trade simulation effects intended by means of economic integration are part of the contemporary theory of the second best where in theory the best option is free trade with free competition and no trade barriers whatsoever. Free trade is treated as an idealistic option and although realized with in certain developed states, economic integration has been thought of as the second best option for free trade where barriers to full free trade exist (International Trade Series, 2007).

2.1.5 Regional Integration

According to Philippe de Lombaerde (2006), Regional integration refers to processes of complex social transformations characterized by the intensification of relations between independent sovereign states. Trade and economic integration remain a central aspect of going integration schemes.

According to Philippe de Lombaerde& Luk Van Langenhore, regional integration is defined as a worldwide phenomenon of territorial systems that increase the interactions between their components and creates new forms of organizations co-existing with traditional forms of state-led-organizations at the national level.

On the other hand, according to Hans Van Ginkel, regional integrations refer to the process whereby countries that are in the same area, particularly neighboring each other augment their economic, political, social and cultural interactions.

In short, it can be said that regional integration is the joining of individual states within a region into a larger whole. The degree of integration depends upon the willingness and commitment of independent sovereign states to share their sovereignty.

Regional integration is a process through which states enter into a regional agreement in order to enhance regional cooperation through regional institutions and rules. Its objectives range from economic to political although it has become a political economic initiative where commercial purposes are the means to achieve broader social political and security objectives.

The International Trade Series (2007) stated that, increase of economic welfare has been recognized as a main objective of economic integration. The increase of trade between member states of economic unions is meant to lead to the increase of the GDP of its members, and hence, to better welfare which is thought to be a goal of any state around the world. This is one of the reasons for the global scale development of economic integration, a phenomenon now realized in continental economic blocks. The other objective for the states pursuing economic integration is to stay/become regionally and globally competitive, as the goods in the states outside economic blocks become more expensive (less competitive). This is the other reason making global economic integration inevitable.

2.1.6.1 Stages of Regional Integration

Preferential Trade Agreement (PTA): This agreement is considered as the smallest or weakest form of economic integration. This is whereby countries reduce the barriers imposed on member states when importing or exporting to member countries. This means that they reduce the tariffs imposed as compared to those of non-member countries. It should however be emphasized that this is reduction and not elimination.

Free Trade Area (FTA): This is the second stage of economic integration whereby the goods produced within the free trade area as per the rules of origin and establish these rules for origin for the third party countries. These should be clear and well written in the rules of origin. The third parties and non-members of the integration will trade under this law and the member countries should produce proof of manufacturing in order to trade under the agreement.

The Customs Union (CU): This is whereby countries decide to remove trade barriers among themselves and at most times decide to make a set of barriers against non-member states. It builds on free trade area and establishes a common external tariff (CET). CU can also use trade remedy mechanisms. Customs Union do not require rules of origin because any product entering the CU area would be subjected to the same rate of tariffs and quotas regardless of the border by which the products have entered.

Common Market (CM): This is a major step in economic integration whereby added to the customs union, member countries remove all barriers to the mobility of goods, services and capital. They also eliminate non-tariff barriers to trade. CM is significantly associated with the unifying of fiscal and monetary policies because the increment of interdependency. It should however be stated that common market places a significant limitations on member states' capacity to seek independent policies. The best advantage of Common Market is that due to the free movement of labor, capital and good, a member country can gain from what it lacks and looks up to the member states.

Monetary Union (MU): This stage is the deepest form of economic integration. This adds to the Common Market by harmonizing fiscal, industrial and monetary policies, labor market, regional development and transportation. This is done mainly because the member countries would be operating under the same economic space. Economic union mainly uses a common currency and a harmonized monetary policy. This majorly helps in the functioning of trade and business by eliminating the hard process of exchanging the original currency of member countries all the time.

Political Federation (PF): This is the last stage of integration and is refers to whereby the member countries now have a legal political union and become one nation under one harmonized constitution. The heads of the member states decide on the opening borders and becoming one country. This requires the member states to establish a common parliament, an economic policies and a single state with one leadership.

2.2 East African Community

The East African Community (EAC) is an integration of five countries; Kenya, Tanzania, Burundi, Uganda and Rwanda. They all form the EAC on different levels of regional integration**.**

2.2.1. Background of the East African Community

Economic cooperation among the East African Countries dates back two countries with the construction of the Kenya/Uganda Railway between 1897 and 1901. A customs union that was established in 1919 was preceded by the establishment of common customs collection in 1900 and the East African currency board in 1905. The early customs union was run by the Joint Economic Council established in 1940 and by the East African High Commission between 1948 and 1956. The commission was replaced by the East African Common Services Organization (EACSO) in 1961 and was responsible for the customs union until 1967. The EACSO had substantially more administrative and legislative authority than the commission.

The three partner states (Kenya, Uganda and Tanzania) signed the Treaty of East African Economic cooperation in June 1967 that established the East African Community. The Treaty outlined the objectives of EAC " to strengthen and regulate the industrial, commercial and other relations of the partner states to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities the benefits where of shall be equitably shared". The remit of EAC was ambitious and covered: legal and legislative affairs; economic matters; and management of joint organizations. However, because of perceived inequality in the distribution of benefits, ideological differences in levels of development and lack of political will to solve real or imagined problems, low private sector and civil society input in the running of the community, the community collapsed in 1977 (MEAC,2011)

The collapse of EAC was a heavy blow to regional integration arrangements in Africa and caused economic and social hardships to East Africans. It is therefore not coincidental that efforts to revive cooperation began after the signing of the East African Community mediation agreement in 1984. A tripartite committee of officials was set up in 1986 as a mechanism to re-establish regional co-operation. After a series of meetings, this mechanism was formalized with the signing of the Agreement for the establishment of a permanent tripartite commission for East African co-operation in Arusha on 30 November 1993. This was followed with the signing of the protocol on the Establishment of a secretariat of the permanent tripartite commission in Kampala on 26 November 1994. The three heads of state directed that the EAC secretariat be operational by 1 march 1996 and be based in Arusha. Thus the negotiations for the re-establishment of EAC began, leading to the signing of the treaty for the Establishment of the East African Community on 30 November 1999. The Treaty came into force on 30 July 2000 ushering in a new era for co-operation in economic, social and political affairs by the peoples of East Africa.

The Treaty sets the customs union as the first stage of the new co-operation. However, it provides a clear trajectory towards deeper co-operation as indicated by article (5) which states that the partner states undertake to establish among themselves and in accordance with the provisions of this treaty, a customs union, a common market, subsequently a monetary union and ultimately a political federation in order to strengthen and regulate the industrial, commercial, infrastructural, cultural, social , political and other relations of the partner states to the end that there shall be accelerated, harmonious and balanced development and sustained expansion of economic activities , the benefit of which shall be equally shared.

A protocol on the East African Community Customs Union was concluded in March 2004 in accordance with article (75) of the Treaty which stipulates that "the partner states shall within a period of four years conclude the protocol on the Establishment of a customs union". The customs union came into force in January 2005 and has since made steady progress in the implementation of its programs. The attainment of partner states means that the common market is the next level of integration in East Africa. The council of ministers directed in April 2006 that negotiations for EAC common market should be started by 1 July 2006; and that the negotiations should be conducted within three years so that the common market protocol becomes effective in January 2010.

The directives of the summit on negotiations for the common market are mandated by Article (5) and also Article (76) of the treaty which states that " There shall be established a common market among the partner states. Within the common market there shall be free movement of labor , goods, services, capital, and the right of establishment".

Thus the common market will be implemented through a protocol to be concluded as prescribed by Article 76 of the treaty.

As Article 76 of the treaty states, the main features of a common market are what have been called the four freedoms: the free movement of labor, goods, services and capital within the union. These freedoms imply total elimination of barriers to trade in goods and services, accompanied by free movement of capital, persons and the right of establishment in the common market. Harmonization and coordination of monetary and fiscal policies are also essential requirements. It is also agreed that strong and effective regional institutions , such as the courts and legislatures are essential for the success of a common market.

After several years of negotiations , Rwanda and Burundi joined the EAC on 1 July 2007, bringing the blocs membership to five states, with a combined population of 145.5 million (2014) and (GDP) Gross Domestic Product (at current prices) is 147.5 billion and a land mass of more than 1.82 millions square kilometers. EAC Facts & Figure Report (2015)

The Treaty for the establishment of the East African Community was signed on 30 November 1999 but it was implemented from 7 July 2000 after the ratification by the three Partner States that started it: Kenya, Tanzania and Uganda. The Republic of Rwanda and the Republic of Burundi were granted access to the EAC Treaty on 18 June 2007 but were fully members of the Community with effect from 1 July 2007. The vision and mission of EAC to fighting against poverty and strive for the growth of the economy. The vision states that the EAC strives for an Africa that is prosperous, politically stable and secure. The mission aims at improving the population’s standards of living through the increase of economic, political, social and cultural welfare, value added production and investments.

2.2.2 Other Regional Economic Integration in Africa and Europe

West Africa

ECOWAS was created in 1975 and is made of West African countries with Nigeria being the one influencing affairs mainly because of its population and GDP proportion. This integration however has not improved in terms of trade integration except of tariffs for imports and exports. It mainly is involved in general peace keeping of the region.

UEMOA (Union Economique et Monetaire Ouest Africaine) is another integration of West Africa mainly imitating the European Union Maastricht Treaty. This is a monetary union signed in 1997 although it originates from a former CEAO that was signed in 1973. The country members use the CFA and have now reached the stage of Customs Union. ECOWAS and UEMOA have understandably had their differences due to the fact that they are both integrations that are gearing towards a common future, but recent facts have shown that these differences are diminishing especially when looking at the stages and protection treaties they should use such as the CET.

Central Africa

In Central Africa regional integration was also influenced by the colonialists.They formed the Union Douanière et Economique de l’Afrique Centrale (UDEAC). This integration has not worked well with the Customs Union stage mainly because of lack of compatibility and cross border trade. There are other monetary and economic mergers on Central Africa such as that transformed UDEAC into Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC). CEMAC added on a few more countries, including Rwanda, DRC, Burundi, Angola, and Sao Tomé and Principé and formed what is known as the Economic Community of Central African States (ECCAS). ECCAS however has not made significant economic integration but made much progress in the political and security of the member countries. The main reason as to why economic integration is not progressing as fast as it should is the lack of infrastructure that links all these countries.

Eastern and Southern Africa

The most complex institutional structure in the region of Africa is most definitely Eastern and Southern Africa. There are two main bodies that have grown stronger in integration over the years: The Southern African Development Coordination Conference (SADCC) was founded in 1980 with the aim of decreasing their dependency on South Africa especially in transport and energy. In 1992 it was changed into a regional integration and by 2004 it was the greatest economic integration block with the highest GDP in Africa once South Africa joined.

The Preferential Trade Area (PTA) for Eastern and Southern Africa created in 1981 later changed its name to the Common Market for Eastern and Southern Africa (COMESA) in 1994. It is now on the stage of Free Trade Area due to the fact that not all member countries have accepted to unite under this stage and hence no progress to Customs Union.

The COMESA and SADCC both share some countries in their integrations. And under these some other integrations have been born, such as the EAC, Intergovernmental Authority for Development (IGAD), the Southern African Customs Union (SACU) and the Indian Ocean Commission (IOC).

European Union

This brings together most of the European countries with unique goals and objectives: It was formed mainly: To promote economic and social progress through helping people to get enough money and get treated fairly; Speak for the European Union on the international scene. By working as a group the European Union hopes that Europe will be listened to more by other countries; introduce European citizenship. Anyone from a member state is a citizen of European Union and gets four special rights; Develop Europe as an area of freedom, security and justice. It is meant to help Europeans to live in safety, without the threat of war; maintain and build on established European Union law. Make laws that protect people's right in the member countries. Members of European Union include; Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and United kingdom.

2.3 Background of East African Community Common Market

The protocol on the establishment of EAC Common Market was launched on July, 1, 2010 with an agreement with members of states of EAC. The EAC Common Market protocol highlights that the single market will be characterized by four freedoms; free movement of persons, labor, goods, services and capital; and the rights of establishment and residence. This requires a lot of effort from all members of states to harmonize polices, reform institution and legislative.
The East African Community Common Market protocol aim to integrate Partner states' markets into one single market with the specific objectives of:

Promoting economic growth and development of Rwanda through the achievement of movement of goods, persons and labor, the rights of establishment and residence and free movement of services and capital; Reinforcing, coordinating and controlling the economic and trade relations among the Partner States in order to accelerate and promote harmonious and balanced development within the countries; Strengthening the expansion and integration of economic activities within the Community to maximize the benefit for both citizens among EAC countries; Encouraging a common understanding and cooperation among the members of states to the benefit of their economic growth and social development.

The implementation of EAC common market is provisioned by four principles namely: The principle of non-discrimination over other partner states of EAC regarding the nationality; Equal treatment among members of other partner states; Guarantee transparency in resolving conflicts concerning the other partner states; Equal share of information regarding the implementation of the common market protocol.

2.3.1 Elements of East African Community Common Market

Free movement of Goods in EAC: Scarcity of goods among EAC members is still a major economic challenge in EAC countries. Enabling free movement of goods will help the EAC countries in need to satisfy their productivity and this will be supported with the implementation of customs union protocol that helps the intra-trade of goods within the region as the key to facilitate the economic growth of EAC countries.

Free movement of Labor in EAC: To facilitate the free movement of people, members of states are required to non- discriminate against the citizens of other partner states based on their nationalities. An EAC worker should be able to move from one country to another without boundaries within the region. Equal employment opportunity should be offered to EAC members to hinder the problem of scarcity of skilled labor and reduce the budget that EAC countries spent on international labor from others countries across the globe. Furthermore the freedom allows them to enjoy being part of associations, trade unions of the host partner state. Rights and benefits on social security of the hosted partner should be equally allowed as guaranteed to the workers of the hosted partner state. Equal employment opportunity as well as remuneration and other conditions of work should be equal regardless the citizenship. This goes in hand with their academic and professional qualifications as well experience acquired in their home country should be recognized without any additional examinations.

Free movement of persons in EAC: The common market protocol ensures EAC citizens to move from one EAC country to another without being discriminated against on the basis of their originals. This is guaranteed through four major measures. Citizens should cross one country of another EAC country without a visa; should freely move in the partner state within the region and stay in there and exit without the limited time. The citizens should be guaranteed the security during their stay in the hosted partner states and partner states are required to travel with their official documents such as national identification or passport document. The protocol also requires members of the state to keep their borders operational twenty four hours to facilitate the free movement of its citizen.

Right of establishment and residence: The Common Market protocol ensure to a worker being self-employed of a partner states to enjoy the same right of social security scheme and start up a business activity in the territory of another partner states without discrimination. The protocol guarantees citizens the right of residence in another partner states, the rights to the ownership of the land property, house etc. The right of residence should be applicable to the spouses, children and dependent of workers.

Free movement of Service: There must be an opportunity of supplying services among nationals of partner states; and free movement of services and suppliers who are nationals of the EAC countries.

2.3.2 Opportunities of the East African Community to member states

According to IMF (2008), the following are the benefits of economic integration:

Trade Creation: There is a wide choice of goods and services for member countries of the regional integration with a competitive price after removal of tariffs and trade barriers. This facilitates the member countries to trade among themselves and improves their economy in terms of comparative advantage where when one country gains what it doesn't have in another country.

Greater Consensus: With a small number of members of states, it is easier to understand and have a common consensus amongst small memberships in regional integration.

Political Cooperation: A union of nations can have a greater impact in helping conflicts resolution and political instability that may affect the region. It is a useful instrument to solve economic challenges associated with globalization.

Employment Opportunities: One of the freedoms of regional integration is Common Market, where there is free movement of people, services and goods; this creates job opportunity for the member states who are interested in allocating their resources in terms of capital, services, skills and knowledge to other potential countries in the same regional where such people are needed

As economic integration encourages trade liberation and lead to market expansion, more investment into the country and greater diffusion of technology, it creates more employment opportunities for people to move from one country to another to find jobs or to earn higher pay. For example, industries requiring mostly unskilled labor tend to shift production to areas where such labor can be easily acquired.

Economic integration offers opportunities for the member states. It allows these countries to adapt new technologies which reduces transport costs and advances in information communication and technology which in turn helps to overcome the barriers posed by distance and isolation. This is concerned with the characteristics of member countries, its implications on trade and the opportunities provided by trade liberalization and globalization. However it should be noted that benefits from economic integration are not automatic. Sequencing of reform and development of regulatory frameworks are very important. In addition countries undergoing integration lack the capacity and expertise to deal with such excessive and complicated negotiation and the implementation process. It is important to provide adequate financing and support for the weak economies to minimize the social consequences that would otherwise result into failure of such initiatives. (Thomas, 2004)

Other benefits of economic integration include: Wider market, Best practices in developing Business Environment, Strong voice in global trade negotiations, Wider skills base, Joint ventures and expansion of investments by business people, Joint partnership in developing infrastructure and cutting the cost of doing business, Cooperation on cross border issues and challenges (tourism, environment, health, etc.), Landlocked to land linked economy, Removal of tariff and non-tariff barriers to trade; Even within COMESA, Rwanda's trade is mainly with EAC Partner States, Thinking beyond ethnic and national identities towards a much bigger citizenship leading to a smooth globalization, Mutual support and peer pressure to sustain peace, security and good governance in the region, Reduced prices due to calculation of duties and taxes at the point of first entry into the community and elimination of internal tariffs. (Study on the establishment of an EAC common market: Final Report by M.A. Consulting Group, August, 2007)

2.3.3 Benefits of implementing the EAC Common Market

According to the East African Community Common Market Training Module 2011, the following are some of the advantages and benefits of implementing the EAC activities;

Reducing Tariff barriers leads to trade creation: Trade creation occurs when consumption switches from high cost producers to low cost producers. The removal of tariffs leads to lower prices for consumers and an increase in consumer surplus, imports will increase, however, the magnitude of this increase depends upon the elasticity of supply and demand. If demand is elastic consumers will have a big increase in welfare.

Increased exports: As well as benefits for consumers importing goods , firms exporting goods where a country has a comparative advantage will also see a big improvement in economic welfare. Lower tariffs on a country's export will enable a higher quantity of exports boosting a country's jobs and economic growth. The country will have a room to produce more for a bigger market at an advantage of free tax zone.

Economies of scale: If countries can specialize in certain goods they can benefit from economies of scale and lower average costs, this is especially true in industries with high fixed costs or that require high levels of investment. The benefits of economies of scale will ultimately lead to lower prices for consumers. Economies of scale are achieved when a country or corporations produce massively and this is possible in case of bigger and accessible market like this of East Africa.

Increased competition: With more trade domestic firms will face more competition from abroad therefore there will be more incentives to cut costs and increase efficiency. It may prevent domestic monopolies from charging too high prices. With free movements of goods monopolistic barriers would be broken hence exposing domestic firms to stiff competition that will make them revise their operations to remain in business.

Trade is an engine of growth: World trade has increased by an average of 7% since the 1945, causing this to be one of the big contributors to economic growth. World trade organizations research shows that countries can benefit more when they combine their economic resources to attract investment than a single country would.

Make use of surplus raw materials: Middle Eastern countries such as Qatar are very rich in reserves of oil but without trade there would be not much benefit in having so much oil. Japan on the other hand has very few raw material without trade it would be very poor. Free mobility of factors of production also makes it possible for countries to benefit from expertise knowledge at a low cost.

Tariffs may encourage inefficiency: If an economy protects its domestic industry by increasing tariffs industries may not have incentives to cut costs. The negative side effect of protecting domestic industries is retaliation; other countries would do the same. This is not favorable for countries whose population is small because they cannot access foreign markets hence keeping their domestic industries stagnant.

2.3.2 Common Market implementation challenges in EAC

The implementation of EAC common market might be difficult to achieve to the various aspects. To start with, language barriers can be a big problem where every partner state has the official languages which are different from the other language of the partner state in EAC. For instance, Burundi and Rwanda are still using French as national languages where Uganda and Kenya use English and Tanzania uses Kiswahili, even though Rwanda has inserted English in national language, but the country is still struggling with English as a national language. Burundi still uses French only as official language. This can be difficult for those countries to trade within each other because of communication barriers and to overcome that; the state partners should use one common language to facilitate business in the region. Furthermore this will have a negative impact on obtain an employment opportunity in the host country and also lack of harmonization in education system will be another barrier to EAC countries.

Tax harmonization has made an important progress especially in value added tax (VAT), the harmonization of excise taxes and the conclusion of a double tax agreement among all five countries. Nevertheless, a continuous improvement is still needed especially for the different national tax regimes for small and medium size business.

The challenge of e -registry for all partner states is not yet fully implemented. For instance only Kenya, Rwanda and Tanzania have been able to implement it whereas Burundi and Uganda is still left behind.

This affects the harmonization of business registration across the five countries where a business registration certificate from EAC country is not accepted in another country of the same regional integration. Lastly but not the least, the challenge of harmonization of non- tariff barriers is still pertinent in EAC, where there is delays in issuing the certificate of origin, no consistent of regulations and standards.

2.4 Theoretical Review

2.4.1 Opportunities, Costs and Benefits of Economic Integration

Based on Europe’s experience, most studies indicate that regional integration coincides with a substantial decrease in income inequality between countries (R. Leonardi. 1995). While economic factors are important, it is political integration that appears to drive this convergence. It suggests that institutional forces outweigh market forces in bringing national economies closer together (J. Beckfield. 2009). Economic arguments show free trade and factor mobility from integration allow less-developed members to grow faster than more-developed ones. Factor price equalization further supports the convergence hypothesis (W. Stolper and P. Samuelson, 1941). In a two-country resource-rich/resource poor model, lowering tariffs has a negative effect on real wages in the resource-rich country (most gains accrue to resource rent), while the resource-poor country benefits through terms-of-trade (TOT). An institutionalist economic explanation, however, emphasizes more the formal structure and the role actors play in integration initiatives. It suggests that as economic actors follow common rules in a more integrated system, and markets increase in size and complexity, convergence will likely result. It also stresses the importance of institutions politically established. Thus, to analyze convergence, political relations matter more than regional markets or the process of economic development. Convergence can come from the diffusion of common development policies and the diffusion of common rules and market regulations.

For instance in Asia, inequality between countries has been declining intuitively; more risk sharing through integration makes sense. But many empirical studies show the degree of risk sharing following integration has been limited. Since the work of (D. Backus, P. Kehoe, and F. Kydland. 1992), several studies have examined the presence of full risk sharing using cross-country income and consumption correlations. Most of them found that perfect risk sharing does not happen. Alluding to Asia, given an idiosyncratic shock, risk sharing in Asia was not strong, nor did it improve. Based on numerous studies across many countries, the mismatch could come from several factors, ranging from using domestic equity markets as a major source of finance (K.R. French and J.M. Poterba. 1991) time horizon and measurement errors, (F. Canova and M. Ravn. 1996), consumption endowment uncertainty to the limited size of capital flows and higher sovereign default (Y. Bai and J. Zhang. 2012).

Financial integration in many regional groupings remains limited; but it is increasing, especially after the 2008/09 global financial crisis. The effect of financial integration on economic growth has been well documented more so than the effect of integration on international risk sharing (R. Levine. 2001). Examining the impact of financial integration on macroeconomic volatility (one indicator of risk sharing), Prasad, Rogoff, Wei, and Kose (2003) argued that for more financially integrated developing countries, the consumption volatility relative to the volatility of gross domestic product (GDP) increases. Another study tested seven countries in East Asia for Granger causality between growth rates in consumption, investment and GDP between countries. Despite evidence of common trends and factors, the patterns of commonality differ between these variables. The results never ruled out the possibility that there is no causality between growth rates of those variables across pairs of countries.

2.4.2 Costs and Risks of Integration

People talk more frequently about the benefits of integration, especially when new regional cooperation initiatives are launched to strengthen integration for example, initiatives to share risk, joint commitments on domestic reform, positive spillover effects, liberalizing markets, and division of labor. Much less is heard about the risks of integration. The cascading effect of the ongoing Euro zone crisis is a vivid reminder of the contagion risk of highly integrated systems. The main argument against excessive integration is that it exacerbates contagion in times of crisis. Examples abound of financial crises rapidly spreading from one country to another, especially when integration is deeper due to either geographical proximity or a regional arrangement. While a shock may originate in the financial sector of one country, it can rapidly infect others across a region affecting entire economies and damaging people’s welfare. For Asia, the damage caused by the 1997/98 Asian financial crisis is a powerful reminder of the danger of contagion. An idiosyncratic shock occurring elsewhere can leap across boundaries, devastating another’s economy. And yet the scale of integration in Asia at the time was

more limited than low, despite some policy convergence. One can only imagine how bad the crisis would have been had intra-Asian cross-border financial holdings been larger than they were.
In a currency union, the risks of integration cannot be overemphasized. Many studies prior to the formation of the euro emphasized the benefits and opportunities of having a single currency. This could be true for Asia as well. But when the costs and risks are taken into account some of which are intangible single currency remains a long-term prospect. Even after running some sensitivity tests, the result is the same (I. Azis, 2009). Clearly, neglecting the risks and costs of having a single currency to promote regional integration could be counterproductive.

Trade diversion as opposed to trade creation is another classic risk of integration debated among academicians and policymakers alike In Asia, the South Asian Free Trade Area (SAFTA) is a notable example. Given relatively high levels of protection in the region, many predicted that the risk of trade diversion is rather high (Baysan, A. Panagariya, and N. Pitigala. 2006). This could be minimized, however, when regional integration is pursued along with unilateral and multilateral liberalization. When geographical agglomeration effects are also at work, regional integration produces unequal net benefits; development takes place in a few rather than in all.

If not well managed, integration can increase inequality within countries**.** In a report by the Commission on the Measurement of Economic Performance and Social Progress, Nobel laureates Joseph Stiglitz and Amartya Sen, along with Jean-Paul Fitoussi (2010) viewed inequalities as the first crosscutting challenge for quality-of-life indicators. They argued that inequalities should be assessed comprehensively by examining differences in quality of life across people, groups and generations. Unlike the relation between regional integration and income inequality between member countries, the relation between regional integration and income inequality within countries is based on the idea that market competition and the labor/capital balance of power is a key determinant of income inequality.

2.5 Empirical Review

Empirical studies on economic integration and inequality are scant, most of them done in relation to European integration. They argue that economic integration tends to create a larger labor market and increase wage competition between workers (B. Western. 1997). With workers exposed to competition beyond national boundaries, their bargaining power weakens either through unions losing influence or by other means. In this case, further integration is expected to increase inequality internally (A. Alderson and F. Nielsen. 2002)

So what is the difference between the impact of globalization and that of regional integration, as both give rise to increased market competition? Labor markets expand more readily and labor is more competitive within regions than between regions. Consequently, firms can more easily exercise control over subsidiaries within than between regions. Also, political institutions are more similar within than between regions. So one can hypothesize that regional integration is likely to exert a larger effect on labor unions, and thus have a more pronounced effect on income inequality. In some cases more developed institutions (like in Western Europe) can insulate workers from the pressures of international competition (D. Cameron. 1978). Strong welfare states with generous unemployment benefits and training programs can help stabilize the national economy against the vicissitudes of international markets, such that worsening inequality can be averted when regional integration increases.

More still, most empirical evidence on this is based on Europe's integration experience. The welfare state shapes stratification directly through income transfers and it can reduce inequality and poverty (D. Brady. 2003). But European integration is also associated with retrenchment of Western European welfare states through spending limits imposed by the convergence criteria of the 1992 Maastricht treaty (W. Korpi. 2003). A more limited national autonomy due to regional integration also contributes to the shrinking of the welfare state, one consequence being worsening income inequality. Inequality within most Asian countries has been worsening (Asian Development Bank Outlook, 2012). This occurred even with economic integration rising, though still limited. The simultaneous occurrence of two events does not imply causality, however with limited integration;
It is hard to draw any accurate conclusion on the link between regional integration and rising inequality within Asian countries.

Current efforts in Asian countries to intensify regional cooperation to remove barriers to trade and finance and to further market deregulation negative integration may produce forces that can surpass those caused by regulations to correct market failures positive integration (F. Scharpf, 1997). Unlike in the past, it is now widely acknowledged that income and wealth inequality has a clear negative impact on future growth. Inequality is often associated with the insecurity of property rights, which will lower investment. This is a common knowledge but the uncertainty created by the diffusion of political and social instability caused by inequality also tends to raise rent-seeking and dampens investment. Thus, if regional integration leads to greater inequality within a country, growth and the prospect of improved welfare will be affected adversely. The policy response to a crisis caused by an integration driven contagion can damage welfare, especially when governments are belt tightening. As integration makes contagion easier to occur, it raises the probability of a crisis, the policy response to which is often belt-tightening. While some argue that this is needed to restore confidence in a crisis, they neglect to count the irreversible impact from wage cuts, tax increases, benefit reductions, and reduced subsidies that largely affect the most vulnerable in low-income nations.

There is an estimated one billion undernourished people worldwide, 60% of whom are women and close to 180 million children fewer than five have stunted growth as a result of lack of food exacerbated by rising prices of basic commodities resulting from fiscal restraints. According to Organization for Economic Cooperation and Development (OECD) report, some 20 million jobs in both developed and developing countries disappeared since the 2008/09 global financial crisis and 21 million jobs must be generated in G20 countries just to match the pre-crisis employment rate. OECD and International Labor Organization (ILO) (2012). The report also says this is impossible in the near term. If anything, there is a risk the unemployment rate could increase.

Based on information from 128 countries, the study found governments basically relied on five ways to save cash: cutting or capping wages (56 countries); phasing out or removing subsidies, mainly for fuel but also electricity and food (56 countries); rationalizing or means testing social programs (34 countries); reforming pensions (28 countries); and raising consumption taxes on basic goods (53 countries). In Asia, even without the crisis and austerity measures, several critical Millennium Development Goals (MDGs) have not meet their 2015 targets such as maternal mortality rates, number of underweight children, and access to improved sanitation. Thus, while it is bad enough to have a crippled financial sector in a crisis, nothing is more serious than the true crisis costs to welfare when speaking about the risk of integration.

While a crisis can reduce pollution and resource consumption through reduced economic activity, the bad effects on the environment are more obvious. A weakened economy tends to reduce environmental priorities. Working toward a quick recovery, promotion of environmentally-damaging enterprises could harm those living nearby and worsen the national environment. It is easy to let the environment take a back seat to recovery. Some pro-environment policies are also likely shelved as cost and regulatory oversight tends to weaken during a crisis. The list is almost endless, but the bottom line is that, when regional integration raises the probability of contagion, the resulting crisis goes well beyond trade, to maintain the integrity of domestic institutions (Azis. 2011). Filled in with the right measures, policy space can positively contribute to the regional economy. The key principle is to be clear and transparent that the unilateral policy and national deliberation are based on facts and evidence for improving welfare. While a strong fixed income market in individual economies is welfare improving, it also helps regional bond markets and the regional economy. Associating regional integration with regional/global commons is a less-explored frontier, but critical if one is to be more realistic about the concept of regional integration, development and governance, and to focus more on welfare improvement.

2.6 Gaps identified

According to the report made on Regional Integration Implementation Program the analysis of the impact of Customs Union on Rwanda economy was based on a group of four other member countries in EAC, namely, Burundi, Kenya, Tanzania and Uganda among which Rwanda trades with. Initially the member countries will be reducing tariffs slowly until a point where these EAC member countries will be undertaking trade freely without being restricted by the barriers of tariffs or quotas on trade and adopting a common external tariff for all member countries imposing the same external tariff on countries outside the EAC Customs Union.

Using a partial equilibrium model, revenue, consumption and welfare impacts are estimated. Based on data collected from the government of Rwanda for simulation. The analysis deals with the statistic effects of a Customs Union, which normally have both positive and negative effects. A decrease in tariff rates decreases tax revenue and at the same time increases social welfare, consumption being a subset. Therefore, overall effect is what matters in the economy. If the percentage increase in welfare is high compared to percentage decrease in tax revenue, then such a Custom Union arrangement would be superior to the status quo (before joining a Customs Union). In such case a Customs Union among members is beneficial because a small percentage decrease in tax revenue will be compensated by a large percentage increase in welfare. The argument so far is that a Customs Union may or may not lead to an overall welfare improvement for all its members.

The current study, like most other studies, which have analysed the various effects of a Common External Tariff use a quantitative approach to assess the impact on member states' consumption, revenue, welfare and other effects caused by changes (decrease) in external tariffs. The partial equilibrium model used here follows the approach used by (Mackay, 2000). It has three basic assumptions, that is: that markets are perfectly competitive, there is perfect substitutability between imports and domestically produced goods of similar type and those prices for imports from EAC are higher than prices of the rest of the world (ROW) which is not a reality.

CHAPTER THREE: RESEARCH METHODOLOGY

3. 0 Introduction

This chapter describes the methodology that was employed in conducting the study. The methodology specifies the research design, the target population or the area in which the study was conducted, the sampling design, data source and collection methods, reliability and validity of the instruments and then data processing and analysis.

3.1 Research Design

The study adopted descriptive design basing on the responses from respondents to illustrate the benefits and challenges of implementing the East African Community Common Market in Rwanda. The quantitative methods of data collection were used while carrying out the study because the research findings were summarized using tables, frequencies and percentages and analysed to come up clearly with the level of benefits and challenges Rwanda faces in implementing the EAC common market activities.

3.2 Target population

The study population consisted of 90 members: 20 members from the Ministry of the East African Community, 30 Rwanda Revenue Authority customs department and 40 businessmen operating trade activities in the EAC.

3.3 Sample Design

Stratified and Purposive sampling designs were used for this study. The researcher first grouped the population according their homogeneity groups and the chose purposively a representative sample of 30 members who have the knowledge and capacity to answer the questions and provide information to have the study completed. A purposive approach was used to help the researcher to select only people who had notion on the subject under the study and thus selected only businessmen operating in the East African Community, RRA employees in customs at the head office and employees in Ministry of EAC responsible for the implementation of EAC common market activities.

3.4 Data collection

Both primary and secondary data were used to collect data:

Primary data: According to Blumberg (2005) primary data is collected to help the researcher beef up the gaps in secondary data which may not be easy to access. Primary data was collected by use of questionnaires given to the sample of respondents that were chosen from the study population.

Secondary Data: Blumberg (2005) asserted that secondary data is relatively quick to gather as well as cost effective, but one should be aware that it might not be fully relevant and may not be updated. For secondary data the researcher reviewed studies related to the topic area such as journals, books, annual reports and any other document which allowed the researcher to gather relevant data for this study

Both primary and secondary data were used to gather the basic information from which conclusions and recommendations were drawn from decision making.

3.4.1 Data collection instruments

In order to collect primary data, questionnaires were used. Questionnaires are data collection instruments which are commonly used to obtain information about the population. According to Mugenda (1999) each item in a questionnaire is developed to address a specific objective, research question or hypothesis of the study.Questionnaires were use in most cases because they are easy to administer and save time. This technique helped to collect primary data using structured self-administered structured questionnaires with both open and closed ended questions that were administered to a sample selected from MINEAC staff, RRA customs staff at the headquarters and businessmen operating in the EAC. These questionnaires were preferred because they leave room for the respondents to give in their views in addition to the available options provided by the researcher and hence yielding quality data. In this case data regarding the benefits and challenges of implementing common market activities among the EAC member states and Rwanda in particular was generally gathered.

3.4.2 Reliability and Validity

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials; yet validity is the accuracy and meaningfulness of inferences which are based on research results (Mugenda, 1999). Content validity was ensured through use of valid concepts which measure the study variables. Construct validity was based on to ensure that questionnaires are content valid and this was achieved through a pilot study where the researcher first tested the questionnaires with at least five members from a related area elsewhere before going into data collection. Not only that but also basing on the results from the pilot study the researcher was able to ascertain the reliability through SPSS.

During the administration of the questionnaires, respondents were requested to answer all questions, to avoid bias and be objective in answering the questionnaires. After this exercise the answered questionnaires were collected and checked for completeness. Responses were edited and entered them into the SPSS Software for further processing and analysis.

3.5 Data Processing and Analysis

Questions related to the objectives were asked and their respective responses were fully analyzed. At the end of each working day, data collected was coded and reviewed by the researcher so as to have the required quality, accuracy, consistency and completeness.

The major aim of editing was to discover mistakes made during the field study, monitor the accuracy and find out whether there were some unfilled spaces in the questionnaires. Coding was done to summarize data by classifying different responses in understandable category. Tabulation is the putting together of data into some kind of tables. Tabulation process involved putting data into statistical tables and determination of frequency of the responses for every variable showing the frequency and percentage of the respondents' responses to the questions. Data tabulation was done after editing and coding for statistical analysis. Frequencies and percentages were generated to analyze the data.

3.6 Limitations of the study

A number of problems and limitations were encountered during the course of the research: The main limitation of this study related to the sampling method. Since sampling (which means sampling without random method) is subject to bias and errors. Despite the above limitations, it was researcher's belief that the relevant information needed for this study was gathered, which resulted in the attainment of the main objective and research questions.

CHAPTER FOUR :DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter presents the analysis and interpretation of the data collected from the sample of respondents to come with relationship between the variables. The analysis was based on the research objectives as well the questions. Data was analyzed using SPSS software and statistical tools such percentages and frequencies which enabled the researcher to draw conclusions and recommendation based on the findings.

4.1 Analysis and interpretation of the findings

The general objective of the study was to analyze the challenges and benefits that Rwanda has been facing in accelerating economic growth and development in EAC. Thus findings indicated that the EAC is accelerating economic growth and development of the partner states through improvements in economic activities specifically trade with notable improvements as: larger market size, improved competitiveness, reduction in consumer prices, expansion of investments with member states and increased specialization to benefit from the principle of comparative advantage. However it was also found out that there are some challenges still faced by EAC partner states including low level of awareness by some stakeholders, low levels of involvement by some institutions and difficulties in harmonization of the policies and laws.

4.1.1 Findings on the extent level of implementation of the common market phase of EAC in Rwanda

Here the researcher was concerned with whether the integration will expand Rwandan market, whether Rwanda is benefiting from the EAC common market, the extent of success in implementation of the EAC common market in Rwanda, whether there is a free movement of labor and goods and whether regional Integration has contributed to the economy of Rwanda.

Table 1 1: Expansion of Rwandan market as a result of regional integration

Response	Frequency	Percentage
Yes	25	83
No	5	17
Total	**30**	**100**

Source: Primary data (2015)

Findings from table 1 indicate that majority of the respondents revealed that Rwandan market will expand as a result of Economic integration as shown by 83 percent with only 17 percent of the respondents who indicate that the market will not expand. Respondents attributed the expansion of Rwandan market to the opportunities available for Rwanda to export its goods and services to the other partner states where the total population is estimated to be 133 million consumers.

Table 2 2: Benefits of Rwanda from the East African community Common market

Response	Frequency	Percentage
Large market size	**13**	**43**
Cheaper and better goods and services	**13**	**43**
Implementation of Non-Tariff Barriers	**4**	**14**
Total	**30**	**100**

Source: Primary data (2015)

From table 2 findings indicated that majority of the respondents revealed that Rwanda benefits from the implementation of the EAC common market through enjoying the large market size and cheaper as well as better goods and services as shown by 43 percent respectively. Only 14 percent of the respondents indicated that Rwanda benefits from the EAC common market through the implementation of the non tariff barriers to compensate for the eliminated tariffs under the customs union. This means that the partner states in the EAC are benefiting from the EAC common market which is even manifested in the objectives of the common market notably: acceleration of economic growth and development of partner states through free movement of goods and services, strengthening, coordinating and regulating the economic and trade relations among member states to promote balanced development as stipulated in the EAC common market training module 2011.

4.2 The extent of success the implementation of the EAC common market among member states

The implementation of the EAC common market among member states is achieving tremendous success: Findings from EAC common market protocol implementation as regards fee movement of labor in Rwanda, Uganda and Kenya indicate that these governments of have embarked on policy and legislation reforms where workers from partner states are free to move into partner states and enjoy the benefits of employment as nationals without discrimination. In addition EAC citizens are free to enter into the territory of partners states without visa, able to move freely within the territory of a partner state, stay in there and exit the country without undue limitations as stated in the Common market protocol Article 7.

In relation to free movement of goods within partner states, findings on the extent of implementation in the states of Uganda, Kenya and Rwanda indicate that these states have harmonized the customs practices as stipulated in the customs union protocol where they have eliminated internal tariffs, they are applying common external tariffs on goods from partner states and they are applying common external trade policy. This shows that the implementation of the EAC common market activities is achieving recommendable success mainly among the most active states in the implementation and development of the EAC.

However it was also fund out that there are still some cases of denial of work permits or undue delays in processing of work permits which shows that the regulatory reforms have not been effective into practice as revealed in the EAC common market protocol 2012.

Table 33: Whether regional integration has contributed greatly to economy of Rwanda

Response	Frequency	Percentage
Yes	20	67
No	10	33
Total	**30**	**100**

Source: Primary data (2015)

From table 3 majority of the respondents (67 percent) revealed that regional integration has greatly contributed to the economy while only 33 percent indicated that it has not contributed to the economy of Rwanda. When respondents were asked to mention how regional integration has contributed to Rwandan economy, respondents from RRA indicated that Rwanda's exports increased by 33 percent between 2011 and 2012 as revealed by the National Bank of Rwanda Trade Statistics 2012. However increase in exports was coupled with increase in imports of capital and intermediary goods which main drivers behind the investment in productive technology and increased demand for inputs in the productive sectors which is in line with the 33 percent of respondents who indicated that regional integration has not greatly contributed to the economy of Rwanda.

Table 4 4: Major economic opportunities of EAC common market among member states

Response	**Frequency**	**Percentage**
Free trade area	15	50
Market expansion	10	33
Common tariffs	5	17
Total	**30**	**100**

Source: Primary data (2015)

Findings from table 4 revealed that 50 percent of the respondents indicated member states in the EAC enjoy a free trade area, 33 percent indicated market expansion and 17 percent indicated common tariffs. This means that partner states have a potential to develop economically basing on the opportunities eminent for them to take up as they are implementing the EAC common market protocol as stated in the protocol's general objective which is to widen and deepen cooperation among the partner states in economic and social fields for mutual benefit.

4.1.2 Findings on the awareness of economic opportunities in Rwanda from establishment of regional common market

In relation to the level of awareness of the opportunities in Rwanda from the establishment of regional common market, the researcher was concerned with whether member countries are aware of the existence of these opportunities among themselves, how will Rwanda benefit from these opportunities, and the challenges is Rwanda facing in exploiting these opportunities

Table 55: Whether member countries are aware of the existence of these opportunities among themselves?

Response	**Frequency**	**Percentage**
Yes	**20**	**67**
No	**10**	**33**
Total	**30**	**100**

Source: Primary data (2015)

From table 5 majority of the respondents indicated that member countries are aware of the opportunities amongst themselves while only 33 percent indicated that they usually not aware of such opportunities. This means that generally most the member countries are aware of the opportunities amongst themselves. This is evidenced in the common market protocol about free movement of labor where each state indicated the sectors they liberalized in the labor market. That is the Republic of Kenya liberalized labor market for administrators and managers, professionals, technicians and associate professionals, craft and related trade works; the Republic of Rwanda liberalized labor market for professionals, technicians and associate professional; the Republic of Uganda liberalized the labor market for administrators and managers, professionals, craft and related trade workers; and the Republic of Tanzania liberalized the labor market for professionals, technicians and associate professionals.

Table 6 6: How Rwanda will benefit from these opportunities

Response	**Frequency**	**Percentage**
Landlocked to land linked economy	15	50
Wider market	5	17
Cheaper goods and better services	10	33
Total	**30**	**100**

Source: Primary data (2015)

Findings from table 6 indicated that majority of the respondents (50 percent) indicated that Rwanda will benefit from such opportunities through progressing from being landlocked to and land linked economy, 33 percent indicated that it benefits through increased access to cheaper goods and better services while only 17 percent indicated that it will benefit through access to a wider market. This means that Rwanda will mainly benefit by getting access to sea ports through member states and accessing cheaper goods and better services. However much the economic integration brings with it the advantage of a wider market share, Rwanda does not much benefit much from this opportunity because its export trade is general lower than the import trade.

Table 7 7: Challenges Rwanda faces in exploiting the opportunities of economic integration from its partner states

Response	**Frequency**	**Percentage**
Non tariff barriers	**15**	**50**
Infrastructure challenges	**12**	**40**
Lack of harmonization of national quality standards	**3**	**10**
Total	**30**	**100**

Source: Primary data (2015)

Findings from table 7 indicated that mainly Rwanda faces challenges of non-tariff barriers, infrastructure challenges and lack of harmonization of national quality standards as shown by 50 percent, 40 percent and 10 percent respectively. This means that trade between partner states is not only affected by tariff barriers as Rwanda's biggest challenge are the non-tariff barriers and the issue of poor or limited infrastructures such as roads and industries to make available the required goods and services in the external markets and there is still a challenge lack of harmonization of the quality standards making it difficult to successfully meet the demands and needs in the external with become a challenge for export trade.

4.1.3 Findings on the challenges of implementing of common market phase in EAC

In this case the researcher was concerned with major challenges faced in implementation of regional integration of EAC partner states, whether are non-tariff barriers, how EAC partner states are dealing with non-tariff barriers, how the implementation of EAC common market affecting Rwanda's- intra-EAC trade, whether the volume of exports and imports has increased or reduced and strategies Rwanda should adopt to maximize its benefits from EAC common market.

4.2 Major challenges faced in the implementation of regional integration of EAC partner states

Findings from the MINEAC Common Market Training Module 2011 indicated that the major challenges faced in implementation of regional integration of EAC partners states include: low levels of awareness by majority stakeholders, limited capacity for implementation of the treaty and other legal instruments, involvement of the private sector as a driving force of integration which is not effective enough, transitional measures and support to private sector to maximize on the benefits of integration are not well ensured and loss of revenues arising from elimination of internal tariffs and application of EAC common external tariffs. This shows that generally much as the EAC offers opportunities and benefits to partner states, there are still more challenges to be addressed for the partner states to successful benefit from such challenges.

Table 8 8 : Effect of the implementation of the EAC common market on Rwanda's-intra-EAC trade (US $ million)

		2010	2011	2012	2013	2014	Percent change			
							2011	2012	2013	2014
Burundi	Imports	1.5	3.6	10.9	7.3	6.2	136.8	202.3	-33.6	-15.1
	Exports	3.9	8.5	13.6	20.6	19.3	117.9	60.0	52.7	-7.5
	Total Trade	5.4	12.1	24.6	28.1	25.4	123.2	102.40	14.3	-9.4
	Trade Balance	2.4	4.9	2.7	13.5	13.1	105.8	-45.0	402.1	-3.4
Kenya	Imports	123.5	118.40	135.2	121.3	163.1	-4.1	14.2	-10.3	34.5
	Exports	38.8	63.8	95.6	83.0	74.1	64.5	49.7	-13.1	-10.7
	Total Trade	162.3	182.2	230.8	204.3	237.2	12.3	26.6	-11.5	16.1
	Trade Balance	-84.7	-54.6	-39.7	-38.3	-89.0	-35.6	-27.3	-3.5	132.6
Tanzania	Imports	65.5	73.9	77.0	80.9	67.5	12.8	4.1	5.1	-16.6
	Exports	2.1	1.5	165.7	275.4	181.1	-25.94	10.604	66.2	-34.2
	Total Trade	55.78	67.59	75.45	242.67	356.30	21.17	11.63	221.64	46.83
	Trade Balance	-63.41	-72.4	88.8	194.5	113.7	14.1	-222.7	119.1	-42.6
Uganda	Imports	154.0	189.1	234.7	203.1	228.3	22.8	24.1	-13.5	12.4
	Exports	5.6	7.2	68.6	87.8	77.9	28.9	846.9	18.0	-11.2
	Total Trade	159.7	196.4	303.3	290.9	306.2	23.0	54.4	-4.1	5.3
	Trade Balance	-148.4	-181.9	-166.2	-115.3	-150.4	22.6	-8.6	-30.6	30.4
Intra EAC	Imports	**334.6**	**385.1**	**457.8**	**412.5**	**465.1**	**11.8**	**18.9**	**-9.9**	**12.7**
	Exports	**50.4**	**81.2**	**343.5**	**467.0**	**352.4**	**60.9**	**323.2**	**36.0**	**-24.5**
	Total Trade	**395.0**	**466.2**	**801.3**	**879.5**	**817.5**	**18.0**	**71.9**	**9.8**	**-7.0**
	Trade Balance	**-294.1**	**-303.9**	**-114.4**	**54.5**	**-112.6**	**3.3**	**-62.4**	**-147.6**	**-306.7**

Source: RRA and NISR

According to EAC Trade Report (2014), Rwanda's import from EAC Partner States increased by 12.7 percent to US $ 465.1 million in 2014 from US $ 412.5 million in 2013.Rwanda's imports from EAC Partner States were dominated by imports from Uganda with a share of 49.1 percent followed by Kenya (35.1 percent).

Table 9 9: Rwanda Intra - EAC Trade, Values in (US $ million)

Year	2010	2011	2012	2013	2014
Annual total Exports	50.4	81.2	343.5	467.0	352.4
Annual total Imports	334.6	385.1	457.8	412.5	465.1
Trade Balance	395.0	466.2	801.3	879.5	817.5

Source: RRA and NISR

Rwanda's exports and imports to and from other EAC Countries have been fluctuating throughout the period of five years, from 2010 to 2014. The exports have increased from 50.4 to 352.4 US $ million while imports increased from 334.6 to 465.1 US $ million in 2010 and 2014 respectively. The increase in exports was due to the different reform trade policies introduced by the Government of Rwanda, towards trade liberalization and Economic development, not forgetting the implementation of EAC Customs Union Protocol since 1st July 2009.

Though tremendous efforts were made, Rwanda's trade balance has been and is still in deficits, due to the small exports base and higher imports. In addition, the implementation of EAC Customs Union and Common Market Protocols, that initially considered as one of the solutions to the problem, has not yet sufficiently led to the positive economic impact as earlier expected due to delays and resistance of some partner states in eliminations of NBTs, national laws which are not aligned with the EAC laws and regulations, delays in implementation of the decisions agreed upon, etc.

CHAPTER FIVE : SUMMARY OF THE FINDINGS, CONCLUSIONS, RECOMMENDATION AND AREAS FOR FURTHER STUDIES

5.0 Introduction

The chapter presents a summary of the findings, conclusions and recommendations as well as areas for further studies.

5.1 Summary of the findings

The summary of findings was presented in line with research objectives and questions without forgetting the study variables.

The general objective of the study was to analyze the challenges and benefits that Rwanda has been facing in accelerating economic growth and development in EAC. Thus findings indicated that the EAC is accelerating economic growth and development of the partner states through improvements in economic activities specifically trade with notable improvements as: larger market size, improved competitiveness, reduction in consumer prices, expansion of investments with member states and increased specialization to benefit from the principle of comparative advantage. However it was also found out that there are some challenges still faced by EAC partner states including low level of awareness by some stakeholders, low levels of involvement by some institutions and difficulties in harmonization of the policies and laws.

In relation to the extent level of implementation of the common market phase of EAC in Rwanda findings indicated that implementation of the EAC common market among member states is achieving tremendous success: Findings from EAC common market protocol implementation as regards free movement of labor in Rwanda, Uganda and Kenya indicate that these governments of have embarked on policy and legislation reforms where workers from partner states are free to move into partner states and enjoy the benefits of employment as nationals without discrimination. In addition EAC citizens are free to enter into the territory of partners states without visa, able to move freely with the territory of a partner state, stay in there and exit the country without undue limitations as stated in the Common market protocol Article 7.

In relation to free movement of goods with in partner states, findings on the extent of implementation in the states of Uganda, Kenya and Rwanda indicate that these states have harmonized the customs practices as stipulated in the customs union protocol where they have eliminated internal tariffs, they are applying common external tariffs on goods from partner states and they are applying common external trade policy. This shows that the implementation of the EAC common market activities is achieving recommendable success mainly among the most active states in the implementation and development of the EAC. However it was also found out that there are still some cases of denial of work permits or undue delays in processing of work permits which shows that the regulatory reforms have not been effective into practice as revealed in the EAC common market protocol 2012.

Considering the level of the awareness of economic opportunities in Rwanda from establishment of regional common market, findings from majority respondents (67%) revealed that countries are aware of the opportunities amongst themselves while only 33 percent indicated that they usually not aware of such opportunities. This means that generally most the member countries are aware of the opportunities amongst themselves. This is evidenced in the common market protocol about free movement of labor where each state indicated the sectors they liberalized in the labor market. However it was also found out Rwanda faces challenges of non-tariff barriers, infrastructure challenges and lack of harmonization of national quality standards as shown by 50 percent, 40 percent and 10 percent respectively in table 7 which limits it benefits from such opportunities.

In finding out the challenges of implementing of common market phase in EAC, findings from the MINEAC Common Market Training Module 2011 indicated that the major challenges faced in implementation of regional integration of EAC partners states include: low levels of awareness by majority stakeholders, limited capacity for implementation of the treaty and other legal instruments, involvement of the private sector as a driving force of integration which is not effective enough, transitional measures and support to private sector to maximize on the benefits of integration are not well ensured and loss of revenues arising from elimination of internal tariffs and application of EAC common external tariffs. It was also found Rwanda’s intra- EAC trade: exports and imports to and from other EAC Countries have been fluctuating throughout the period of five years, from 2010 to 2014. The exports have increased from 50.4 to 352.4 US $ million while imports increased from 334.6 to 465.1 US $ million in 2010 and 2014 respectively. The increase in exports was due to the different reform trade policies introduced by the Government of Rwanda, towards trade liberalization and Economic development, as well as the implementation of EAC Customs Union Protocol since 1st July 2009.

Though tremendous efforts were made, Rwanda’s trade balance has been and is still in deficits, due the small exports base and higher imports. In addition, the implementation of EAC Customs Union and Common Market Protocols, that were initially considered as one of the solutions to the problem, has not yet sufficiently led to the positive economic impact as earlier expected due to the delays and resistance of some partner States in elimination of Non-Tariff Barriers, national laws which are not aligned with the EAC laws and regulations and delays in implementation of the decisions agreed upon.

5.2 Conclusions

In respect to the benefits and challenges Rwanda faces in accelerating economic growth and development in EAC, the community is accelerating economic growth and development of the partner states through improvements in economic activities specifically trade with notable improvements as: larger market size, improved competitiveness, reduction in consumer prices, expansion of investments with member states and increased specialization to benefit from the principle of comparative advantage. However what is required now is that partner states should deal with the challenges low level of awareness by some stakeholders, low levels of involvement by some institutions and difficulties in harmonization of the policies and laws.

Trade and promotion of economic activities are the sole reasons why many economic integration exist because they are the ones which unite member states together and facilitate the widening of market bases for the goods produced within the member states. Therefore a constant trend of cooperation among members should be maintained so as to keep them loyal to the community treaties, protocols, programs and projects which are able to offer economic benefits to all member states sustainably.

Basing on the findings from the study, the researcher observed that effective implementation of the East African Community among member states is achieving tremendous progress although with some limitations such as the difficulties in elimination of the non-tariff barriers and harmonization of the quality standards among the partner states. This is due to the limiting factors of noncompliance and problems that come up due to currency differences and resource endowment which lead to losses in some countries as a result of implementing the EAC customs union and common market policies like Common External Tariff and Single Customs Territory which limits EAC integration benefits as earlier expected by the partner states.

Therefore within the implementation of EAC common market protocol and policies, member states should come up with well-articulated frameworks to give them the potential to transform themselves into efficient economies which normally require harmonization of the standards to ensure total implementation of the common market protocol. Attaining this however is dependent on several factors like favorable competition in the market, effective reforms in government regulations and existence business infrastructure.

5.3 RECOMMENDATIONS

Partner states of the EAC in collaboration with their ministries in their respective countries should take it upon themselves to maintain a high potential of attaining successful co-existence and mutual benefit from the implementation of EAC policies amongst themselves. This would be through understanding and controlling the factors affecting their progress in implementing the EAC common market activities and level of benefits enjoyed. Effective compliance and follow up of the EAC programs and treaties alone will not serve their purpose if the various partner states are not mutually benefiting and embracing the progress. Therefore favorable relationship between the interests of partner states of the EAC should be instituted and this will be the one that leaves substantial improvement and attainment of the EAC goals.

EAC partner states should also be in position to control the factors affecting their progress in the most appropriate manner. Control is aimed at keeping the performance gearing forces in a better position in order to foster performance and achievement of the community goals and objectives and specifically the common market protocol as far as this study is concerned. Thus EAC partner states should put emphasis on economic cooperation which will help them to make appropriate and suitable decisions towards the EAC progress.

On the basis of the process of integration that is from customer union, common market, monetary union and political federation, EAC member states should ensure that they are well incorporated throughout the whole process dealing any upcoming of barriers. This should be attained by instituting revival, maintenance and stability strategies that will keep the general direction towards realization of the goals and objectives of the community.

On the basis of improving the economic development in the region, EAC partner states should try to improve on the level awareness of the opportunities available among themselves so that almost all the members concerned are mutually benefiting. In doing this they should also try to follow their treaties and agreements like Single Customs Union and Common external Tariff which are not yet adhered to according to the protocol' stipulations.

Besides high ranked development and progress of the EAC affairs guided by a well-articulated vision of a prosperous, secure and politically united East African Community; Emphasis should be put on attainment of the general objective of the community which is widening and deepening cooperation among the partner states in: political, economic and social affairs for their mutual benefit.

5.4 AREAS FOR FURTHER RESEARCH

1. The impact of East African Community customs union on government budget.
2. The contribution of the East African community in promoting commercial activities among partner state.

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APPENDICES

APPENDIX ONE: UNIVERSITY OF RWANDA , COLLEGE OF BUSINESS AND ECONOMICS

Primary data collection

“Economic opportunities and challenges for development in Rwanda “with special focus on Common Market Phase in EAC

Questionnaire guide to respondents

I am a student of University of Rwanda by the names of MUKANTWALI ESPERANCE pursuing a Master’s degree in Business and Administration (MBA).

I am very glad to inform you that you are part of the respondents in this research study about Economic opportunities and challenges for development in Rwanda with a special focus on Common Market in EAC. The information being gathered will be purely used for academic fulfillment and will be treated with a high degree of confidentiality.

Thank you

1 .Do you think the EAC integration will expand the Rwandan market?

a) Yes

b) No

If yes how?

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…………………………………………………………………………………………………

…………………………………………………………………………………………………

2. How is Rwanda benefiting from the EAC common market?

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………………………………………………………

3. To what extent is the implementation of the common market successful among the EAC members and Rwanda in particular?

a) To a great extent

b) Small extent

c) No success

4. To what extent is the free movement of goods and services effective among the EAC members?

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…………………………………………

5. To what extent is the free movement of labor among EAC countries effective?

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…………………………………………

6. Do you think regional integration has contributed significantly to the economy of Rwanda?

a) Yes

b) No

If yes how?

……
……
……
……….

7. What are the major economic opportunities of the common market in EAC?

a) Countries will benefit from comparative advantage

b) Free trade area

c) Common tariffs

d) Expansion of the market

8. How can Rwanda and other member states overcome those challenges?

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……………………………………

9. Do you think other members of EAC are going to benefit from Rwandan market?

a) Yes

b) No

If yes how?

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…………………………………

10. What are the major challenges of implementation of regional integration of EAC countries?

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………………………………………

11. What are the major opportunities for economic development that exist among EAC member states?

a) Market expansion
b) Regional cooperation
c) Free trade area
d) Trade creation

12. Are the member countries aware of the existence of these opportunities among themselves?

   a) Yes

   b) No

   If yes how do they get to know them?

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   ……

   ……

   ……………………………………….

13. How will Rwanda benefit from these opportunities?

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   ……………………………………….

14. What challenges is Rwanda facing in exploiting these opportunities

15. How is the implementation of the common market affecting Rwanda- intra- EAC trade?

   ………………………………………………………………………………………………………

   ………………………………………………………………………………………………………

   ………………………………………………………………………………………………………

   …………………………………………………….

16. Has the volume of exports from Rwanda to other EAC member states increased as a result of implementation of the common market?

a) Yes
b) No

If yes/no why?

………
………
………
………………………………………………………………………………………

17. Has the volume of imports from other members states to Rwanda increased as a result of implementation of the common market

a) Yes
b) No

If yes/no why?

………
………
………
……………………………………………………………

18. Is the implementation of the EAC common market among member states promoting economic development among member states?

a) Yes
b) No

Thank you for your cooperation