



THE IMPLICATION OF ETHNICITY ON THE FORMATION OF THE EAST AFRICAN ECONOMIC FEDERATION: THE CASE OF UGANDA

John Paul KASUJJA¹; Maurice Bakaluba TAMALE (PhD)² & Anthony Mugagga MUWAGGA (PhD)³

¹PhD Candidate; Department of Humanities and Educational Foundations; College of Education and External Studies, Makerere University, Uganda. Lecturer, Nkumba University, Kampala, Uganda

Email: jonpkasujja@gmail.com. Mobile: +256782880659

²Department of humanities and Language education; College of Education and External studies, Makerere University, Uganda Mobile: +256772838938

³Department of Foundations and Curriculum Studies College of Education and external Studies Makerere University

amugagga@educ.mak.ac.ug Mobile +256772456245

ABSTRACT

The design of economic policies in East Africa that promote inter-ethnic cooperation remains poorly understood by the East African legislators, and the architectures of the East African Federation. This paper examines how central government economic policies towards ethnic diversity affect inter-ethnic relations in East Africa, putting emphasis on Uganda. Despite their largely shared geography, history and colonial institutional legacy, the post independent governments of East African states especially Uganda, have followed economically different radical ethnic policies along a range of national economic dimensions. This has caused economic inequality and regional imbalances, which have impacted on the prospects of the East African economic unity, thus forming the basis of this research.

Keywords: Ethnicity, Economics and Federation.

INTRODUCTION

The prospect of federalism has been frequent and pervasive in post-colonial Africa and a variety of explanations have been offered to account for this phenomenon. The biggest challenge has / is the structural models of ethnic strife, which have relied on the contrast between ranked and unranked systems of ethnic stratification (Harowitz: 1985). For this, attempted federations have relied on the cultural division of labour; where individuals have been assigned to roles to specific types of occupations and other social role on the basis of observable cultural traits (Blanton, Mason and Athow, 2001: 475). In this research, the cultural division of labour is synonymous with ethnic identity in the sense that the social structure of the nation, state, or federal states is characterized by one ethnic group being subordinate to the other.

Thus, ethnicity and class coincide, as social mobility for subordinate group members is restricted by the inscriptive criteria of ethnic models and as a consequence, ethnic identity is reinforced and ethnic solidarity is intensified in a state, or federation because one's ethnic identity cannot be divorced from one's economic status and political interests (Nielsen, 1985). Thus, for this research argues that where the system of social – stratification link ethnic identity and economic status so closely in the state, or federation, it confers meaning to ethnic identity that will persist in a federation of states like in East Africa so long as the linkage between status and the inscriptive stigmata of ethnicity remains. The relative autonomy of ethnic groups with respect to status – hierarchy will often be reinforced by their

concentration in relatively distinct geographic enclaves within a single nation states, while in the federation.

For economic development and unity to prosper, the architecture and the people behind economic development must recognise the extent to which political factors thwart the achievement of optimum economic arrangements. The problem of a federation is a case in point, whether in the Middle East, West Indies, West Africa, or South America where wide territorial integration seems to offer substantial economic benefits. However, despite all these economic benefits, progress towards unity in these areas have remained painfully slow, Rothchild (2003:2). Indeed, there is a problem of unity across borders, but for this research, the lack of unity is attributed to ethnicity and lack of awareness among the citizens of Uganda and East Africa in general about the Federation.

Regional cooperation provides an important framework through which obstacles to trade – liberation, markets and the movement of people are alleviated. Africa emphasizes the observation of the pillars of regional integration in the charter of the African union and seeks their implementation through the Regional Economic Commissions (RECs) such as the Economic Community of West Africa (ECOWAS), Common Market for East and Southern Africa (COMESA), the East African Community (EAC), the Southern African Development Community (SADC), among others. The principles of free movement of people, labour, right of establishment and residence are enshrined in the treaties of the Regional Economic Communities with the aim of attaining their implementation in sequenced phases. This is aimed, among other factors, at promoting social dialogue and raising awareness among all sectors of people to embrace the value of unity.

In addition, various economic initiatives aimed at promoting economic development and unity among partner states of the East African federation have been undertaken such as in areas of trade, labour migration to both internal and international destinations, a move toward a common market, free movement of labour, goods, services, capital and the right of establishment (Waggogo, 2010).

However, while these economic measures have been undertaken, with free movement of labour and persons as one of the most important aspects of regional economic integration and unity, the economic sector has remained complex and challenging in the region. The prospects of national security, slow pace of reform of laws relating to labour policies, free movement of persons or labour falls within various separate legal and administrative frameworks, no adequate mechanisms exist to facilitate and manage labour mobility within the region, public information on economic integration is scarce among East Africans, and lack of reliable labour market information. These challenges are ethnic related and for this research, it intends to establish the extent to which they contribute to the economic development and unity of the East African states.

A strong recent tenet within comparative political economy has stressed that what hinders economic development in large part of the world are low-quality government institutions responsible for implementing laws and policies. Mauro, (1995); Knack and Keefer, (1997); Robinson, (2002) and Subramanian and Trebbi, (2004), all belong to this school of thought. Although this argument may be true, but for this research, we argue that the failure of governments to foster economic development is a result of ethnic tendencies in politics and government that influences economic development, and later regional economic development and unity.

Leaders of these areas are surely aware of the advantages of a closer union; however their attention is reverted upon particular interests rather than the general and ultimate interests of a closer union. These interests are ethnic entrenched and hinder the economic, social and political unity of regions in question. Such a view point is likely to magnify disputes, unless held in checks by a steady dedication to the larger objectives of the union. The existence of a consensus should be a necessary prerequisite to principle, and at the same time, particularistic tendencies must be moderated to compromise over a variety of specific difference. However, even still in the federation, agreements of particular interests can abstract the formation of a federation. For this research it asks the question, “Why then are many observers confident that the East African federation is a different matter?” Once differences exist, especially relating to ethnicity, the economic unity of the region will be a lost cause.

The different economic objectives and agendas of the East African states especially Uganda, will hinder the economic unity of East Africa. As a result, they adopted multiple memberships to different regional integration groups. A case in point is that of Uganda and Kenya who belong to the common market of East and Southern Africa (COMESA), while Tanzania is not, and instead, she is a member of the Southern Africa Development Community (SADC), which Uganda and Kenya are not. Tanzania is now carrying out negotiations in different groupings from that of other partner states, (Wako Committee report, 257). With the contradiction in the economic objectives of different member states, there is likelihood that partner states may commit themselves differently with the possibility of creating tension within the customs union and other economic commitments, failing the East African economic federation.

Sowell, (1994), while citing examples from the Chinese as the “Jews of South East Asia, the Lebanese as the “Jews of West Africa, West Indians as the “black Jews of Harlem, the Americans in the Ottoman empire, Tamils in Sri Lanka, Japanese in Peru, Ibo in Nigeria and Koreans in various inner cities of the U.S.A argues, that the most heinous acts of violence ever committed have been against ethnic minorities who are middlemen and provide services to major ethnic groups. The major groups, who feel exploited by, and inferior to middlemen minorities, often vent their extreme hatred towards them and other members of their ethnic group through violence. His argument may be true as it may also form a background to hinder economic unity if such multiethnic societies realize the need for a federation. With regard to the East Africa federation such groups already exist and have created hatred in the region, for example, Banyankole and Banyarwanda dominate the economy and politics of Uganda, Kikuyu the same in Kenya, the Tutsi in Rwanda, and this has a lot of implication on the economic unity of the region as the majority groups feel left out of national life and try to out- do the status- quo instead of joining the federation, and given the differences in the level of economic awareness in the region, it is nearly a challenge for the states in the region to economically unite. The rapid growth in research on “quality of government” and “good governance” in recent years, but it is ethically related to a number of substantial effects on economic development and unity of a state, or unity of states such as subjective – happiness (Helliwell, 2003; Tavits, 2007; and Huang, 2008), decline in citizen support for government, (Chang and Chu, 2006), loss of interpersonal trust, (Rothstein and Uslaner 2007; Rothstein and Stolle , 2008; and Rothstein and Eek, 2009), corruption and interstate belligerence (Mansfield and Snyder, 2005).

Rothstein and Teorell, (2008), argue that to achieve economic development and unity of a state or states, the basic norm underlying the input side of the political philosophy or system is when impartiality; the normative principle of treating everyone with equal concern and respect in a state, or federation. Although this theory may be influential in trying to advance for alternative ways of economic development and unity, it however falls short in explaining why the norm impartiality has failed in many government circles. We argue that in multi-ethnic societies, the normative norm of impartiality is near to impossibility, simply because of political and economic survival of ruling ethnic groups in a state like Uganda. The consequence of this state of affair as argued by Jan (2009), is the incidence of civil wars, as well as personal or ethnic group happiness in power, and subjective well-being and finally regional imbalance in the distribution of resources.

The importance of social capital for good governance, economic growth and individual well-being has been widely recognized, however the idea launched by Putnam (1993), that social capital is generated by people being active in “bridging” voluntary associations but has not fared well when tested empirically. Rothstein and Stalle (2008), argue instead that universal political institutions are a better explanation for the generation of social capital. For the case of Uganda, this has constituted three logic explanations; first people make inferences from how they perceive public officials. If public officials are known for being corrupt, citizens will believe that even people whom the law requires to act in the service of the public, cannot be trusted. This is the case when officials responsible for enforcing the law or adjudicating court cases are considered partial, since then people infer that cheaters can get away with it.

The second explanation of this phenomenon is that most people in a society or federation with corrupt officials must take part in corruption, bribery and various forms of repatism in order to obtain what they feel is their rightful due. The third is that, in order to make a living in such a multi-ethnic society, citizens

must even though they may consider it morally wrong; also begin to take part in bribery, corruption and nepotism in order to embrace their ethnic groups' economic growth. Kurer (2005), states that in multi-ethnic societies, corruption involves a holder of public office violating the impartiality principle in order to achieve private gains. This notion has proved impossible for economic development and unity among multicultural societies and federations, like the attempted East African Federation, especially on Uganda.

East Africa particularly Uganda, is facing multiplication of economic challenges that influence economic unity and development. Using Teorell's (2009), theory of impartiality to explain economic development and unity, economic development of a state or federation is best represented by four seemingly unconnected but empirically corroborated determinants of growth; the first one is security of property and contract rights (Easterly and Levine; 2003), (Claeser et al, 2004); the second is the aggregate levels of interpersonal trust, (Kurtz and Schrank; 2007), corruption, (Mauro: 1995), and the fourth is the scale of the "weberianess" of state bureaucracies, (Evans and Rauch: 1999). The East African member states, particularly Uganda lack these qualities and this has an impact on the formation of the East African economic unity.

North (1990:54) believes that the inability of societies to develop effectively, low cost enforcement of contracts is the most important source of both historical stagnation and contemporary underdevelopment in the third world. The reason for this is that the kind of market essential for economic development requires "non-simultaneous transactions, in which the quid is needed at one time, or place and the quo at another, (Clague et al, 1999: 186). Their argument may be influential in explaining the underdevelopment of the third world like Uganda and East Africa, but falls short in explaining persistence of economic disunity coupled with economic federations. I argue that economic underdevelopment and disunity in Uganda and East Africa is very much related to ethnicity which influences property and contract rights.

In addition, East African economic federation to function people must share the same set of beliefs as to where the borders separating one's property from the others' are located. De Soto (2001) believes that it is not your own mind that gives you certain exclusive thinking about your rights in the same way you do. These minds vitally need each other to protect and control their assets. This implies that the actual working of economic development and unity in multiethnic societies must base on certain behavioral expectations. However, for the political leaders of East Africa to implement economic policies for their masses they first separate what is "theirs" from what is "yours", and to enable to strike a deal, they must expect certain behaviors in return from their fellow citizens. This policy underpins economic development and unity in a state or federation.

Easterly and Levine (1997) assert, that ethnically diverse countries have significant lower per-capita economic rates than homogeneous countries. Alesina et al (1999) goes further to claim that individuals from different ethnic groups prefer distinct types of public goods in multi-ethnic states – roads versus libraries, for instance, and this leads to less agreement on public goods choices and thus lower funding. In addition, Alesina et al (2000) observes that for most parts, individuals from different groups dislike "mixing" across ethnic lines, and this drives the poor collective action and organizational outcomes in diverse areas. Unfortunately, none of these arguments explain how these ethnic taste differences influence economic development and unity in multi-ethnic states like Uganda, and in multi-ethnic federations, like the projected East African federation.

The economic unity of a state or federation becomes destructive when ethnicity is applied as a method of economic development. Ethnicity is socially relevant when people notice and condition their actions on ethnic distinctions in everyday life. Ethnicity is politicized when political coalitions are organized along ethnic lines, or when access to political or economic benefits in the state depends on ethnicity (Fearon, 2004). However, the degree to which ethnicity is politicized in economic development of a state vary across states in East Africa, but more so looks the same; one tribe or two against the rest in the state.

Teorell (2009) believes that the primary cause of civil wars in multiethnic states is the central governments' police and military incapacity. In addition, Oberg and Melander (2005) find that the onset of civil war is negatively related to the quality of bureaucracy. However, the theoretical rationale of these

findings would be that conflicts only escalate to war in multi-cultural societies in the presence of asymmetric information with respect to the conflicting ethnic parties. The economic misfortunes of ethnic-autocratic governments can render no unity, instead promote economic inequality, which in turn lead to the prospects of civil wars; waged to overthrow the perceived status-quo.

An example of this argument is in Eastern Europe. There are studies – showing that the violence that led to the civil war in the former Yugoslavia broke out after the decision by the president in the newly formed Croatian republic to fire all policemen in Croatia of Serbian origin, along with the wholesale dismissal of Serbian teachers, doctors and local government officials. To the Serbs living in Croatia, this clearly signaled discrimination in all dealings with the newly crowned Croatian state. A close examination of the sequential logic was to promote individual feelings of the subjective well-being and happiness of the Croats, even when personal income, health and other plausible determinants of happiness were still being controlled by the Serbs (Helliwell, 2003 and Tavits, 2007).

The second example is East Africa. Applied macroeconomists have since documented many specific instances where ethnic diversity has produced sub-par-economic outcomes. A quick survey of this argument in Kenya, for example indicates that rural Kenyan communities with greater ethno-linguistic diversity, or diversity across tribes have considerably less funding in the social and economic sectors, for example, less primary school funding, worse school facilities, and poor water well maintenance (Miguel and Gugerty, 2002).

In addition, the social-economic inequalities practiced in Uganda by the National Resistance Movement government have rendered no unity, instead cause wide spread demonstrations, trying to out-do the status-quo. A cross examination of these examples indicates that these economic and social imbalances practiced deliberately by national governments of East Africa are ethnic entrenched, which clearly stipulates that existing governments in multi-cultural societies prefer to fund public goods, or promote economic programmes that benefit their own ethnic groups over others, (Vigor, 2002).

The above argument is closely entrenched through tribal organizations to foster the ethnic well-being of a group. Such organizations in Uganda include; Omubano – a collective union of an ethnic Banyarwanda in Uganda, Baganda Nkobazamboga – a youth dominated union of Baganda, and other subsequent unions along tribal affiliations, which seek or solicit funds from central government. In other instances, these tribal organizations may not legally exist, but may take a silent norm; only known to individuals of different tribes involved. It is this ethnic awareness that is a hindrance to economic development and unity in the region, by causing a violent downward spiral that the researcher wants to establish.

Managing economic development and unity in Uganda and East Africa therefore may need to first examine and understand the dynamics, pattern and trends of how each ethnic group perceive, relate, and act towards the realization of the East African economic unity or federation.

The sentiments of economic nationalism have given way to each of the partner states effectively by withdrawing from a common currency and strengthening separate state currencies and central banks, despite the superficial economic ideology of the realization of a common economic ideology. This has created a decline in intra-state remittance, and loss of foreign private investment over perceptions about economic instability (Katembo, 2008: 110). On the institutional level, micro-management of East African cooperation business and affairs by officials from member state governments have taken root simply, because different administrative committees have taken too long for decisions to be reached and many issues are by far, left dangling and still unresolved, especially ethnicity, leading to organizational chaos and confusion, and like the earlier attempted East African federation, which came to an end in 1977, the adopted 2001 East African Community may face the same catastrophe.

Although the political and economic drivers of the new East African Community are different from those of the former community, in economic terms, the trade effects of the customs unions have limitations that differ in detail but not in kind from those of the former – community. For this research, the trade effects are not the most important mechanisms by which the integration process should be expected to influence development in the region. Despite the fact that there is some truth in the humorous version of the contrasting motives of member states, for example, that Kenya is interested in ambition to export its surplus labour, while Tanzania wants to enrich its Pan-African vision, this underrates the commonalities.

The principal components of the customs union agreement, which includes a common external tariff on imports, duty free trade between the member state and a common customs procedures. The agreed common external tariff follows the tariff-escalation principle, with different rates for raw materials, intermediate products and finished goods. The customs union phase of integration is, however, not yet fully implemented. Although there is a common external tariff and tariff-free movement of goods and services, the customs union phase of integration is not yet fully implemented. There remains a substantial list of exclusions, transitional arrangements and derogations in favour of non-East African community trading partners, and from the trade-integration point of view, the East African community is not a well-chosen unity, however, at its best, it can be seen as a useful stepping-stone on the way to greater integration into the world economy with lower levels of protection.

Since the colonial period, many scholars have questioned the prolonged socio-economic inequality that continues along ethnic lines to prevail within Uganda and East Africa in general, reinforced by regional inequalities in the economic development of the five states that seek to unity into a federation of East Africa. In addition, the people of these states have an ethnocentric dimension that further supports the claim of ethnic hegemonic democracy and economic development, and unity in the region (Okediji, 2004). There has been peculiar swings in the classification of East African people to an extent, that the ruling regime in Uganda and any of the East African states, past and present has a hierarchical reflection on the degree of ethnic identity and economic growth in any state of East Africa, especially Uganda and this has affected social and economic stratification, hence influencing the formation of the East African economic unity.

Although the precise mechanism through which ethnic diversity is claimed to affect economic growth, development and unity varies somewhat from study to study, nearly every analysis in this study demonstrates the connection between ethnicity and economic unity by adopting one, or another off-the-shelf index of ethnic fractionalization (Posner, 2004). In this study, illustrations are stipulated revealing that ethnic groups are products of political and historical processes, and once taken as fixed entities with foundations extending back into the mists of time, ethnic groups are now recognized to be social constructions with identifiable origins and histories of expansion and contraction, amalgamation and division, while in the state like Uganda, and the East African Federation.

In addition if the proprietors of the East African federation believe that our ethnic demography can change while in the federation then we need to be careful to make sure that the process that generates this change is unrelated to the outcome that we want to use the region's ethnic demography to explain. One of the principal reasons why ethnic diversity is prized as a variable in econometric analyses of growth is, because, like the East African region's topography, is assumed to be exogenous to the rate and level of development (Mauro, 1995; Easterly and Levine, 1997). Such a position is easy to maintain if we assume that ethnic groups are fixed and unchanging, but once we recognize that ethnic groups and the ethnic demography they imply are fluid, thus, became so critical to for the region's federation to realize economic development and unity.

One of the key insights of the constructivist literature is that ethnic demography of states, like those of East Africa seeking to federate cannot be taken as fixed and for this research the foregoing – discussions and plans of the East African federation should distinguish between different kinds of ethnic demographic change. The East African societies contain multiple dimensions of ethnic cleavage, each of which can be salient in different settings and historical moments, thus, there is need to cater for such dimensions, and for this a successful federation of East Africa must have a resemblance of such traits or dimensions.

Posner (2004) provides a clear example of a possible federation in support of the above argument. He provides India as a case study, whose population can be divided along lines of religion, language, and caste, among other principles of social cleavage. Seen in terms of religion, Indian society contains roughly a half dozen groups, including Hindus, Muslims, Christians, Sikhs, Buddhists and Jains. Seen in terms of language, it is divided into Hindu-speaker, Bengali-speakers, Urdu-speakers, Gujarati-speakers, and speakers of other languages. Caste membership defines yet their quite different set of social categories.

As this enumeration of groups makes clear, India's ethnic landscape looks quite different when it is defined in terms of one of these bases of social division rather than another (Alesina and Eliana, 2004), shifting from the world in which competition takes place, that is to say, the political and economic sectors, transforms into salient ethnic competition, which sometimes transcends into aggression creating substantial change in society's measured level of diversity, and this has an influence on the economic unity of such societies, which this research wants to establish, in reference to the societies of East Africa, which seek to federate.

For the societies of East Africa especially Uganda to realize the idea of the East African economic unity, there is need to determine the "right" cleavage dimension. For example, in Uganda and Rwanda, the lines of conflicts are sufficiently deep for the ethnic cleavage, most likely affects economic growth to be readily identifiable. However, deciding the right dimension for general economic development and unity has proved difficult in these states since independence. Thus, for this research if the mechanism to be tested is that ethnic diversity affects a country's economic development, via the difficulties it creates, for agreeing on the allocation of public goods, then this research will want to investigate if these societies merge into the East African federation, whether their ethnic cleavages would have a bearing on their economic unity, while in a federation.

Ethnic management constitutes different legal, political, territorial, economic and other instruments through which multi-ethnic countries seek to reduce ethnic conflicts. However, the idea the federation as a solution to multi-ethnic states in this research is a misfit. Buchanan (1997: 329) also dismisses the idea of creating ethnically homogenous states, because of complex and overlapping patterns of ethnic identity. Lijphart, (1991: 493) concludes on this argument that federalism cannot be a practical solution to the problems of multi-ethnic societies. Gagnan (2001), also questions the role of federation in reducing ethnic conflicts, but instead exacerbates them.

In conclusion, for this research, it establishes that a federation can contribute to inter-ethnic harmony and civility in Uganda and East Africa, if the ethnic groups in question are territorially concentrated and thus capable of escaping from each other. This problem appears more profound in multi-cultural states that adopted, or seek to federate through federal restructuring process, like East Africa. For the case of the people of Uganda, due to political, social and economic contradictions they experience where ethnicity and awareness form a back-bone of all problems of unity, the East African Federation may be difficult to achieve. Their political social and economic misunderstandings may be viewed in simpler terms but can be complex and deadly.

RESEARCH METHODOLOGY

Research design

The study employed a cross-sectional survey research design, with both qualitative and quantitative approaches. The design was used, because it was deemed appropriate and fit for the nature of this study, as recommended by Amin (2004), (Creswell, 2003), and Gray, et al (1996).

Study population

The study parent population was East Africa with 141.8 million, (World Population Report; 2013). The target population is Uganda which has an approximate population of 34.5 million people (<http://en.wikipedia.org/wiki/Uganda>, October, 2011; World Population Report; 2013). This is so, because most of the people in the area intend to participate in the East Africa federation under the element of economic unity. The study focused on politicians, civil servants, businessmen and women, and business oriented border communities within the region.

Study sample

The study was carried out in Kampala, Masaka, Mutukula, Nimule, Malaba and Katuna. This was so, because these are major cities of the region where ethnic concentration is highest and literacy levels. For the case of Kampala, it is the metropolitan for Uganda and a transit for Rwanda, Burundi and northern Tanzania, while the rest, are business and border towns of Uganda that link it to East African neighboring states and are occupied by cross border ethnic composition, for example, Mutukula borders Uganda with Tanzania, Malaba with Kenya, Katuna with Rwanda, and Nimule with Southern Sudan. The focus of the

study was put on politicians, social workers, businessmen and distinguished citizens in the region like Members of Parliament, and cabinet ministers, leaders of political parties and rural people like the Local council Chairmen / chair persons of border areas, and as Krejcie, R. V. & Morgan, D. W. (1970) study, 385 respondents were sampled using Purposive, Convenience and Random sampling, and analysis was done using the Statistical Package for Social Science Program (SPSS), and the findings were presented descriptively using frequency tables, graphs and percentages, and interpretations and drawing of inferences was done depending on the number of occurrences of each item.

For qualitative data, respondents from the interview were coded and thematically presented to incorporate the meaning into a theme that corresponds to the context of the study.

In addition, data got from interview guides, and focused group discussions were presented and analysed by coding in relation to the context of the study.

RESULTS

How has ethnicity influenced the formation of the East African economic unity?

To test this research question, nine items were used and the responses were classified as agree, Strongly agree, not sure, disagree and strongly disagree. The respondents' results were presented in frequency counts and percentages in Table 1 below;

Table 1. Responses on Ethnicity and Economic Unity

ITEM	SD	D	NS	A	SA
Is it very possible for the five East African countries to have one common currency?	35 (12.9%)	36 (13.3%)	18 (6.6%)	90 (33.2%)	92 (33.9%)
Do you agree that in the East African Federation, Uganda will not be affected by trade restrictions in the region?	26 (9.6%)	58 (21.5%)	44 (16.3%)	76 (28.1%)	66 (24.4%)
Uganda is at the same level of economic development with the member states that seek to federate.	105 (39.2%)	115 (42.9%)	17 (6.3%)	25 (9.3%)	6 (2.2%)
Uganda has the same economic interests with other member states that seek to federate.	61 (22.8%)	91 (34.0%)	48 (17.9%)	53 (19.8%)	15 (5.6%)
The people of Uganda can better realize and satisfy their economic development goals easily if they join the federation.	46 (17.2%)	67 (25.0%)	46 (17.2%)	83 (31.0%)	26 (9.7%)
Before joining the federation, Ugandans are sure they are not indebted to the world bank, or have no foreign debts.	89 (33.5%)	75 (28.2%)	59 (22.2%)	28 (10.5%)	15 (5.6%)
Ugandans will be part of the group that will fully achieve the East African Federation by 2013.	71 (27.0%)	76 (28.9%)	61 (23.2%)	41 (15.6%)	14 (5.3%)
The people of Uganda can only solve their economic problems by uniting into the East African Federation.	61 (22.8%)	93 (34.8%)	36 (13.5%)	58 (21.7%)	19 (7.1%)
Uganda has no internal problems related to economic struggles before joining the federation.	133 (50.0%)	90 (33.8%)	24 (9.0%)	14 (5.3%)	5 (1.9%)

The findings in Table 1 above represent different perceptions on several items about the relationship between ethnicity and economic unity. In item 182 (67.1%) respondents agreed that East African states can have one common currency while 71 (26.2%) disagreed, and in item two, when respondents were asked whether Uganda will not be affected by trade restrictions while in the federation, 142 (52.5%)

agreed while 81 (31.1%) respondents disagreed. The implication of this is that people are willing to join the East African economic federation, where they think have benefits over others. This view was also expressed by the respondents on the interview guide when asked the same items. A male business entrepreneur in Kampala but coming from western region responded;

“It is a good idea, but our government officials may fail us. There is nothing that has destroyed this state like ethno-politics related to economic diversity! Many Ugandans will suffer as of course, others enjoy....”

(Interviewed on 18th May 2012)

While another Member of Parliament from central region replied;

“We Ugandans are the most feared and respected in terms of economic potential. In Uganda, we (Baganda) are the most skilled tribe and I know when they open up their fee markets, free movement of labour, and other economic programs, do not get surprised that we shall expand out influence in the region, but of course strengthening our stronghold.”

(Interviewed on 30th May 2012)

However, in the rest of the items, the participants responded in disagreement with the first two items. In item four and five when the respondents were asked whether Uganda has the same economic interests with other member states that seek to federate, 152 (56.8%) disagreed while 68 (25.4%) agreed, and in item five when respondents were asked whether the people of Uganda can better realize and satisfy their economic development goals easily if they join the federation, 113 (42.2%) disagreed, while 109 (40.7%) agreed. The disagreement and agreement here is two-fold; the first one is that those societies that have advanced economically and conservative with their traditions disagreed to join the East African federation in order to maintain the status quo. Second, while those societies especially a cephalous and feel have been excluded in matters concerning national economic life, agreed to join the federation simply because they do feel the united federation can boost their economic prosperity. This was reflected by the respondents on the interview guide. One respondent in northern region, particularly in Karamoja when asked replied;

“The East African Federation idea will be good for us in Karamoja, since now we shall be in one region without stained boundary conflicts. Hope it will give us a wide range of economic benefits to expand on our cattle ranches, hunt those cattle, wrestlers deep in their hiding, and expand on our market in the region.”

(Interviewed on 2nd June 2012)

While another male illiterate entrepreneur in the southern region responded;

“Yes, let us join it and put an end to these endless boundary conflicts in our region, and reduce an inequality, but let me warn the planners that if their programme is intended to demolish our identity then the idea will collapse.”

(Interviewed on 29th May 2012)

On the other hand, respondents in centralized and conservative societies responded differently from the above. When asked, one traditional royal and businessman in central region replied;

“What will confuse this country more is this idea of the East African federation. For example, compare our national currency to all other national currency in the region, the politics and government social relations, may friend there is another agenda these leaders want to achieve but hiding under the auspices of the East African Federation.”

(Interviewed on 4th June 2012)

For this reason, it was not surprising that in item seven when the respondents were asked whether Ugandans will be part of the group that will fully achieve the East African federation by 2013, 147 (55.9%) disagreed, while 55 (20.9%) agreed. This confirms that, the ethnocentric beliefs among

Ugandans will pose a great challenge to the East African Federation. When asked in the interview guide, the following were the reactions;

One respondent in Nimule, Northern Uganda, replied;

“The problem with our government is skipping development stages. You can really imagine how one thinks of regional unity before national unity. We can to a certain extent achieve economic unity but even then, it will be influential by political unity, and the result will be collapse.”

(Interviewed on 9th June 2012)

While a grocer in southern region replied;

“When you make people suffer so much, your government segregates them, deny them right to economic prosperity and freedoms they end up hating all your programmes. For me, the East African Federation is circus as you will witness.”

(Interviewed on 9th June 2012)

On items eight and nine, when respondents were asked whether the people of Uganda can only solve their economic problems by uniting into a federation, 154 (57.6%) disagreed while 77 (28.8%) agreed. On item nine when asked whether Uganda has no internal problems related to economic struggles before joining the federation 223 (83.8%) respondents disagreed while 23 (7.2%) agreed. The meaning of this is that Ugandans need sometime to settle some scores within their economic development before joining the federation. These scores are ethnic related between tribes neighboring one another, and also ethnic forces in government jobs especially in the civil service. In addition, Ugandans feel that no one should intervene in the solving their internal problems that themselves. These economic problems that they faced were cited as poor road infrastructure, poor education system and facilitation in different schools located in the research studied regions, segregation in accessing government jobs, awarding government tenders, among others as indicted by respondents on the interview guide as follows;

One female respondent in Amuria district in northern Uganda expressed her view;

“Now for us we only talk about our Maama Mabira (referring to the District woman member of parliament in the region Honorable Beatrice Atim Anywar) and at the rate we see and hear names from central and western Uganda in the government!.., You killed us and you want us now to join you and now continue to destroy our property?”

(Interviewed on 10th June 2012)

Another member of parliament in western Uganda belonging to the ruling national resistance movement replied;

“For me I find the idea good but hard to achieve. It is the people power who accept, not the leaders. My people I represent in parliament do not know anything about the east African federation. Now even many of us, legislators cannot explain the idea in details on television or radio. It is a waste of time and tax payers’ money!”

(Interviewed on 11th June 2012)

While a female member of parliament in central region responded;

“We need to do the right things first before we think of the East African economic unity and the whole federation. We shall mix many programmes without consultations from the people and the end result will be chaos.”

(Interviewed on 15th June 2012)

And the business tycoon in central region replied;

“For us who have been here before Museveni’s government have seen how and why the first attempted east African economic organization collapsed in 1967. On the basis of that experience, I do not know why this one will survive, simply because it is faced with similar challenges.”

(Interviewed on 15th June 2012)

The economic federation that Uganda wants to achieve with its member states in the region will so much be influenced by people's origins and perceptions like in the past.

DISCUSSION

The findings of the study in this sub-theme reflect different perceptions of agreement and disagreement about the East African federation. In the first place, the study reveals, that it's possible for the Ugandans and East African states to have a common currency. This was revealed in table, item one. However, even though the respondents acknowledged the above, they still pause ethnic regional economic imbalances as a case against the regional economic unity in item three of the table. This is supported by Helliwell (2003), Tavits (2001) and Huang (2008), when they contend that the ethnic factor pause a number of substantial effects on economic development and unity of a state, or states, which creates subjective happiness amongst the citizens. This is true of Uganda, and the East African states which seek to federate.

In addition, the findings reveal that Uganda is not at the same level of economic development with other East African states, neither do the East African states which seek to federate are at the same level of economic development. This implies that the economic interests of Uganda will be different when they join the East African federation and her pursuit of them, will have a bearing on the stability of the federation, because this bearing will mainly be explained by the ethnic domain within Uganda. The study also concurred with Harowitz (1985), when he acknowledged that the biggest challenge of federation in Africa is the structural models of ethnic strife which rely on the contrast between ranked and unranked systems of ethnic stratification.

In addition, there is a discrepancy among Ugandans where a big percentage (42.2%) believe that Uganda does not need to join the east African federation in order to realize and achieve her economic development goals, and a slightly small percentage of respondents believe otherwise. For this, it was found out that those who disagree, that its possible for Uganda to better achieve her economic interests while in the federation are westerners, who are in government, or have relatives in government while those who do not believe, and are the majority came from the north, central and eastern regions.

The implication of this is that, those who support the view believe they will continue to benefit, even when Uganda joins the East African federation, while others, believe that they will continue to be exploited and segregated. This view was in agreement with the study of Blanton, Mason and Athow (2001). They argue that attempted federations have relied on the cultural division of labour, where individuals have been assigned roles to specific types of occupations and other social roles on the basis of observable cultural traits.

In addition, Nielson (1985) also complements on the same view, that while in the federation ethnicity and class coincide as social mobility for subordinate group members is restricted by the ascriptive criteria of ethnic models. The consequence is that ethnic identity is reinforced and ethnic solidarity is intensified. This is because one's ethnic identity cannot be divorced from one's economic status and political interests. This implies that while Uganda in the East African federation, the division of labour is likely to be synonymous with ethnic identity, characterized by one ethnic group being subordinate to others.

The findings also reveal that the East African states have humorous versions of contrasting motives; Uganda's ambition is to export surplus capital labour while Tanzania wants to enrich its pan African version. In addition, Kenya is interested in exporting her surplus capital and production in the region, thus, this underrates commonalities.

The findings also reveal that Ugandans will not be part of the group that will fully achieve the East African federation by 2013 as predicted. This was revealed by respondents in the table, as 55.9% agreed with this view, while 20.9% respondents disagreed. The 20.9% respondents, who disagreed with this view, reside in western Uganda, where the Ugandan president is said to have originated. The principal components of the East African economy in relation to the federation are not yet fully implemented.

There remains a substantial list of exclusions, influenced by ethnocentric tendencies of member states and actors.

Okediji (2004), questions the prolonged socio-economic inequalities that continue along ethnic lines to prevail within Uganda and East Africa in general, reinforced by regional inequalities in the economic development of member states, which seek to unite into the East African federation. Thus, the ethnocentric dimension that further supports the claim of ethnic hegemonic democracy and economic development has greatly influenced the formation of the East African economic unity.

The research findings also reveal that Uganda does not need the East African federation as the only need to solve her economic problems. This was revealed by respondents in the table, item eight, where 57.6% (154) respondents agreed with this view, while 28.8% (77) respondents disagreed. Respondents on the interview cited problems and challenges that need self-empowerment and not a federation, like poor road infrastructure, poor education system and segregation in accessing government jobs, awarding government tenders among others.

The research findings reveal that the above argument is a replica of ethnicity at play, and this explains the different reactions of respondents. To end this, the process that generates change towards joining the federation need to be careful, that the change advocated for is unrelated to the outcome that we often use in the regions ethnic demography to explain (Mauro, 1995; Easterly and Levine, 1997). If we assume that ethnic groups are fixed and unchanging, can have a positive impact on the realization of economic unity, but once we recognize that ethnic groups and ethnic demographers are fluid, it will become so critical for the region's federation to realize economic development and unity.

In addition, Ugandan societies contain multiple dimensions of ethnic cleavage, each of which can be salient in different settings and historical moments, and this applies to all member states seeking to unite under the East African federation, thus there is need to cater for such dimensions, and for this, a successful federation of East Africa should have a resemblance of such traits, or dimensions.

The study also reflects certain economic hardships Uganda will face if they join the East African federation that may affect the federation stability. Such revelations include corruption, low technology, and debts from the World Bank and other organizations. This was revealed by the respondents, where 83.8% agreed while 7.2% respondents disagreed. For this, Katembo (2008) acknowledges that this will create a decline in the intra-state remittance and loss of foreign private investment over perceptions about economic instability in the region.

In conclusion, ethnic sentiments among Ugandans bear a significant influence on the formation of the East African economic unity; however, federation if handled appropriately can contribute to inter-ethnic harmony and can be a pillar for economic unity and development.

CONCLUSION

From the above analysis, the study concluded that, the differences in the level of economic growth among ethnic societies of Uganda have created economic imbalances, divisions, and hatred among Ugandans, and will pose a threat on the realization of the East African economic unity. In addition, Uganda is not at the same level of economic development with other member states, which seek to federate and this will impact on the full realization of the East African economic unity. Thus, there is need to design economic policies that will make any citizen, despite of his or her origin, access economic opportunities without any bias. This will reduce on job-ethnic related policies, and people will begin to collectively own the responsibility of developing the entire region, without being biased to any region.

ACKNOWLEDGEMENT

To all those men and women who have contributed to the successful write out of this research paper, especially, Dr. Maurice Bakaluba Tamale, and Dr. Anthony Muwagga Mugagga; you are the most fantastic experience of my academic life. To my Uncle, Pope Nuncio to Nigeria, Dr. Augustine Kasujja; who has seen me growing with his financial assistance up to this academic level, and to all my research respondents in this study.

REFERENCES

- Alesina, Alberto, et al, (2003), Fractionalization. *Journal of Economic growth*, 8:155-94.
- Ali Mazrui (1972). *Cultural engineering and nation building*. North-western University Press, Evanston.
- Amin, M., (2005). *Social Science Research*. Kampala, Uganda: Makerere University.
- Blanton, R., Mason, T. D. and Athrow, B. (2001), Colonial style and post colonial ethnic conflicts in Africa. *Journal of Peace Research*, Vol. 38, 473, Sage Publication, Oslo.
- Chang and Chu, (2006), Corruption and Trust: Exceptionalism in Asia democracies. *The Journal of politics* 68 (2): 259-71
- Clague, (1999), Contract intensive money: Contract enforcement, property rights and economics performance. *Journal of Economic Growth*, 4 (2), 185 – 211.
- De Soto, H. (2007), *The mystery of capital*. London: Batam Press.
- Easterly, W. & Levine, R. (2003), Tropics, germs and crops: How endowments influence economic development. *Journal of Monetary Economics*, 50, 3 – 39.
- Evans, P. & James, E. R. (1999), Bureaucracy and growth: A cross-National analysis of the effects of “Weberian” state structures on economic growth. *American Sociological Review*, 64 (5), 748 – 90.
- Fredrick, B. (1969), *Ethnic groups and boundaries: The social organization of culture difference*. Retrived in Fearson, and Laitin (2000), *Violence and the social construction of ethnic-identity*. Massachusetts, USA.
- Glaeser, Edward, et al (2004), Do institutions cause growth. *Journal of economic growth* 9:271- 303.
- Harowitz, D. (1985). *Ethnic groups in conflicts*. Berkeley, C. A: University of California Press.
- Helliwel, J. F. (2003), How’s life? Combining individual and national variables to explain subjective well-being. *Economic Modeling*, 20 331 – 60.
- <http://en.wikipedia.org/wiki/uganda>. Retrieved in October, 2011.
- Huang, (2008), *Capitalism with Chinese characteristics; entrepreneurship and the state*.
- Jan, Teorell, Nicholas, Marcus, S. et al, (2009), *The quality of government dataset*. Gothenburg. <http://www.qog.pol.gu.se>.
- Katembo, (2008), Pan Africanism and development; The East African Community model. *Journal of Pan African studies*, Volume 2, no. 4.
- Knack, Stephen, and Keefer, P. (1997), Does social capital have an economic payoff? A cross country investigation. *The quarterly Journal of Economics* 112 (4): 1251-88
- Krejcie, R. V. & Morgan, D. W. (1970), Determining sample size for research activities; *Educational and Psychological measurements*. Vol. 30: 607-610.
- Kurtz, Marcus & Schrank, A., (2007), Growth and Governance: Models, measures and mechanisms. *Journal of Politics* 69 (2), 538 – 54.
- Lijphart, A., (1991), Constitutional choices for new democracies. *Journal of democracy*. Vol. 2, no. 1 pp. 72-84/ 10.1353/jod. 1991. 0011.
- Mansfield, E. & Snyder, J. (2005). *Electing to fight: Why emerging democracies go to war*. Cambridge: MIT Press.
- Mauro, P. (1995), Corruption and growth. *Quarterly Journal of Economics* (Augus), 681 – 712.
- Miguel, E. and Gugerty, M.K., (2004), *Ethnic diversity, social sanctions and public goods in Kenya*. Berkerly, University of California.
- Nielsen, F. (1985), Towards a theory of ethnic solidarity in modern societies. *American Sociological Review*, 50, April: 133 – 149.
- North, D. (1990), *Institutions, institutional change and economic performance*. Cambridge University Press, USA.
- Oberg, Magnus and Melander, E. (2005), *The quality of government and Civil war*. Goteborg University. November 17-19, 2005
- Okediji, T. O. (2004), *The dynamics of race, ethnicity and economic development: The Brazilian experience*. Minnesota Humphrey Center, MN SS4SS, USA.

- Posner, N. D. (2004), The implications of constructivism for studying the relationship between ethnic diversity and economic growth. University of California Press, Los Angeles.
- Putnam, R. (1993). Making democracy work: Civil traditions in modern Italy. Princeton: Princeton University Press.
- Robinson, J., (2002), Global World cities; A view off the map. International Journal of Urban and regional research. Vol. 26, pp. 531-554.
- Rothchild, D. (2003), "East African Federation: A report on Nairobi conference, the second in a series of three conferences on public policy organized by the university of East Africa. Indiana University Press USA.
- Rothstein, B. & Fek, D. (2009), Political corruption and social trust: An experimental approach. Rationality and society, 21 (1), 81 – 112.
- Rothstein, B. & Jan, T. (2008), What is quality of government? A theory of impartial government institutions. Governance, 21 (2), 165 – 190.
- Rothstein, Bo and Uslaner, (2007), All for all: Equality, Corruption, and Social Trust. World Politics 58: 41-72
- Sowell, T. (1994), Nationalism and ethnic conflict. San Diego: Green Haven Press (pp.176-183).
- Subramanian, R. (2004), How to identify effective and feasible integrated strategies for seismic risk mitigation. Austin, Texas.
- Tavits, M. (2007), Representation, corruption and subjective well-being. Comparative political studies, 41 (12), 1607 – 1630.
- The East African Annual Report, (1998 - 2000).
- The Wako Committee Report, pp 257
- Weggara, N. C. (2010), Regional integration: Perspectives, challenges and initiatives.
- World Population Report, June, 2013. Population reference bureau, Washington D.C