

The State of East Africa 2007

The East African Scenarios Project is a response to the rapid political, economic and social changes taking place in East Africa and globally, which have created significant uncertainty for leaders, decision-makers and citizens.

The overall objective of the *State of East Africa Report series* is to offer new and interesting information about the region, presented in a way that provides new information, offers new insights and unlocks the imagination. The first *State of East Africa Report 2006: Trends, Tensions and Contradictions* challenged East Africa's leadership to understand the major issues facing the region based on a compilation and analysis of a broad range of statistical indicators of the region.

This second *State of East Africa Report 2007: Searching for the Soul of East Africa*, takes a look beneath the statistics. Through a collection of seven essays punctuated by eighteen editorial cartoon images, the report reflects on a simple question: *Who are we and what shapes us?* The essayists are drawn from Uganda, Kenya and Tanzania and examine the identities and influences at work in East Africa. The collection of cartoons offers a pictorial commentary on the region which is at once irreverent and profound in its reflection on East Africans' self-image.

The *State of East Africa Report 2007* does not try to make any definitive pronouncements. Instead it aims to catalyse a wider-ranging discussion on such an elusive subject as the soul of a community. It is hoped that, more than anything else, this report will keep such a deeply necessary discourse alive and open.

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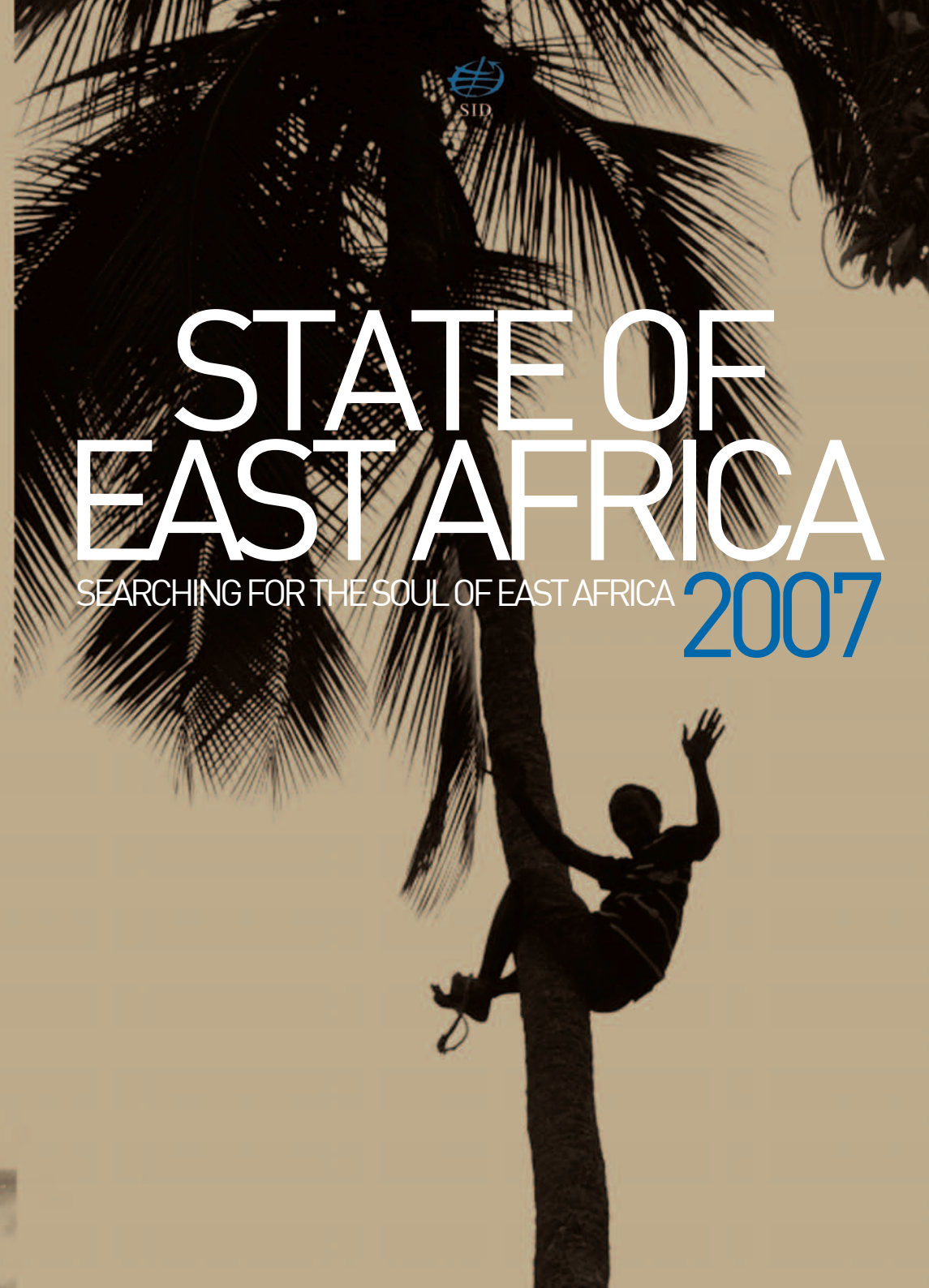
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STATE OF EAST AFRICA 2007
SEARCHING FOR THE SOUL OF EAST AFRICA



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The Society for International Development

The Society for International Development (SID) is an international non-governmental network of individuals and organizations founded in 1957 to promote social justice and - foster democratic participation. Through locally driven international programmes and activities, SID strengthens collective empowerment and facilitates dialogue and knowledge-sharing worldwide. In addressing issues from a multi-disciplinary perspective the Society emphasises systemic and long-term approaches with a central focus on institutional and social transformation. SID has over 55 chapters, 50 institutional and 3,000 members in 125 countries. Its secretariat is located in Rome, Italy and it operates a Regional Office for Eastern Africa based in Nairobi, Kenya.

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The theme and content of this State of East Africa Report 2007 were inspired by Charles Onyango-Obbo's insightful reflection entitled '*The Struggle for the Soul of East Africa: The contest between the hard and soft East African Community*' which he delivered at the launch of the State of East Africa Report 2006 in Dar es Salaam, Tanzania. SID is especially grateful to him for his excellent contribution and untiring guidance as the Guest Editor of this report.

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INTRODUCTION

The East African Scenarios Project

The East African Scenarios Project is a response to the rapid political, economic and social changes taking place in East Africa and globally, which have created significant uncertainty for leaders, decision-makers and citizens.

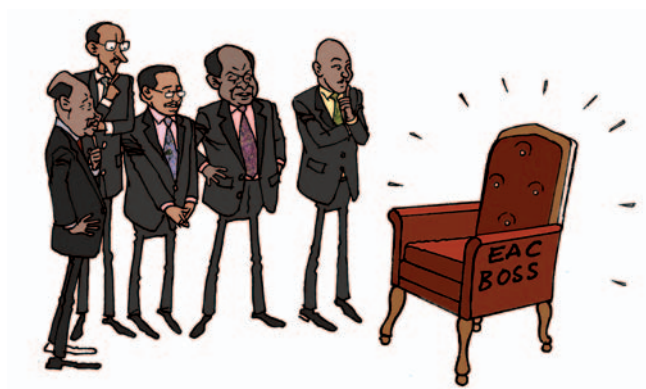
Initiated by the Society for International Development, the project takes advantage of the opportunities emerging as a result of economic liberalisation and the gradual expansion of political space in region to understand the forces shaping these changes and their implications for the future. The project thus proposes new ways through which leaders and citizens can interrogate the past and present through the lens of the future. It will catalyse and promote dialogue between the decision-makers and the citizens about the future of their countries and the region, and what the roles of both might be in shaping or responding to these changes as they unfold.

The East African Scenarios Project shall produce the following major outputs: a series of annual *State of East Africa Reports* of which this is the second publication; an *East African Scenarios Research Compendium* containing 10 research papers unravelling the trends, patterns and driving forces that were identified as being critical to understanding the region's future, and the *East African Scenarios Stories* describing the potential futures facing the region.

These publications will inform and help politicians, technocrats, business, civil society leaders and citizens to think critically about the futures they might have to face, and to test how they would respond to situations that they might encounter.

The State of East Africa Report 2007: *Searching for the Soul of East Africa*

The overall objective of the *State of East Africa Report* series is to offer new and interesting information about the region, presented in a way that provides new information, offers new insights and unlocks the imagination.



The State of East Africa Report 2006: Trends, Tensions and Contradictions challenged East Africa's leadership to understand the major issues facing the region based on a compilation and analysis of a broad range of statistical indicators of the region. The Report highlighted the following tensions emerging from a careful analysis of the indicators: a growing tension between the human needs and the capacity of East Africa's natural environment to meet these needs in the foreseeable future; tension between and within communities and countries that is generating low and high-intensity conflicts which are often linked to global competition for limited resources; and the tension at both an individual and collective level, between their aspirations and the often stark reality experienced by the vast majority of East Africans. It also identified crucial trends that present strong developmental challenges such as: an increasingly and rapidly urbanising region with a significant youth bulge; a structural shift in regional economies that is diminishing the traditional importance of agriculture; and a markedly low level of infrastructural connectivity in East Africa.

However, hard data and cold statistics capture only that which is quantifiable in the complexity of human society and relationships, and reveal only a part of the full picture. As the first report was shared widely across East Africa and further afield, keen observers noted that there is a 'softer' and a less tangible side to the region's development and evolution than meets the purely statistical eye.

This second *State of East Africa Report 2007* peers beneath the statistical indicators. The theme of this report is: *Searching for the Soul of East Africa*. Through seven essays punctuated by eighteen editorial cartoon images, the report reflects on a simple question: *Who are we and what shapes us?* The essayists, drawn from Uganda, Kenya and Tanzania and representing two generations, look at the identities and influences at work in East Africa. The collection of cartoons offers a pictorial commentary on the region which is at once irreverent and profound in its reflection on East Africans' self-image.

The first two essays, on *Religion and Spirituality: African Metaphysics and Conflict Resolution* by Professor Dani Nabudere and *The Tension of Two Worlds: Synthesis or Arbitrage?* by Barbara Heinzen and Aidan Eyakuze, reflect on East Africans' cognitive paradigms, how these have been rooted in African language, spirituality and institutions, how they created notions of justice and managed conflict, and how they have been heavily influenced by western world views. The essays ask how the duet and duel between the African and external ideas might evolve and shape the future of East Africa. Will there be synthesis or arbitrage between the two paradigms?

In his contribution on *Ethnicity and Race: The Curse of East African Politics*, Dr Willy Mutunga argues, in part, that there are only two tribes in East Africa - the rich and the poor - and that ethnicity and race have been used as political instruments by the rich to maintain their privileged status. He sees strength in the region's ethnic and racial diversity, debunks the myth of the homogeneous or monolithic Asian community and appeals for a radical social democracy in East Africa which will among other things, struggle furiously against negative ethnicity and racism.

Godfrey Chesang' examines the effect of the urban setting for East Africa's collective soul in *Shoeshine Boundaries, Post card Cities and the Villagisation of the City: the Shape of Urban Life in East Africa*. He argues that the state behaves quite differently depending on whether it is operating in the organised 'postcard' sections of the region's cities or in its large slums. The boundary between the two worlds are demarcated by an army of shoe-shiners whose triple roles include keeping the city relatively free of the foot-carried mud from the slums, cashing in on the aspirational yearnings of the sojourners to the postcard areas, and reminding all of the connection between the two sides of the region's urban areas.

Drawing on plenty of anecdotal evidence, the last three essays provide some insight into the powerful unofficial and intangible integration process which is being mediated by the region's transport and communications infrastructure. Charles Onyango-Obbo explores a rich collection of examples of people-driven integration in his contribution entitled *People Who Aren't Afraid of East Africa*. In a similar vein, Aidan Eyakuze argues in *One Network and Just Like Home: Regional Integration by Mobile Phone*, that when seen as a seamless market, the region is an exciting place for innovative mobile phone business models, which could conceivably create new regional economic policymaking challenges. Morris Mwavizo looks at the effect of the music and fashion industry on the region's youth in *Dancing to a Cross-border Beat: Music, Fashion and East African Regional Integration*. He concludes that using Kiswahili to convey their message, these artists have shown themselves to be very adaptable and practical as they cross borders in search of bigger audiences and wider markets.

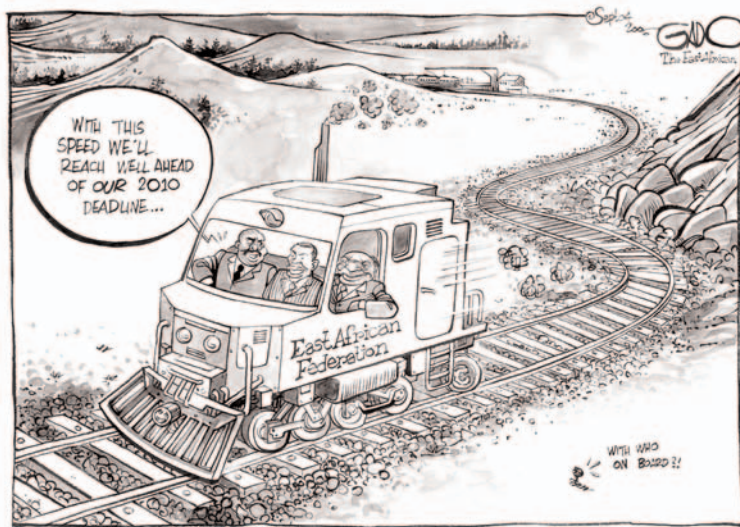
Part Two presents some comparative data. It echoes and updates *The State of East Africa Report 2006* by presenting a statistical profile of Burundi. It concludes by summarising two reports from the World Bank Group on the cost of doing business in the five East African Community countries, and a comparative assessment of the climate for foreign

direct investment in the three largest EAC economies, Kenya, Tanzania and Uganda.

The State of East Africa Report 2007 does not try to make any definitive pronouncements. Instead it aims to catalyse a wider-ranging discussion on such an elusive subject as the soul of a community. It is hoped that, more than anything else, this report will keep such a deeply necessary discourse alive and open.

Charles Onyango-Obbo, Guest Editor
Aidan Eyakuze, Editor

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PART 1

WHO ARE WE AND WHAT SHAPES US?

RELIGION AND SPIRITUALITY: AFRICAN METAPHYSICS AND CONFLICT RESOLUTION

Prof. Dani W. Nabudere

Professor Dani Nabudere is a leading Ugandan author and currently heads the Afrika Study Centre which conducts alternative and Pan-Africanist research. It is based in Mbale, eastern Uganda.

Many people would be surprised by the suggestion that spirituality can add any value to the East African integration project. However, the spiritual dimension is deeply involved in the resolution of conflicts in African communities.

A few examples from Uganda will suffice to indicate how the intervention of spiritual forces in human affairs serves to restore balance in social relations.

The social structure of the Karimojong pastoralists is based on generational lines and age sets, where elders form the senior generational set act as the guardians and leaders. According to Joshua Osamba (an anthropologist at the University of Nairobi), in their role as the political and spiritual leaders of society, the Karamoja elders laid down rules and procedures for initiating warriors, settling disputes, sanctioning raiding expeditions and determining grazing areas.

Karimojong society therefore relied on their guidance, prayers and blessings. Their advanced age and experience was seen as indicating their close relationship with the spiritual world. Thus their decisions on any issue were unlikely to be disobeyed or challenged.

In East Africa, pastoral conflicts occur across borders between different ethnic groups, frequently involving cattle raids. In such situations, elders in the warring communities often intervene to ameliorate conflicts through traditional "peace treaties." In 2002-3, extensive conflicts occurred among the Karimojong, Turkana and Pokot. In 2003, the Turkana pastoralists of Kenya entered into a traditional treaty with the Jie and Dodoth pastoralists of Uganda in which they agreed to share certain resources including pasture and water inside Uganda, after the former had entered Uganda and occupied a "national park" to feed their cattle. This treaty still holds and promises to influence other situations in the region. The three-year Traditional Peace Accord between the Pokot (of Uganda and Kenya) and the Sabinu (of Kapchorwa district of Uganda) has also held, reinforcing the relative peace on this border.

Why is this story of an archaic arrangement among remote groups of people practising an outmoded lifestyle important to the modern world of today?

We live in a world full of conflict and destruction of life and property on a scale never witnessed before in the history of humankind. We are witnessing conflicts not only at a macro-level between nations, but also at a micro-level involving families and clans as we have seen in Somalia.

The macro-level has widened to include conflicts at sub-national, regional and global levels such as the conflicts we have witnessed in the former Yugoslavia, Rwanda, the Horn of Africa and the Great Lakes region of the continent. In the case of Rwanda, we have been horrified by a genocide that has left deep scars of trauma on the people of that country and the world as a whole.

The questions that come to mind as a result of these developments are: How are we as humanity to confront these conflicts and find answers to them at deeper spiritual levels? How are we to convert those positive aspects of our religions that are common to all humankind to our collective advantage and benefit?

Instead of being part of the problem, the world's religious and cultural diversity should enable human beings to live in peace rather than be afflicted by wars and other forms of conflict.

Today's global and regional conflicts such as those in Iraq and Afghanistan are highly politicised by neo-conservative groups in the US and Britain and have been dubbed a "war against terrorism." Such ideological manipulations are responsible for destructive engagements that have brought humanity to the brink of genocides in many parts of the world. Can Africa contribute to defining a new path that closes the gap between the spiritual systems encompassed within the major monotheistic religions of the world, especially Christianity, Islam and Judaism, and Africa's traditional religions, which believe in a supreme being but leave room for spiritual diversity?



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History and Religion

It is now widely accepted that Africa provided a historical base for the major monotheistic religions of the world just mentioned above. One recent writer, Jared Diamond, in his book entitled *Guns, Germs and Steel: A Short History of Everybody for the last 13,000 Years*, has observed that unlike other continents of the world, Africa has been occupied by five of the six major divisions of humanity - three of which are native to Africa. He further observes that linguistically, Africa is also the most diverse. Drawing from Joseph Greenberg's linguistic studies, Diamond points out:

"We're taught that Western Civilization originated in the Near East, was brought by brilliant heights in Europe by the Greeks and Romans, and produced three of the world's great religions: Christianity and Judaism, and Islam. Those religions arose among peoples speaking three closely related languages: Aramaic (the language of Christ and the apostles), Hebrew, and Arabic, respectively. We instinctively associate Semitic peoples with Near East. However, Greenberg determined that Semitic languages really form only one of six or more branches of a much larger language family - Afro-asiatic, all of whose other branches (and other 222 languages) are confined to Africa. Even the Semitic subfamily itself is mainly African, 12 of its 19 surviving languages being confined to Ethiopia. This suggests that Afro-asiatic languages arose in Africa, and that only one branch of them spread to the Near East. Hence, it may have been Africa that gave birth to languages spoken by the authors of the Old and New Testaments and the Koran, the moral pillars of Western Civilization" [p.382-3].

This helps to retrace our historical roots in trying to find lasting answers to the conflicts on the continent and around the world as a whole that have religious connotations expressed in different kinds of fundamentalism. A spiritual reconciliation of the major world religions is therefore an imperative for all humanity. But such an imperative should have a sound historical basis. Africa provides a link that can help the different world religions to retrace their origins to a common human religious and spiritual heritage.

The famous Senegalese physicist and historian, Prof Cheik Anta Diop, has reminded us that contrary to popular belief in the Western world, Africa was in fact the origin of monotheism. Diop points out that around 1400 BC, during the time when Moses lived, the pharaoh Aminophis IV

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(also known as Akhaton) tried to revive the early African monotheism, which had then been discredited by sacerdotal ostentations and the corruptness of the Egyptian priests. Moses is said to have been influenced by this movement, which he wanted to replicate among the Jews. However, recent historical studies have suggested that Akhaton was in fact Moses himself and that his attempt to impose the single god Amon on the Egyptian population of the time was resisted, leading to his removal and later flight to the land of Canaan.

Diop further points out that the monotheism that Amenhotep IV wanted to restore originated among the Meroitic Sudanese as well as the ancient Ethiopians. The supreme deity Amon was regarded as a single god by the ancient Africans. Diop also traces the ten Christian commandments to the ancient Egyptian *Book of the Dead*, whose authorship is also traced by him to these southern precincts of ancient Egypt. Equally, Islam too is shown by Diop to have had its origins in the monotheistic beliefs of the ancient Egyptians. He points out that the pilgrimages to Mecca already existed before the appearance of the prophet Mohammed and that the sacred stone *Kaaba* was reputed to have been constructed by Ishmael, the son of Abraham and Hagar, the Egyptian Negro woman, who according to all Arab historical sources was regarded as the historical ancestor of the prophet Mohammed. Hence, by the time the prophet Mohammed rose to prominence, according to Diop:

"As in Egypt, belief in a future life was already prevalent. Dead ancestors were deified. Thus, all the elements necessary for the blossoming of Islam were in place more than 1, 000 years before the birth of Mohammed. Islam would appear as a purification of Sabaeism by the "messenger of God" [pp 126-7] ¹

From this source, as well as many others that cannot be dealt with here, all the elements that constituted the major religions of the world have a common human origin that can serve as the basis for a genuine reconciliation through the restoration of historical memory. The positive recourse to memory is a good way of moving towards a reconciliation based on the realisation that all human situations have two sides to them, which are complementary. There are therefore both positive and negative memories in our consciousness, which constitute a single whole we can interrogate in the search for solutions. These two elements in our consciousness are not opposites, but two sides of the same memory that are represented in our total consciousness. They can only be separated with great injury to our psychic wellbeing, which

¹ Diop, C. A [1974]: *The African Origin of Civilisation: Myth and Reality*, Lawrence Hill Books, Chicago, Illinois.

is even now manifesting itself in the current conflicts. The African mechanisms of conflict resolution and management testify to this holistic spiritual approach.

African spirituality through conflict management

Today, we have voices calling for the use of 'transitional' or 'restorative justice' approaches to conflict management on the continent. This is because there is a realisation that the current mainstream approaches to justice, with their inquisitorial and adversarial structures, are unable to resolve complex human conflicts. The idea of restorative justice is to restore a positive balance in relations between conflicting parties to overcome the negative forces that have created the current imbalance.

Hence, other quarters insist that what is needed is a synthesis of the existing formal systems of justice based on adversarial principles with the traditional 'transitional justice' approaches based on the principle of reconciliation. Whereas the adversarial system is well founded in the positivist philosophies of jurists such as John Austin² and Hans Kelsen³, the 'transitional justice' systems have a different philosophical basis for the concept of justice. Although traditional systems such as the *Mato Oput* (among the Acholi of Uganda) and *Gacaca* of Rwanda, appear to be specific to their particular cultures, it has to be realised that these diverse traditional systems originating in different African contexts have an *underlying commonality* that can be readily comprehended once their common philosophic basis is appreciated.

One of these philosophic and historical bases can be traced to the knowledge developed by ancient Africans in Nubia and Egypt. According to Jan Assmann in his book *The Mind of Egypt*⁴, the concept of *Ma'at* (or 'connective justice') is the principle that was originally used to bring individuals to form communities. *Ma'at* gave their actions meaning and direction by ensuring that good was rewarded while evil was punished. It was a concept that insisted on the need for continuity and memory (or recollection) because it was believed that memory and mutually supportive actions depended on each other because both provided conditions for stability.

² Austin, J [1954]: *The Province of Jurisprudence Determined, originally published in 1834, London.*

³ Kelsen, H [1967]: *Pure Theory of Law, 2nd edition.*

⁴ Assmann, J [1996]: *The Mind of Egypt: History and Meaning in the Time of the Pharaohs*, Harvard University Press, USA

'Connective justice' (or *Ma'at*) in this sense prevailed in a universe where consequences were connected to deeds by a spiritual principle. Assmann points out that Hans Kelsen's studies on the State and Law captured elements of this conception of justice by linking deeds with consequences, in which 'connective justice' knitted the course of events and the world itself into a meaningful world. He adds that where 'connective justice' stopped functioning, where evil went unpunished and good was no longer respected, there the world became 'out of joint' [Ibid:132-3].

This same principle is captured in Acholi belief systems. According to the Acholi philosophic discourse, a situation becomes *piny rac*, in the words of Okot p'Bitek, the Acholi poet and philosopher, when 'the whole thing is out of hand' and 'the entire apparatus of the culture cannot cope with the menace any more⁵.' In such a situation, balance has to be restored to achieve harmony and this is only possible through the mechanisms of reconciliation based on acceptance of responsibility and payment of compensation to the aggrieved party.

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Ubuntu and Reconciliation

The same principles are manifested in the philosophy of Ubuntu advocated by many Bantu communities in Southern Africa. Professor Ramose in his book: *African Philosophy through Ubuntu*⁶ argues that Ubuntu is at the root of African philosophy and being. According to him, like all human beings, *Abantu* live in a world of uncertainty. The world of uncertainty includes the reality of death, which all human beings must suffer. But for most Africans, unlike Christians, death does not mean the disappearance of the dead from beingness. Africans believe that the dead continue to exist in a spirit form and as such are recognised as the 'living-dead' or ancestors. This is the metaphysical principle behind Ubuntu.

Secondly, he argues, African philosophy holds that the 'living dead' can, when called upon by the living, intercede and advise them in certain circumstances. Such intercession is crucial in reconciliation rituals in which the ancestors, invisible beings, play a significant role. In addition to the 'living-dead,' there are also the 'unborn' beings who are recognised to exist in the future. As such, the living are required to ensure that the unborn are brought into the world and provided for. This

⁵ Okot, p'Bitek [1986]: *Artist, the Ruler: Essays on Art, Culture, and Values*, Heinemann, Nairobi, p. 27.

⁶ Ramose, M. B [2002]: *African Philosophy Through Ubuntu*, Mond Books, Harare.

also conforms to the law of creation, which the *Ubuntu* philosophy takes account of as another metaphysical principle.

Thus the transformation of the living from the unborn and the living to the 'living-dead' occupies a continuous space, which Professor Ramose calls "the ontology of invisible beings" or African metaphysics. It is a discourse about the unknown from the standpoint of the living. However, the fact that the unknown is unknown does not mean that it is unbelievable. The Africans, in this understanding, therefore believe in the existence and beingness of the unknown, which has a direct influence on their own being. It is this existence of invisible beings that is the basis of *Ubuntu* metaphysics and the belief in the supernatural that plays such a central role in African processes of reconciliation.

This, according to Ramose, explains why *Ubuntu* philosophy and religion have no separate and specific theologies. Through these invisible forces Africans seek explanations to certain happenings, which cannot otherwise be explained by 'normal' or 'rational,' 'scientific' means. Conflicts are part of these uncertainties of existence and hence the role supernatural beings play in the reconciliation process, in which the ancestors are implored to sanctify whatever is decided upon through the various rituals involved.

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Religion provides another arena of belief in God, the Supreme Being. According to Ramose, it is a belief in the immanent and the transcendental. Many Africans, according to him, believe in one God, while others believe in a variety of gods and spirits. All have, however, the same objective, to explain where we come from and where we are going. According to Prof Ramose, Christianity and Islam have come to influence Africans' spirituality, but this has not done away with African traditional religious beliefs. On the contrary, many African Christians and Muslims today continue to practise African religions in what has come to be called syncretism.

Prof Cheik Anta Diop has also argued that in African Islam, which he sees as a living religion in Africa, the intermediation of the *marabout* is essential. He notes: 'Despite the formal doctrines of the Koran, there are no believers who dedicate themselves only to God and his Prophet.' He adds that in African conditions, a third personage, the one known as his *marabout*, is needed by all laymen, 'from the masses to the sovereign.'

He emphasises further that the action by which one entrusts his metaphysical lot, his fate in the hereafter, to a living saint, "is characteristic of the *marabout* phase of Islam in West Africa." He

describes the *marabout* as 'living intermediaries between laymen and the Prophet who is in direct communication with God. After death, the *marabouts* raise disciples to Paradise.' Therefore, he regards this metaphysical element in Islam as one of the reasons Islam made so much headway in Africa, where it 'seems to reside in a certain metaphysical relations between African beliefs and the Muslim tradition' [Diop, 1987: 165-67]⁷.

Perhaps this Africa metaphysics account for the fact that when the 'war against terror' began, the majority of African states did not agree with the US that the answer lay in bombing and invading Iraq but rather in the reconciliation of views through the United Nations. Perhaps these same beliefs also explain why immediately after the 9/11 attacks in the US, the Cabinets of Muslim Senegal and Guinea were the first to visit US embassies and deliver their condolences to the American people. These examples indicate the possibilities of an African spirituality providing leverage to world religions to reconnect. This would provide an opening for reconciliation through 'restorative justice.'

⁷ Diop, C. A [1987]: *Pre-colonial Africa*, Lawrence Hill Books, Brooklyn, New York.

THE TENSION OF TWO WORLDS IN EAST AFRICA: SYNTHESIS OR ARBITRAGE

Dr. Barbara Heinzen & Aidan Eyakuze

Dr. Barbara Heinzen is a freelance geographer who lives in London and has been traveling to East Africa for the past ten years, usually to work on SID projects in the region. She is a leading specialist in scenario-building and long-range planning.

Aidan Eyakuze is a Tanzanian economist and director of the SID East African Scenarios Project.

What created the biological abundance of East Africa at the beginning of the 20th century? Why, in the place where humanity has lived since our species was born, was there still so much room for the rest of life: the large mammals, reptiles, insects, birds, trees and plants? Was this abundant landscape an accident of history? Or was it created by us as Africans? Long ago, we were forced to learn that we could not control the forces of nature, but had to live with them instead. Out of that experience, we created multiple, resilient cultures of knowledge. These survived in practices, institutions and beliefs that adapted to new circumstances and ensured both the survival of our ancestors and our own presence here today.

The legacies of our older African cultures continue to shape our behaviours and assumptions, and they are radically different from the legacies of European culture and colonisation that created the modern states we have today. That European legacy grew out of a different history, climate and geography and in response to different necessities. However, it is such a powerful legacy that it has become the model of development around the world. Still, at a time when societies everywhere are rediscovering the need to live with the forces of nature, our 'elder' African knowledge of landscapes and abundant life, our experience of resilience and survival, could help restore the biological wealth of the continent and create a new model of modernity.

The trouble is that African knowledge and institutions have since colonial times been dismissed as irrelevant to the future and to our own wellbeing. Not only did the foreigners, who rarely spoke our languages, condemn African societies as backward and primitive; we, the peoples of East Africa, tragically accepted that judgement. We continue to believe to this day that our own knowledge, languages and institutions are inhibiting progress and holding us back. We lack confidence in our own cultures and institutions, and even question our understanding of the world. We schizophrenically live parallel lives - one European and one African - rarely attempting to create a new society born of the best of both legacies and traditions. We tolerate a marginal existence, caught in the tension of two worlds.

Kenya: Tough New Rules May Drive Herbalists Out of Business

Billy Muiruri, Nairobi March 28, 2007

The work of more than 20,000 herbalists in Kenya is on the line, if a new government policy is ratified. The revised National Policy on Traditional Medicine and Medicinal Plants could drive traditional healers out of business. A World Health Organisation report shows that conventional medicine caters for only 30% of Kenya's population, leaving 70% to traditional providers. The policy seeks to recognise experts who use herbs and "swallowables" to treat patients. This automatically leaves out magicians, witchdoctors, soothsayers, charlatans and other traditional healers. The government classifies these as alternative health providers...

...Traditional healers have also been calling for abolition of the Witchcraft Act Cap 67 (1925), which they term "colonial and outdated". This law bans witchcraft or use of "witch medicine" with intent to injure. Administrators risk five to 10 years in prison. This law prohibits deeply rooted practices like use of soil, ash, animal fat, feathers and beating of drums as a cure to what they term "cultural" illnesses.

Source: <http://allafrica.com/stories/200703271157.html>
accessed on May 7, 2007

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'On the Trail of a Treatment for AIDS'

Dr Sekagya Yahaya Hills straddles two worlds of medicine - he is both a dental surgeon and a traditional healer. The soft-spoken Ugandan told delegates at the International Symposium on Biodiversity and Health about his work as president of PRO.ME.TRA-Uganda. This non-governmental organisation is part of the international PRO.ME.TRA network that brings together African physicians and traditional healers with their colleagues in Europe and the United States to promote traditional medicine. PRO.ME.TRA conducts scientific and cultural research, and provides training to traditional practitioners of traditional medicine using a curriculum that is both scientifically based and culturally specific. It covers topics ranging from family planning and maternal and child health care to HIV/AIDS. Some 2,500 traditional healers have completed the PRO.ME.TRA training programme, Hills said.

Source: http://www.idrc.ca/en/ev-55582-201-1-DO_TOPIC.html
accessed on May 7, 2007

Our history, our legacies

The peoples of East Africa are the people of the Rift Valley, with its mosaic of altitudes, temperatures, slopes and soils, matched by the extraordinary variability of rainfall from year to year and place to place. Our region is also a crossroads of cultures and languages: Nilotic, Bantu, San, Cushitic, Arabic, Indian and, more recently, European. Long before Europeans arrived, different groups migrated through the region. As we moved, we created a political configuration based more on exchange, rivalry and accommodation than on conquest. We created a network of interlocking, interdependent societies. Though autonomous, together these societies created a distinctive political system where each group was held accountable by its neighbours through observation, critique and containment. A linguistic map of the region (*Figure 1*) shows us settling in and around each other, in groups with distinctly managed livelihoods and forms of social organisation.

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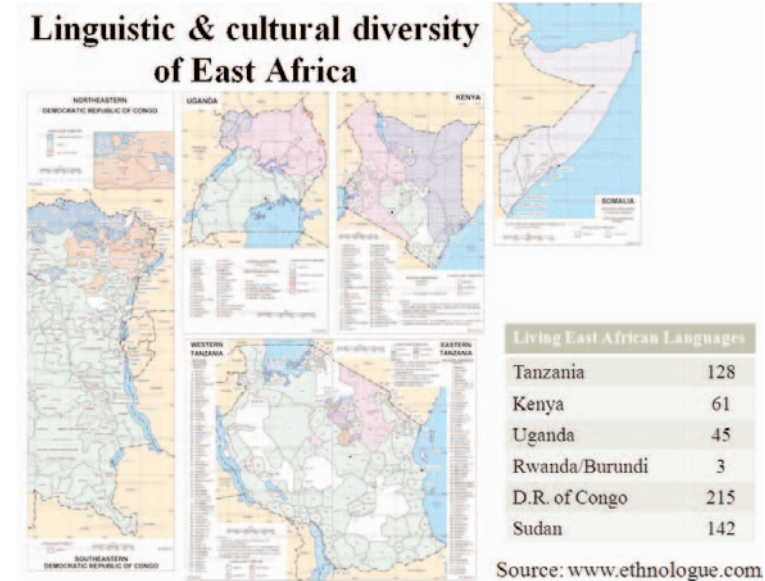


Figure 1: Linguistic map of Eastern Africa

East Africa is also a religious crossroads, where major monotheisms mingle with older African religions. These older traditions are a critical part of our living legacy as East Africans. Two scholars, John Mbiti and Laurenti Magesa, have described the beliefs of African religion. According to Mbiti, African religion has an integrated concept of time. In this paradigm, the present includes all those who are alive, as well as those who are about to be born or who have recently died. It contains both the past and the future, which cannot be separated. Mbiti, using Kiswahili, talks about 'nowness' or *sasa*, which feeds into a larger dimension of deep macro time, which he calls *zamani* (the past). In this way, both the long-term and the immediate are integrated in people's minds (Figure 2).

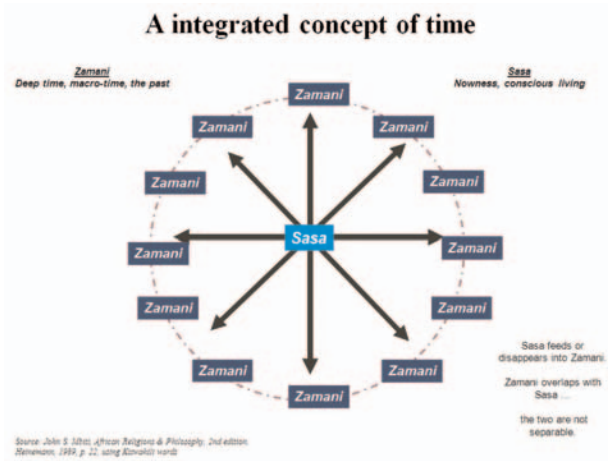


Figure 2: Integrated time: the present, *sasa*, feeds into deep time, *zamani*

Not only is there an integrated sense of time, but in African religion, man, God, the spirits and the rest of the animate and inanimate natural world are an integrated whole, a cosmos where man is responsible for managing these sacred relationships. In order to fulfil this responsibility, communication with the ancestors and the spirit world is essential. The ancestors link people to God, the spirit world and both the living and inanimate in nature: The rains, the animals, the plants, rocks and rivers. Mbiti describes these as 'sacred' relationships that nothing can destroy (Figure 3).



Figure 3: An integrated world of sacred relationships

In this world of integrated relationships, the natural world enjoyed a clear political voice through the spirit advisor (the priest, the seer, the *mganga*) who advised the chief and the elders. Together, this triumvirate led society. Chiefs embodied the advice of the elders and were guided by the spirit advisor, all acting for the good of the clan as a whole (Figure 4). The people could gossip and criticize, but the real accountability of the leaders was to the ancestors and the deeper, more powerful beings of the spirit world who could inflict terrible punishments, usually through the actions of the natural world¹.



Figure 4: Accountability to the spirits, linked to natural world

¹ In Imperial China, these actions were known as the withdrawal of the heavenly mandate from the ruling emperor(s). See Richard Kynge's *The Rise of a Hungry Nation: China Shakes the World* (Weidenfeld & Nicolson 2006)

Mosaic Rights

Laurenti Magesa writes of a world where "... the universe has been lent by God to humanity through the ancestors and the living leaders ..." To misuse the universe lent by God is a terrible crime. And what constitutes misuse? Magesa puts it in one word: "Greed."

To avoid the error of greed or at least in an attempt to manage its negative effects, our older traditions defined a system of rights mosaic rights" to land. Every hectare of land had on it a patchwork of claims that was applied during different times and seasons by different people or communities. In this system, women might have the rights to food crops while men would have the rights to tree crops. Herders would have the right to graze their animals on fields after the crops had been gathered, while the family that dug a well would have the right to say who could draw water from it. No one had the right to own the land, because the land was not ownable, but was held in trust for all so that no one's right to feed themselves was violated. Mosaic rights gave everyone something at different times and in different ways. It was - and probably remains - a system of rights that encouraged social equity and sustained biodiversity, both of which promoted resilience in the face of uncertainty and unpredictable hardship.

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An ecological society

Taken as a whole, the knowledge embedded in these older African traditions was coherent and effective. The integrated concept of time respected both the long-term and the immediate and informed the integrated relationships between people, spirits, God and the natural world. This created a world so complex it could only be effectively managed at a local level. Because localities were so important, and because population densities were kept low, the political structure was not a state but a network, a political system of neighbourly rivalry and accountability that respected social and ecological diversity. It was a political system based on mosaic rights that gave each person access to the resources of the land and society. Taken together, this living legacy of the pre-colonial world, this history, landscape and set of beliefs, are a profound part of our legacy as contemporary East Africans.

These intrinsic structures of East African society were invisible to the Europeans who ventured into the region in the late 1800s. There were few tall buildings or monuments, nor a single language or written record to study. Instead, the Europeans found an oral society with

myriad languages, living and managing numerous ecologies using multiple political forms and guided by an assortment of hidden spirits. What they noted most frequently was the natural abundance that 'no one' was exploiting, not realising that this abundance was an integral part of the traditional strategy of survival. Instead, the puzzling lack of exploitation, absence of written records and permanent dwellings, led Europeans to conclude that East African society was backward and primitive.

Today, with our growing knowledge of the damage that industrialisation can and has caused at many levels, the old networked societies of East Africa could be described as a population living lightly on the land in a political system that respected both human and natural diversity. There were no great monuments because these would have been expected to crumble and return into the earth so that all life could be sustained. Rather than written learning, it was a society where people learned by doing, living and working in an active three-dimensional relationship with each other, the earth and the rest of the natural world. Our multiple languages not only described multiple histories, but also reflected differing ecological realities that we managed using multiple political forms adapted to different environmental conditions. Taken as a whole, ours could be described as an ecological society, a society that had created the very biological abundance that the Europeans admired and coveted.

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Scientists want elders to have more say on forests

Malindi

Research scientists want the government to involve local elders in the management of Kaya forests to conserve endangered herbs endemic to the shrines. They said the National Museums of Kenya, which currently manages the forests, lacked the capacity to conserve the traditional herbs. The scientists also suggested that tourists visiting the shrines be made to respect traditional rituals to preserve the culture of the Mijikenda. Speaking at Gede, the director of the Kenya Forestry Research Institute, Dr. Doris Mutta, said most of the forests at the Coast were threatened by agricultural activities.

Source: Sunday Nation April 29, 2007, p. 3

'New Network to Conserve Africa's Medicinal Plant Resources'

A wealth of medicinal and aromatic plants ensures the primary healthcare and livelihoods of the poor in sub-Saharan Africa. Of the close to 6,400 plant species used in tropical Africa, for instance, more than 4,000 are used as medicinal plants. Up to 80% of the population relies on these traditional medicines. However, says the Network on Medicinal Plants and Traditional Medicine (Eastern Africa), loss of these genetic resources and their habitat is escalating. The loss of related indigenous knowledge is even greater.

Launched in September 2003, the network is supported by IDRC and co-ordinated by IDRC's François Gasengayire in Nairobi. The goal, says Gasengayire, is to help reverse this trend by promoting the conservation and sustainable, safe, and effective use of medicinal plants and herbal products. The network also seeks to integrate traditional medicine in public health services in Africa and to promote appropriate policies.

Source: http://www.idrc.ca/en/ev-55582-201-1-DO_TOPIC.html
accessed on May 7, 2007

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Tension of Two Worlds: development in different cosmologies

The natural abundance we created was very attractive to Europeans, whose 19th century industrialisation created an insatiable hunger for raw materials. Few realised then that fossil fuels - first coal and later petroleum - could pose such a threat to the earth's climate, or that natural systems needed time to recover. As colonialism gave way to independence in the 1960s, the development of an industrial economy became a universal ambition. However, this ambition rested on assumptions about time and the relationship between man, god and the natural world very different from those that shaped the older African legacies.

All development assumes that time is progressive. Future generations will be better off than the present one, who are already living more comfortably than their ancestors. In the world of *sasa* and *zamani*, however, time is not progressive. Instead, the advice of the past is used to survive the hardships of the present so that the next generation can continue into the future.

Similarly, the industrial world's cosmology highlights the passage in Genesis where God gives man mastery over the rest of life on earth: *Let them be masters of the fish of the sea, the birds of heaven, the cattle, all the*

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wild beasts and all the reptiles that crawl upon the earth. African religion sees things differently. According to Laurenti Magesa, God and all his work sustain humanity, which is morally obliged to sustain God and all his work². There is no dominion here, only interdependence. *The world of forces is held like a spider's web of which no single thread can be caused to vibrate without shaking the whole network.* In this world, the spirit advisor brings the natural world into human society, a powerful political figure active in all decision-making. Nature is not something to be conquered, but a troublesome partner in everyday life.

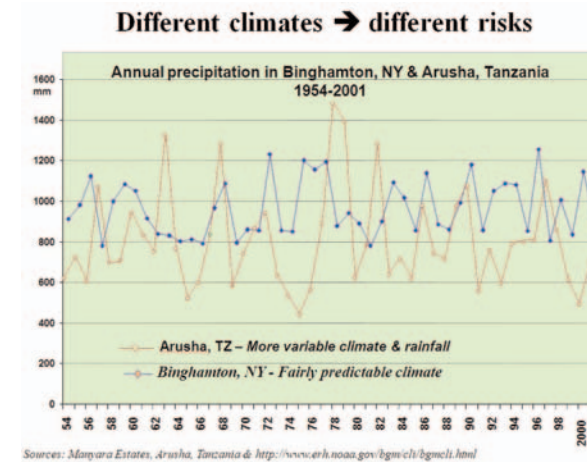


Figure 5: High risk in East Africa's rainfed agricultural economy

This respect for the natural world reflects the fact that our East African societies were and remain dependent on highly variable tropical rains (Figure 5). This variability has meant that the chances of a clan or village's survival from year to year are unpredictable, which in turn has led to the creation of systems of mutual support and resilience, of exchange and redistribution. The industrial world, however, assumes that extreme events are infrequent and can be avoided with good management and ever-evolving technology. Their challenge has been to increase production to meet the rising demands of population and consumption. While western success has been measured by the accumulation of money and things, older African success, according to Magesa, was measured by the abundance of life.

² This sentence is a short-hand description of a longer argument which appears in Laurenti Magesa, *African Religion: The moral traditions of abundant life*. Orbis Books, Maryknoll, New York, 1997, p. 72-73.

These different goals have created different rights and boundaries. Industrial society increased production by privatising land, closing off property with fences, hedges and barbed wire. Within the fence, a single owner could control everything that was on the land and sell the land to whomever he or she pleased. African societies, however, believed that land could not be owned, but was a shared resource governed by mosaic rights. In a society governed by mosaic rights, the landscape is criss-crossed by footpaths that give people access to the resources they need to survive.

On a larger scale, political organisation is also different. The African legacy is of a political system of peoples where routine checks and balances are provided by the crises of the natural world and the critique and opposition of neighbours. Accountability in the nation-states of industrial society, on the other hand, comes from internal checks and balances, from competing institutions, rather than competing peoples.

In contemporary East Africa, both the European and African systems of rights and political organisation are alive. It is not surprising that land tenure and property issues haunt all our societies. They are at the heart of the tension of two worlds, as two different ways of understanding the world survive in East Africa. So far, neither has completely replaced or overshadowed the other. Instead, as East Africans, we survive while trying to respect both. But how will this play out in the coming years?

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Synthesis or Arbitrage

Two words, synthesis and arbitrage³, describe the two possible relationships between these two worlds. If the relationship is one of synthesis, each world learns from the other and together they create something new. If the relationship is one of arbitrage, however, the two worlds remain fairly distinct, with people playing off the differences between them to maximum personal advantage. In arbitrage, the uses of disorder multiply without reconciling the competing worldviews of the two types of society. In a healthy synthesis, the best of both worlds creates a better society than that which existed before. The late Dr. Wemba Rashid, a sociologist from Mtwara province in Tanzania, said in a 2002 interview, "We should be able to combine the best of the past and the best of the present. That may be ideal, but people become ashamed of shifting from one to the other,"⁴ so that the older African beliefs only survive underground.

³ Arbitrage is a term from the financial world. It describes the action of borrowing money where interest rates are low while lending the same money where interest rates are high. Other types of arbitrage also exist.

Whose knowledge will shape the future of East Africa? Whose goals will define the rules of our society? Scientists, economists and ecologists are increasingly talking about the value of complex and adaptive systems. This is the next intellectual frontier and many Western intellectuals are trying to imagine what such a society would look like. Africans created a complex and adaptive society of great biological and environmental sophistication. But the values and wisdom of that society are today struggling to survive in the rush to develop into a modern industrial society.

It would be romantic to assume that East Africa can return to the past. Few people would want to do so, especially given that we are now facing the same population pressures that confronted Europe in 1750 and later. In seeking to feed more people, the attractions of industrial modernisation are extremely seductive. We need the benefits of the high production promised by industrial societies if the whole population is to be fed. Industrial societies, however, have so damaged their own environments that they now need the wisdom of our older societies who once created the biological abundance of African landscapes. As Dr Wemba Rashid put it, "If the land is sickly, people are sickly."⁵

Synthesis is, in fact, a necessity. Daily life, however, is a matter of arbitrage - with each culture being exploited for whatever it can contribute to ordinary survival.

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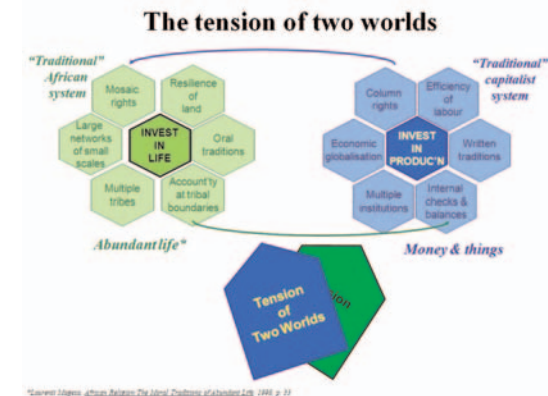


Figure 6: The tension of two worlds

⁴ Private communication with Barbara Heinzen, August 2002, Mtwara, Tanzania.

⁵ "A chief was the keeper or custodian of his people, but that meant he was also the custodian for the nature around them, because land has a direct relation to peoples' lives. The land must be kept alive for people to live. If the land is sickly, people are sickly." (Dr Wemba Rashid, 3 August 2002, interview with B Heinzen)

ETHNICITY AND RACE: THE CURSE OF EAST AFRICAN POLITICS

Dr. Willy Mutunga

Dr. Willy Mutunga is a long-standing human rights and democracy activist, and a former lecturer of law at Nairobi University. The views expressed here in no way represent those of the Ford Foundation where he currently works.

The ruling classes in East Africa, invariably called *Mafuta Mingis*, *Nyangáú*, *Wabenzi*, *Mapebari*, *Walalahai* (fat cats; hyenas; owners of Mercedes Benzes; those who sleep well at night) in Kiswahili and compradors, ruling elite, national bourgeoisie and national elite among other categorisations in English, are adept at dividing the citizens of East Africa to guarantee the permanence of their rule.

Ethnicity, race, religion, class, region, clan, occupation, gender and generation are the issues invoked, time and time again, to divide the peoples of the region. Coupled with the shunning of the politics of issues by the ruling political classes in East Africa, it becomes easy, for example in the case of Kenya, to debate whether or not the president of the country should be or should not be circumcised! The ruling classes have perfected, just as the colonialists did, the art of divide and rule. A peasant from Kikuyuland, in the case of Kenya, who lives in abject poverty, nevertheless feels a warm glow of satisfaction at the thought that her/his community is in power and that President Mwai Kibaki represents the interests of that community. In Uganda, President Yoweri Museveni's Banyankole people probably feel the same way as their counterparts in Kenya. In Tanzania, a peasant who is a Muslim perhaps feels the Muslims are now in power, since President Kikwete is a Muslim.

While the other divisions among the citizenry are important, this article focuses on the ideology of race and ethnicity as manifested in the politics of East Africa, quite often with violent consequences. Some stories from the past, the majority from Kenya, will help background this question.



Past Stories

In 1972, the late Ugandan dictator Idi Amin expelled over 70,000 Ugandan South Asians and grabbed their properties. The Ugandan citizenship of the South Asians became what some racists in Kenya have called "paper citizenship."

The war in Northern Uganda, now in a lull as the Kampala government and Lord's Resistance Army rebels negotiate peace, has gone on for over two decades. Apart from being seen as reflecting ethnic divisions between the South and the North in Uganda, there are ethnic chauvinists in the South who call the Northerners "foreigners" and *ebisolo* (*animals*). Again, the issue of citizenship and identity is not restricted to ethnicity, but impacts race and class as well. Recently, over the struggle to save the Mabira Forest, which the Uganda government plans to give the Mehta family to grow sugar cane, racial tensions flared up resulting in the killing of one South Asian at the hands of demonstrators turned lynch mob, and of two of the demonstrators by police bullets.

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The rape of Mabira Forest ought to be traced to the interests of the multi-ethnic, multiracial and multinational *Mafuta Mingis* in Uganda represented by President Museveni. The rape of the Mabira Forest has nothing to do with the unfortunate shopkeeper Rawal who was killed in the protests. The race question, planted and nurtured by British colonialism and constantly fertilised and watered by the Ugandan political classes since Independence, is not about to go away.

In Tanzania in the 1970s, pursuant to *Ujamaa* policies, the Acquisition of Buildings Act targeted Tanzanian South Asians and their properties were compulsorily acquired and compensation paid.

In Kenya in the 1960s and 1970s, the so-called Africanisation and later Kenyanisation policies targeted the Kenyan South Asian industrialist, wholesaler and retailer. Again, the issue of citizenship was called into question.

In all these cases, it is important to observe that the East African Europeans were spared the brunt of what in effect were racist political policies. As Zimbabwe's Robert Mugabe has discovered, African Europeans have the protection of the North, while the Asians and any particular group of targeted Africans do not.

In 1991-2, the Kenyan state sponsored so-called ethnic clashes in the Rift Valley. The clashes were instigated by politicians who argued

that the Rift Valley was for the Kalenjins, and all other communities living in Rift Valley were foreigners. With the onset of violence, it became clear that four communities in the Rift Valley were exempt from this categorisation of foreigners. These four communities, who owned land in the Rift Valley, comprised the Kenyan Europeans, Kenyan South Asians, wealthy individuals from all African communities, and foreigners. While peasant Luos, Kisiis, Luhyas and Kikuyus were evicted from Molo, Burnt Forests and other places, these four communities were spared.

Then there was the SM Otieno case, heard in 1986-7, in which his clan wanted the deceased judge to be buried in his ancestral home, while his wife Wambui Otieno wanted him buried in Nairobi. Testifying in the case, which caught the attention of the entire Kenyan nation, SM Otieno's son was asked what his ethnic community was. His response was that he was a Kenyan. In the testimony that followed, however, the young man showed he had no respect for Luo customs and beliefs. He might as well have said that he was a Gikuyu in the first place.

When, in the 1990s, Richard Leakey joined Safina as the political party of his choice, President Daniel arap Moi made it clear in numerous rallies around the country that Kenyan Europeans were allowed to stay in Kenya on condition that they did not contest political power. This unconstitutional position was pegged to the Independence covenant as understood by Moi. Leakey was publicly whipped in Nakuru to drive the point home. Leakey did not address the race issue in his responses to Moi.

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Recently, the notorious Kenyan politician Fred Gumo said he would not retire if Kamlesh Pattni contested and captured the Westlands Parliamentary seat. Gumo implied he would have retired if a Kenyan South Asian were not involved in the political struggle for Westlands. Now Gumo will have to stay put since Aurelio Rebello has announced he will vie for the same seat under a party he has formed with the curious name, Growth and Development Party (GDP).

Many Kenyans may not know that five of the big communities control over 70% of the electoral vote in the country. These communities are the Gikuyu, the Kalenjin, the Luhya, the Kamba and the Luo. The ethnic barons from the five communities are comfortably represented in either ODM-Kenya or NARC or NARC-Kenya. Kenyan politics is first and foremost ethnic and that seems to be the country's political curse. As long as ethnic barons can agree on the first among equals among them (a task that is not always easy) the rest of the communities in Kenya are marginalised.

What do these stories teach us?

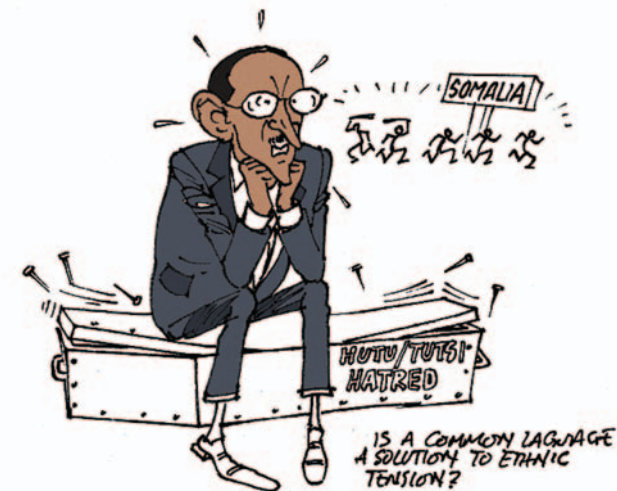
What do these stories teach us? Although we do not talk about it, East Africa is ruled by multiracial and multi-ethnic elite that has the support of the international elite. Although we do not accept that classes exist in East Africa they, indeed, do. The simple argument that East Africa has two tribes, the rich (*mafuta mingis/compradors*) and the poor, ought to receive in-depth ideological and political treatment. People whose parents come from different communities should not think that their ethnic identities can be wished away by adopting the community or nation they call Kenya, Uganda or Tanzania. Although we do not talk about it, East Africa is racist and this racism is out in the open in relations between Africans and East African South Asians. The ethnic and racial issues in politics make the discussion on devolution of power and other forms of de-marginalisation supremely important to the survival of East Africa as a region.



East Africa without ethnic and racial communities is neither possible nor desirable. While debate rages on whether colonial boundaries ought to be redrawn and the issue of states is problematised, ethnic and racial communities are here to stay. They are part of East African history. The burning issue is not the existence of these communities, but about the politics around them. If the political leadership in East Africa is unable to see the richness of the racial and ethnic diversity in East Africa, but chooses to see the

divisions that propel them to political power, then East Africa will always be the poorer for it. Ethnic and racial divisions in East Africa can be addressed in positive ways, the first being a serious handling of the imbalance in resource ownership and distribution among classes, racial and ethnic communities and among individuals within all communities.

The richness of ethnic and racial diversity in East Africa was positively handled, though not always consistently, by Mwalimu Julius Nyerere. Although Tanzania has many ethnic communities, races and religions and is a vast country, it is the only country in East Africa that can claim to be a nation. Whether we support or condemn *Ujamaa*, we cannot deny that it was an ideological and political blueprint that engaged Tanzanian culture, politics with its vision of an equitable future for decades. It is always sad when one hears some Tanzanian wreckers wishing to throw Nyerere's legacy out with the bathwater.



East Africans should understand that the East African South Asians are not homogeneous. They too have to contend with divisions based on religion, caste, class, gender and citizenship. *The Rockets*, the nickname for the Indian expatriates who come to East Africa, make a fortune in various forms and then take off to Australia, Canada or the US among other Western destinations, are a source of tension with indigenous East African South Asians. *The Rockets* reflect major characteristics of foreign capital. Profits come before the East African people.

East African Europeans are still powerful in the farming, industrial and commercial sectors. While some of them like Richard Leakey, David Western and Robert Shaw have been actively involved in politics or the civil service, the majority stay in the background, sometimes oblivious of what Independence in East Africa means for them. They are, of course, well protected by the North. One issue that Kenyans have been discussing is the fast tracking of the criminal cases of Lord Delamere's great-grandson Tom Cholmondeley. Demands have been made that the Attorney General of Kenya also fast track the cases of poor Kenyan Africans who have been in custody for years and, in some cases, decades.

While East Africans address the need for an alternative political leadership capable of giving East Africa the direction the region deserves, a number of key issues must take centre stage in the debates currently ongoing on democratisation and development. The issue of citizenship must be clarified once and for all if East Africa is to develop. There has never been any dispute in East Africa as to the desirability of dual citizenship while ethnic and racial communities in East Africa have unequivocal citizenship rights. East Africa should legislate against negative ethnicity and racism. Within the respective legislation, for example, stringent provisions should enable the state to punish and disqualify politicians who divide citizens on the basis of identities. The best punishment would be to bar such politicians from holding public office. It is the same punishment that should be meted out to politicians who are guilty of corruption, among other social evils.

A lot of work will have to be done in the area of research and education. The cultures of ethnic and racial communities must be taught, respected and protected. The communities themselves must be the engines of the change that is required in their cultures. Ethnic and cultural chauvinism must be combated at all levels. Debates on what is the prevailing culture in any ethnic or racial community must not be used as a basis of dividing or marginalising communities.

East Africa must also know that the main victims of these divisions are women and children. When we talk about ethnic and racial communities we must prioritise the human rights and social justice concerns of women and youth. These two groups are invariably marginalised when issues of communities, East Africans and the region are discussed. Such an approach will never be useful in addressing in total the ethnic and racial divides in the region.

While the debates on the consolidation of the East African Community continue to be headed by the political leadership in East Africa, the citizens of the region need to discuss their interests as the basis of that community. What is the Community for if I must have my passport stamped every time I enter Uganda or Tanzania? What is the Community for if East Africans cannot move freely across its boundaries? Why are we not debating the need for boundaries in the first place? The issues of ethnicity and race discussed here are just two of the many issues that East Africans should discuss. If we leave these issues to our ruling political classes, they will make sure that the Community does not survive.

Finally, East Africa is ripe for radical social democracy. Radical social democracy will give East Africa the ideological and political forum to debate neo-liberalism and its engines of globalisation; address what role the East African states will play in the new global disorder; sharpen East African foreign policy; protect and defend East African resources from unfair exploitation by the West, China and other countries; and promote, protect and respect the human rights and social justice concerns of East Africans.

It is only East African social democrats who can bring about the culture of issue-oriented politics and struggle resolutely against negative ethnicity and racism. It is only they who can protect East African entrepreneurs in their just struggle for protection from exploitative foreign interests. Along with other radical social democrats the world over, East African radical social democrats must debate alternative forms of developments knowing that radical social democracy alone can mitigate the current global disorder.



SHOESHINE
BOUNDARIES,
POST-CARD CITIES
AND THE
VILLAGISATION OF
THE CITY: THE
SHAPE OF URBAN
LIFE IN EAST
AFRICA

Dr. Godfrey Chesang

Dr. Godfrey Chesang recently completed a PhD in political science at the University of the Witwatersrand.

*Nairobi, ukienda huko siku hizi
Manyumba yanametameta kama nyota
Na huku nyuma, mwafrika ameketi chini x2¹*

*If you go to Nairobi these days
The houses shine like stars
and at the back, an African sits x2*

I recently read an arresting article on the BBC website, which was part of its Urban Planet series. To an East African, the article did no more than repeat the obvious - that villagers have always been fascinated with the city, and that they are finally moving there in droves. What was arresting about the article, though, was the simplicity with which it captured what could easily be the defining feature of the 21st century - the spectacular transformation of our world into one huge urban civilisation. The icing on the cake was this statement in the article: 'Somewhere, sometime in 2007, someone migrating from their rural home to begin a new life in a town or city will tip the global rural/urban balance, the UN estimates.'² Finally, a villager's and not a Royal Highness's role in history is being recognised!

Beyond according the villager a role in history, the rural-urban shift in the global population also forcefully brings the so-called developing world into the global historical picture. What is important here is that in the developed world, with some 70-80% of its populations already living in cities, urbanisation is a *fait accompli*. This effectively places the epicentre of 21st century urbanisation in the developing world. We are here interested in the implications of urbanisation for an integrated East Africa.

From an East African standpoint, a number of questions are inevitable. What does the recent surge in urbanisation mean for our future as an integrated entity? Given that our urbanisation has not been accompanied by rapid economic growth, what possible futures do we face? How are East Africans' aspirations for an urbanised future affected by the historical baggage of the past? How does one begin to disentangle them? How can one begin prospecting for an East Africa with functioning cities?

¹ A childhood song we sang in primary school.

² See Mark Kinver 'The challenges facing an urban world' on <http://news.bbc.co.uk/2/hi/science/nature/5054052.stm>

Urbanisation without industrialisation

Except for the promise of political federation, which could yet steer East African urbanisation in a distinct tangent, the historical trajectory of urbanisation in East Africa converges with that of many other African countries. For example, except for South Africa and other coastal parts of Africa, colonialism lasted for barely five decades. In India and most of Latin America, colonialism lasted for up to 300 years. In so far as urbanisation in East Africa is a historical consequence of the colonial experience, the logical implication is that African societies have had a shorter period to adjust to the attendant shocks.

What separates the African situation from others is that the very rapid shift in rural-urban population profiles has not had a necessary correlation, pre- or post-facto, with industrialisation. During that past 50 years Africa has seen the proportion of its population living in rural areas decline from well over 90% to approximately 65%. There is every indication that this trend will continue in the near future. For East Africa, the main implication is that in the next 10-15 years, the majority of its people will live in urban areas. However, this trend has not in the past, and is not in the near future likely to be matched by concomitant economic growth. Our probable future therefore is the transformation of our societies into a sea of super-slums, with a few islands of urban wealth.

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Nodes and ribbons

In the context of an integrated East Africa, what is already happening at the national level takes on regional dimensions. The region looks set to evolve into a network of urban nodes linked together by ribbons of road and rail. It is around this skeleton that social institutions, economic activity, political contestation and cultural production will be concentrated. Inevitably, we must ask what socio-cultural, economic and political functionalities cities in East Africa have today, how they operate as systems and the ideal city on which they are modelled. On the assumption that the future of East Africa is an urban one, probing our cities' underbellies should help us visualise the concrete context of the life East Africans live today and might experience tomorrow.

Of course, even the most catholic analysis of statistical trends cannot lead to an accurate prediction of the future. Currently, due to the lack of sufficiently rich data, it is only the most audacious of people who can claim omniscient expertise on any East African city. Furthermore,

throughout history, urbanisation has been a messy affair. That, however, does not prevent a considered commentary on the state of East African cities. Indeed, what one can do is to pick out a few of the objectively observable threads in the everyday social fabric of the city as an entry point into reflecting on the 'messiness' of urbanisation in East Africa. The object of such an exercise is not to prophesy but to explore a range of possibilities.

The urban "mess"

Let us begin by positing that historically, a structural trigger can set in motion a migration of people into areas usually with attractive physical, economic or strategic aspects. Such a trigger might be the discovery of valuable minerals in an area as was the case with Johannesburg, the establishment of an administrative centre such as in Arusha in Tanzania, or the development of a port such as Kisumu on the Kenyan shore of Lake Victoria. Additionally, even inadvertent triggers can prompt further expansion of an urban area, in turn spawning an endogenous economy and leading to further growth. This is the case with border towns where restrictive trade regimes spawn an informal and lucrative economy that attracts more and more people to settle in and around them. In East Africa, Busia's expansion in the 1980s as a result of the Chepkube economy is a case in point.

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The concentration of population in particular locations results in massive social re-ordering as old ways of living become irrelevant and new ones emerge in the face of new imperatives. Cities transform into centres of social and economic exchange and activity. Social hierarchies and value systems are reconfigured; new patterns of marginalisation and empowerment emerge, as well as new patterns of opportunity and risk. In other words, new structures of power and a new politics emerge. Cities become the cultural kitchens where new cultural broths, salads and beverages are concocted. Accordingly, what would be madness in other contexts becomes normal practice in the city, 'social misfits' fit in with ease and wearing mini-skirts, kerb-crawling, body painting and piercing and all those things your village pastor feared become the order of the day. In other words, order and disorder become twins, and devil or no devil, must somehow coexist in a new society.

Colonial genesis

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The consequences of such a process are as messy and as rich as the history of the particular area. In East Africa, the trigger for contemporary urbanisation was undoubtedly colonialism, and this genesis has left an indelible footprint. Firstly, patterns of urban settlements today are layered onto the extractive architecture of the colonial transport infrastructure. The balance of opportunity continues to favour urban areas. Despite decades of professed and attempted decentralisation, institutions and resources of government and people today continue to be pulled towards and concentrated in urban areas where they serve an economy still manipulated from metropolises overseas. Where domestically driven industrialisation is happening, it is on a scale too insignificant to affect global structural patterns or to meet domestic economic demands.

Secondly, and as has already been mentioned, population explosion in the eight to 10 decades of urbanisation has not been matched by concomitant economic growth. The outcome has been a consistent history of population growth always outpacing jobs and other income opportunities, bed-spaces, transport capacity, fire engines, teachers and policemen. Overall, there have always been fewer resources available than are needed for a fully rewarding life in a city. Our cities have been more locuses of deprivation than cradles of dreams. The economic life of most residents has similarly revolved more about survival than living, more about meeting material needs than about realising ideals of beauty, more about pursuing what satisfies

materially than what is rewarding morally, more about what you can afford than what you need, or is actually good for you. And, of course, these cities have become uglier by the year, simply because wherever aesthetic aspirations and survival imperatives conflict, the latter wins, except in extreme cases of aspirational living.

Weak states

The fact that money and resources have been in short supply in the economy has also meant the state does not have enough money, through taxation, to develop a solid infrastructure of control over its people and its territory. Modern states control people by ordering them in a register according to personal identification codes³. For example, every person ideally has an ID number, a PIN number, a name and a second name, a date of birth, an address. The same logic applies to the control of space. The naming of districts and streets within the city, numbering of houses, ordering them in straight lines and keeping records of ownership enables the state to control the use of space by people. With such schemes of legibility, the state can monitor the movement of a resident of Nairobi who owns a car, lives in a Karen, with a house number on the city map, an accessible street, a job with an office, a tax PIN and a title deed or a leasing contract. Any minister of finance also knows that such systems are also useful in raising taxes.

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Even the most cursory look at cities in East Africa indicates that these cities are only partially legible. Operating in most parts of these cities requires that you literally know the place. Maps are outdated and are limited to older districts. Even where there are maps, the names on the map do not always correspond to the names on the ground. The street sign may already have been vandalised, or never have been put up in the first place, or an area may have a totally different 'local' name. In Nairobi, everyone knows where the 'First World' ends and the 'Third World' begins, but what you see on the official map is Moi Avenue. Although *uswahilini*⁴ is an everyday term used to refer to certain areas in Dar es Salaam, it is never coded in the city's official maps.

The absence of a 'real' map for these places has not meant that people cannot find their way home. If anything, urban East Africans have working mental maps of their city, often whole manuals about which corners to avoid and when. However, while the residents muddle

³ James C. Scott, *Seeing like a State: How certain schemes to improve the human condition have failed. The Yale ISPS Series and Yale Agrarian Studies. New Haven and London: Yale University Press, 1998.*

⁴ Kiswahili slang for 'slums'

along, the failure to 'legibilise' these places means that the control logistics of the state are disrupted, and its power attenuated. In these areas, houses are cluttered, there is limited access to state officials, streets have never been named, and people do not have addresses or jobs for that matter. They are what most of us lazily call slums or informal settlements. In such a situation, state agents have little choice but to be enterprising and extremely creative in designing instruments of control.

As an exercise, try thinking about how a government official is going to go about tracing a newly arrived migrant from rural Kenya living in turns with different relatives in Kibera, Kangemi and Githurai, with no job, address or even daily routine. Of course, if it were only an individual criminal, then the police will be informed, then hopefully a chief will report where the individual was last spotted, the flying squad will give chase and the person will be nabbed at a police roadblock and brought to the attention of the relevant officer. But what if the person who is being looked for is not a criminal? Moreover, even for criminal purposes, what do routine police patrols and roadblocks achieve apart from being conduits for the projection of power? Consider that a typical police patrol usually has one Land Rover and between four and eight police officers. Occasionally such a patrol nabs a felon, pre-empts a crime or even misleads us into feeling safer. In general, though, are not these stratagems more a way for the state to show that it holds power, rather than actually exercising that power? These shows of power are only effective in so far as they instil the fear of the state in criminals, and more importantly, persuade the rest of us law abiding citizens to trust in the state?

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Vigilante pigeonholes

The flip side of this political mess is that the expansion of the urban population has also resulted in a massive growth in the demands of the urban population in terms of welfare, education, health, refuse collection, security and all those things that councillors promise in order to get elected. That urban growth is not matched by economic growth means that the challenges that governments already face - growing insecurity, welfare and representational demands, as well as prevailing income gaps among an expanding and increasingly complex urban populations - are bound to become more and more aggravated. The authority of states depends on a compact with citizens: Give us these things, they say, and we will give you loyalty. When this compact is compromised, as is happening across East Africa, the state's authority begins to erode. Once more, people start to do what they

usually do in villages, where the state comes in the form of the lone administrative post, its power attested to only by word of mouth.

In such circumstances, one of many non-state actors - NGOs, vigilante groups, criminal gangs and drug cartels - step in. At best, do-gooding NGOs will shift loyalties from governments towards themselves, but even this is usually not a pervasive shift. It is the bad guys who stake out territories, provide protection, stolen electricity and water, decide on who can live where, collect protection money and generally act according to the logic of a state apparatus - revenue collection, conflict arbitration, control and legitimisation of violence and even legislation - effectively eroding the power of the formal state. Not only is the state de-legitimised as a result, its power is also directly challenged. The usurping of the traditional roles of the state by such non-state actors also begins to criminalise the state as corruption becomes the main form of engagement between different political actors and the state, while many state officials becoming complicit players in emerging informal configurations of power. In a nutshell, we begin to trust these guys more than the state.

Trusting non-states comes at a premium. States are supposed to apply the same laws in every area and to every person in their jurisdiction. Unlike states, non-states operate by rules limited to the particular areas they control and applied to only a chosen few, with those left out having to seek protection elsewhere. Where the state is not that elsewhere, people tend to look for other non-states to protect them from adversarial camps. A Luo who cannot get protection from the Kikuyu-based Mungiki gangs or the state, seeks protection from the Taliban mafias. A Chagga who cannot rely on a Mhaya or the state to assist with the cost of transporting the body of a dead relative from Nairobi, seeks out other Wachagga. A Hutu who cannot trust a Tutsi government leaves the country. So, as Nyerere would put it, a fragmenting logic of Wazanzibari and Wazanzibara⁵ builds. It segues into the logic of Walalahoi and Walalahai⁶. Taken to its logical end, this trajectory leads to cities that look like pigeonholes of different urban tribes rather than a cohesive whole accessible to everyone.

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The point here is that though perfect homogeneity is never possible anywhere in the world, a significant degree of shared values, equality of access to resources, uniformity of treatment in front of the law and significant levels of trust in state institutions are essential. Conversely,

⁵ Unofficial, popular and light-hearted distinctions made in Tanzania between those who were born and live in Zanzibar (Wazanzibari) and people of Zanzibari roots who live on the mainland (Wazanzibara)

⁶ Kiswahili slang for 'the poor' (walalahoi) and the 'well-to-do' (walalahai)

while states can be 100% pervasive only in totalitarian political systems, a perforated state apparatus cannot even begin to promote democracy.

Postcards and the shoe-shine boundaries

Perhaps the most poignant, even hilarious dimension of the messiness of our urbanisation is in the cultural footprint that its colonial genesis has left. The typical East African city today is a contradictory picture. On the one hand is a formal, 'postcard' section of the city that is geometrically organised, relatively affluent and relatively better serviced in terms of representational, welfare, sanitation and security needs. This part of the city exudes a post-colonial aesthetic that is an eclectic mix of colonial and post-independence monuments, architectural design and gardening concepts or their derelict remnants; inevitably, its ambience is aspirational. This is the domain of the rich - newly arrived, or long-standing inhabitants of the city.

The state in this part of the city takes on a qualitatively different character. It provides, protects, regulates, arbitrates conflict, generally projects a human outlook and works in favour of those who live there. Part of the story is that the state apparatus here is well developed. Occasionally though, the Ugandan Black Mambas, Kenyan General Service Unit (GSU) or Tanzanian Field Force Unit (FFU) paramilitary forces invade the peace of this enclave. Precisely because such occurrences are an anomaly, the invasion of security forces in this part of the city evokes significant opprobrium in the media, on streets and in bars. Consider the recent strike by lawyers in Uganda over the Black Mamba invasion of the courts, or the outrage sparked by the raid on the Standard newspapers allegedly masterminded by the 'Artur brothers'. Intrusions of this nature are, however, the order of the day in the other part of the city.

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Photo 1. Same city, different worlds - One view of Nairobi



Photo 2. Same city, different worlds - Another view of Nairobi

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The other side of the city is a 'disorderly', unplanned, usually unsafe and under-serviced 'informal' section, where poor 'born-cities' and newly arrived villagers eke out their lives. In these shanty towns, geometric order is an oxymoron. Houses are huddled higgledy-piggledy, polythene bags are strewn everywhere, as are scrap metal, discarded tyres, open sewers and lots of dust or mud, as the season dictates. Pigs and ducks have the honourable job of inspecting open sewers as a matter of course and survival. The state in this part of the city is not a protector of rights or a provider of services. Rather, it is a perforated apparatus that selectively dispenses law and order. For the most part, vigilantes rule the roost, funeral societies deal with the costs of transporting the dead home, merry-go-rounds are the accepted form of micro-finance, and term *jua kali* (informal, 'open to the heat of the sun' enterprises) is both literal and a main source of livelihood.

In the shanty towns, the state operates in a strange manner. If it really wants to get hold of a criminal, it comes in in full force and gets that person. So the state is actually very powerful when it chooses to be, but such power is only exercised occasionally and selectively in relation to those elements who are considered most dangerous. In other words, if you cross the state, it will find you; if very many of you cross the state, it will impose a blanket curfew for a few days but if one or all of you want help from the state, patience must become not a virtue, but a permanent state of being.

The two worlds are, of course, distinct from each other. They are separated by grammar, smell, extent of paved surfaces, type and condition of vehicles. In the everyday life of a pedestrian from the shanty town, entry into the postcard city is signified by crossing the boundary of shoeshiners that ring it. More than any other city in East Africa, Nairobi perfectly epitomises this postcard-shanty town dichotomy. Uhuru Highway to the west, Haile Selassie Avenue to the south, Moi Avenue to the east and University Way to the north frame the four corners of the postcard city. You can, of course, find elements of the same postcard dotted around the city. As in Mexico City, Ibadan or Lusaka, shoeshiners are a fixture on the periphery of the postcard. The most obvious formation of these shoeshine border guards is along Tom Mboya Street just behind Moi Avenue.

This army of shoeshiners, like elsewhere in the world, play at least three different roles. The first is aesthetic gatekeeping of the postcard. By polishing shoes, shoeshiners in fact are involved in removing aesthetic blemishes that are not allowed into the postcard. They implement the social rule that those who enter the postcard city must not look dusty, muddy or poor.

The second function of the shoeshiners is to cash in on the aspirational yearnings of visitors to the post-card. They make money because they sell aspiration as a cheap, readily available commodity, which can also mute the dusty and muddy after-effects of not owning a car in a partially paved city. So after paying a small fee, and enduring the brief ritual, shoe-wearers walk into the city looking like part and parcel of the postcard. They have also bought a reprieve from the accusing stares that tell them that they do not belong here. The really polished ones know that it is not 'in' to carry a newspaper around, because carrying a newspaper confirms that you do not own a car, wherein the newspaper's proper location is the back seat.

The third role that shoeshiners play is to remind us of the linkages between the postcard city and the shanty town. Why else would there be a predictable income in shoeshining? They illuminate the efforts by governments to 'beautify' the city, a rationale that sits comfortably with the improvement of security. This even seems to have become the *raison d'être* of city authorities. Within the postcard city, cigarette butts may not be thrown on the pavement, hawking is not allowed, businesses must be licensed and public urination is practically a capital offence. The city's army is unleashed on the street everyday to police behaviour within the bounds of the postcard.

The postcard image of the city has in the process acquired significant political purchase. It has become routine practice to evict 'prostitutes', 'vagrants' and 'idlers' from the streets of our cities during international events, ostensibly to market the country internationally, as in the case of recent World Cross-Country Championship in Mombasa. There is nothing wrong with enhancing a city's beauty, or improving security, but the assumption that these groups of persons devalue the city again attests to the footprint of colonialism, when access to the city was limited to the chosen few, the colonial ruling class and its civil servants.

The future of East Africa's cities must transcend the postcard and its 'attached' shanty towns; they must become the locus of the region's creative energies, a place where all East Africans can enjoy and contribute to the liberating effects of urban life.

THE PEOPLE WHO AREN'T AFRAID OF EAST AFRICA

Charles Onyango-Obbo

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In late May of 2006, Kenyan Member of Parliament Franklin Bett submitted what seemed like a simple private member's question asking why the number of Kenyans seeking education in Uganda was increasing, and the steps the government was taking to 'arrest' the situation.

However, perhaps no other question asked in the Kenyan parliament in recent times has given us such a clear glimpse of the undercurrents of suspicion and animosity that swirl under the calm surface of the East African integration project as Hon. Bett's did.

On June 8, Assistant Minister for Education Kilemi Mwiria came to the House to answer the question. Kenya, he said, 'loses' Ksh 2.3 billion [\$34m] to Uganda in fees for university and secondary education each year. Dr Mwiria said the number of students seeking tertiary and secondary education in Uganda had risen to 16,000.

'Alarmed by the situation,'¹ Mwiria said the government had started expanding university education to match the increasing demand for higher learning.

Education sector sources in Uganda say the number of Kenyan students in Uganda is probably closer to 32,000. The private Kampala International University (KIU) is popularly known as Kenya International University because of the large number of Kenyan students on its rolls. The university even holds an annual 'Miss Kenya' pageant, which has become an important date in Kampala's social calendar.



¹ "Alarmed" was the word used in a newspaper report, indicating how far sections of the media and some politicians still had to go to realise that the East African Community was established precisely to make it easy for people do move and to do business outside their borders.

East African Universities on the Web: Regional, Continental and Global Ranking

The global academic community is increasingly turning to the Internet for teaching, research and even marketing activities. Many prospective students use the Internet as their first point of contact with colleges and universities. Current students, faculty and researchers also make extensive use of the Internet for a wide range of their activities. For these reasons, a presence on the web has become essential for institutions of higher learning all over the world, and East Africa is no exception.

The table below is the East African excerpt of a January 2007 ranking of the 'footprint' of the world's universities on the Internet. It measures the 'volume, visibility and impact of the web pages published by universities, with special emphasis in the scientific output (referred papers, conference contributions, pre-prints, monographs, thesis, reports) but also taking into account other materials (courseware, seminars or workshops documentation, digital libraries, databases, multimedia, personal pages) and general information on the institutions, their departments, research groups or supporting services and people working or attending courses.'

NAME	COUNTRY	RANKING		
		E.Africa	Africa	World
University of Dar es Salaam	Tanzania	1	13	3,403
Egerton University	Kenya	2	21	4,110
University of Nairobi	Kenya	3	24	4,483
National University of Rwanda	Rwanda	4	47	5,967
Strathmore University Nairobi	Kenya	5	50	6,236
Makerere Universit	Uganda	6	54	6,429
Kigali Institute of Science & Technology	Rwanda	7	62	6,696
Moi University	Kenya	8	64	6,807
Sokoine University of Agriculture	Tanzania	9	75	7,255
Kenyatta University	Kenya	10	82	7,354
Uganda Christian University	Uganda	11	98	7,633

Source: Webometrics Ranking of World Universities January 2007. Available on: http://www.webometrics.info/top100_continent.asp?cont=africa accessed on April 30, 2007

Eleven East African universities appear in the ranking of the top 100 African universities. Of these, five are Kenyan and two each are from Tanzania, Uganda and Rwanda. The University of Dar es Salaam tops the East African list, is the 13th in Africa and 3,403rd globally.

Many private Ugandan universities and elite secondary schools have recruiting offices in Nairobi. If you asked the thousands of Kenyan parents who send their children to study in Uganda whether they were 'alarmed', or whether they thought they were 'losing' money by doing so, you would probably get very puzzled looks. They would almost certainly tell you they were getting good value for their money. The KSh2.3 billion therefore would be not a loss, but the nominal measure of the benefit that private Kenyan citizens are getting from being part of the Community. The same would be true of Tanzanian parents who send their children in their thousands to study in Uganda and Tanzania. And of the hundreds of Ugandan parents who send their children to Kenya.

Because so many young Kenyans go to study in Uganda, some Kenyans tend to think therefore, that Ugandans don't need to send their children to school in Kenya. Wrong again. Kenya and South Africa are the favourite destinations for Uganda's well-heeled classes to send their children to school.

A popular joke goes that on visitation day at St Andrews, Turi, in Molo in western Kenya, you will find more expensive cars with Ugandan registration plates in the parking lot, than you do at the official opening of Parliament in Kampala. Schools like St Andrews are also the destinations of first choice for the Tanzanian and Kenyan bourgeoisie.

Whether working class, middle class or bourgeois, these parents are invariably grateful for one thing - that they don't need visas for their children. It is such invisible forces as the need for parents to shop freely around the region for the best education for their children that are creating the market demand for an integrated East Africa.

But even as some officials, 'alarmed' that so many Kenyan students go to study in Uganda, are agitating for the trend to be 'arrested', governments are fashioning policy to respond to the reality. Some months after Mwiria spoke in Parliament, Kenyan and Uganda authorities announced that they had agreed to set common standards in the future, and that facts on the ground made a general East African policy on lower secondary and primary education inevitable.

Unlike commerce in industrial goods, such social, 'services' trade is hard to measure accurately and often happens below most people's radar. As a result, the pro-East African integrationist currents tend to be underestimated. These currents are also eclipsed by the cries of those business people who fear that the East African Community will

kill them off and the shrill flag waving of xenophobic politicians and journalists.

'East Africa' is not just a bureaucratic construct that only comes to when the leaders meet at their quarterly summits to define its 'rules'; it is a day-to-day experience for thousands of its citizens. Barely three months after the mobile phone company Celtel launched its seamless One Network service in September 2006, allowing its customers in Kenya, Tanzania and Uganda to talk to each other at the price of a local call, it announced that it had gained 700,000 new subscribers in Kenya and Uganda alone, and the number was still rising. That could be taken as a crude measure of the 'active East African' constituency - call them *East Africanistas* - in the two countries over the period. The figures for how many came online after Kenya's Safaricom, Tanzania's Vodacom and Uganda's MTN formed a tie-up to provide a rival borderless service aren't yet available, but in all probability the total from both services could well be several millions in the coming year.

What the mobile phone companies have effected is the social version of what the governments are hoping to do have accomplished by 2013 - political federation. In this respect, then, they are years ahead of the politicians.

One reason the signs of life in the East African project are often invisible, is that this project is playing out in ways undreamed of by the traditionalists, who consider the old cultural ties among societies arbitrarily divided by colonial borders as the only serious ingredient in the East African Community recipe. Soon after Rwanda and Burundi were formally admitted into the EAC in December 2006, this writer asked Dr Richard Sezibera, Rwanda's special envoy to the Great Lakes and his country's point man on the entry negotiations, what he thought the immediate reaction of the Rwandese people would be.

Without hesitation, he said: 'Oh, I think many Rwandese will take the opportunity to go and see their relatives in Kericho.' 'Kericho?' I asked, surprised that the Kenyan Highlands should have any strong links with Rwanda. 'Historically, there have been quite a few Rwandese in Kericho working in the tea plantations', the envoy said. 'Now, it will be easier for their relatives to visit them and for them to travel back to Rwanda too'. The Rwandese were brought to Kericho by the colonialists in the 1940s because the British thought, in keeping with the anthropological prejudices of the time, that they were more acclimatised to working in highlands environments, as their lanky physique was obviously suited to tea picking.

Such movements of people around the region, in search of work or trade opportunities, are feeding the Community today too. For many years, one of the bitterest complaints voiced by travellers using the Kenya-Uganda border was that they were losing precious time because both sides closed at 5pm and only reopened at 8:00am. You therefore ended up with the absurdity that while it took you four hours to travel from Kampala to the border with Kenya, if were unfortunate enough to reach there at 5:05pm, you would have to wait 15 hours for the borders to open.

The pressures from travellers became a test of how responsive government officials in Kampala and Nairobi could be. Improvements to the system therefore started even before the Treaty establishing the East African Community - which came into force on July 7, 2000 - was signed on November 30, 1999 in Arusha by the three heads of government of Kenya, Tanzania and Uganda .

Similar changes were effected at the Rwanda-Uganda border, although there time zones added to the problem. Rwanda is one hour behind the Community's founder countries. After the Rwanda Patriotic Front took power in 1994 in the wake of the genocide, traffic between Uganda and Rwanda exploded. But, as President Paul Kagame explained it,² people arriving at the Rwanda-Uganda border at 8:00am would find the Ugandan side open, while the Rwanda part would still be fast asleep. The tyranny of time zones and bureaucracy wasn't easy to break but again, under the pressure of thousands of travellers, it too crumbled.

These victories won by travellers at East Africa's common borders were codified in the East African passport, of which by 2006 about 50,000 had been issued³ - again, like the One Network, indicating the size of the *East Africanistas'* constituency. One characteristic of East Africans is that they are a restless bunch for whom the freedom to travel is highly prized.

There is a particular bus stop in Johannesburg, South Africa where a special bus, locally referred to as the Eldoret Express, stops. It is called the Eldoret Express because it starts its journey in Eldoret, Kenya and makes its way all the way to South Africa, bearing among other things East African medicine-men and witch doctors.

² Interview with the writer in Kigali, April 11, 2005.

³ The first public revelation of the number of East African passports was made by Rwanda's Dr Sezibera, and reported in the Kigali-published *New Times* on October 18, 2006. Ironically, Rwanda had not yet been formally admitted as a full member to the EAC at that time.

Footloose and bus-loving East Africanistas have spawned what is probably the largest and most efficient cross-border transport system in Africa. There are dozens of buses crossing the Uganda-Rwanda, Kenya-Tanzania and Tanzania-Uganda borders every day. At the end of school terms, these numbers swell to over 30 a day. As a result, East Africa is probably the only region where you can get on a bus in the morning in one country, sleep your way through a second country and wake up hours later in the capital of a third!

Unfortunately, while you can travel happily with the blue passport, you can't yet work as freely. One of the anachronisms of the EAC is that East Africans need an expensive work permit to work in another Community country, and operations in which 'illegals' from the other two countries are rounded up and sent home are a frequent occurrence in the partner states. This official heavy-handedness is, however, at odds with wisdom of the peoples of the region.

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Take the case of Uganda, once a promising long-distance running nation, although there are not many people alive today who remember when that was. After nearly 30 years of absence from the international scene, the fortunes of the country began to turn around recently. Strangely though, this was thanks to athletes with names quintessential to the world's long-distance runners' incubator region- the Kenyan Rift Valley. Among them were Commonwealth 10,000m gold medalist Boniface Kiprop and Martin Kitiyo Toroitich. Indeed, the only other athletes on the world scene with similar names are Kenyans.

An interesting spectacle unfolded in the March 2007 IAAF World Cross Country Championships in Mombasa, where Uganda emerged a

pleasantly surprising third in overall standings thanks to runners like Benjamin Kiplagat in the junior men's race. Kenyan commentators noted that Kiplagat is the only Ugandan with that name. And to rub it in, they pointed out that Uganda has been doing well in recent years only because of the many Kenyans who had sensed an opportunity to escape the crowded field at home and crossed over to run under the Ugandan flag. Naturally, on the Ugandan side, there is not even a whisper that the Kiplagats and Kiprops are Kenyan. The national consensus is that they are Ugandans from the border region of Sebei.

If however, Kiplagat and Kiprop had been managers in a big company in Kampala, with names like that they would have required to show why they didn't need work permits.

They are able to run for Uganda because of a very liberal interpretation of the border lines. However, when in 1976 Uganda's military dictator Idi Amin made the same loose interpretation of where the border line lay, the two countries nearly went to war.

The citizen-driven dynamics shaping the contours that the official architecture of the East African Community will follow are numerous: Because the advertising market in Kenya is twice as large (\$77 million in 2005) as that of Tanzania and Uganda combined (\$39 million⁴), and because a lot of the spend in Tanzania and Uganda is decided out of the offices of advertising companies in Nairobi, media companies have had to wear East African suits. Nation Media Group drove this paradigm shift by becoming the first company to morph into a truly East African media house with its acquisition of Monitor Publications Ltd in Uganda in 2000 and, later, Mwananchi Communications Ltd in Tanzania.

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The landscape has, however, since become vast and lively. Most of the leading FM stations in the EAC today must have at least one of two things - either an East African Top 10 chart, or presenters from other East African countries, this trend perhaps best exemplified by Capital FM in Nairobi. And, of course, by the most East African of them, East Africa TV (EATV) and East Africa FM, from the stable of the Dar es Salaam-based IPP Media.

While some Ugandan business people and professionals gripe about Kenyan domination, Kampala's Capital FM, which owns Kiss FM (Kenya's leading station), Classic FM and others, is laughing all the way to the bank, as is Radio Simba. And while some Tanzanians remain deeply wary of 'Kenyan colonisation', Kenyan and Ugandan hip-hop

⁴ Steadman report on the East African media market in 2005.

musicians are worshipping at the altar of EATV, the vehicle that has given their music more visibility than anything else.

EATV and the FM stations have turned musicians like Uganda's Chameleone, Kenya's Nameless and Tanzania's TID into household names in East Africa. In the process, they have made contact with East Africa a daily experience. To most East Africans, it is these dreadlocked young musicians and the Akamba, Scandinavian Express and Gateway buses, rather than the politicians in grey suits, who are the face of East Africa. This penetration is so deep, a Ugandan newspaper named *Etop*, which is published in the Atesot language and which some Ugandans don't know exists, can be found on the newsstands in Nairobi. Perhaps it is not surprising that when the 'king' of the Iteso in Uganda, the *Emoriror*, visited Kenya in late 2006, he felt so pampered by the Iteso of Kenya, he quipped that he wished he could shift his throne to Nairobi.

In some ways, these developments in the popular culture market were only to be expected, and one can argue that they don't run deep. That they need to be accompanied by similar trends in the traditional sector before we can claim that there is a real 'movement' here that can give birth to a truly East African identity.

Actually, there is. The Kapsomin are a cross-cultural clan, comprising the Bagisu and Sabiny from eastern Uganda and the Sabiny in Kenya, who are subsumed in the wider Kalenjin community. In 2006, the Kapsomin from Uganda and Kenya had a general meeting in Chemkeng in Trans Nzoia and, in an interesting move, elected an 'East African president'. They also resolved to promote development projects on both sides of the border. On the Kenya side, they have begun work on a water project that they project should develop into a mineral water-bottling business in the future. On the Uganda side, they have identified a large piece of land where they plan to establish tourist tents.⁵

Even more intriguing is the fact that the age-old practice where the Bagisu and their Kenyan cousins, the Luhya, follow the same circumcision timetable, is still alive and well. Every even year, these two communities meet and agree on a time and place, and all matters of ritual in the two countries. It is an efficient system - there has never been a clash in activities. The knives never come out at an hour and place that hasn't been agreed.

⁵ Conversation with Prof. Dani Nabudere, a member of the Kapsomin clan, April 2007.

Looking to the future, the outline of the forces that will shape the East African Community to come is already visible. The vast movements in the region and the urban hip hop iconography spawned by the East African FM stations will give rise to what we might call the Blue Passport Generation, drawn from the 50,000-plus regional citizens who already hold the travel document, and the over one million East Africanistas who are on the One Network borderless mobile phone service. It cannot long hold that they are able to travel and telephone wherever they want in the EAC, dance to the same music and attend the same schools, but cannot live and work wherever they want in the region.

Therefore, as with the border reforms catalysed by travellers, freedom of movement of labour and residence could soon become an election issue in most EAC countries, and politicians may well have to grant them in exchange for popular votes in favour of political federation.

Demographic shifts are also set to significantly change the shape of East Africa. By 2030, Uganda will have the largest population in the region, projected at 64 million. Tanzania is projected to have the second largest at 57 million, Kenya coming third with 41 million, Rwanda next with 13.4 million, and Burundi, where the recent history of conflict makes estimates difficult, likely to have almost 13 million people.

The significance of this is that, combining the populations of Uganda, Burundi and Rwanda, the majority of East Africans will for the first time be living in non-coastal countries. Historically, nations in the hinterland with their insecurities about being landlocked have tended to be more integrationist than coastal nations. Coastal nations, however, tend to be more cosmopolitan, as indeed Kenya and Tanzania are more cosmopolitan than the other EAC partners.

These dynamics ensure that current difficulties and scepticism about the EAC notwithstanding, a powerful force that will remake the region has already been unleashed. Those who want to be winners in the future would be wise to prepare for it.

This is more so because East Africa has the youngest population of any region in the world. Nearly 50% of East Africans are below 15 years of age, opening the possibility that soon the majority of the citizens of this region will be free of the fatalistic view that the failure of the old EAC in 1977 will be replicated by its new incarnation.

The entry of Burundi and Rwanda is also likely to leave us with a Community unlike anything we have imagined before. To begin with, the two countries have bought themselves political insurance through

the stabilising effect of joining the EAC. Their membership of the Community is bound to alter the internal 'ethnic' equation in both countries that was used by extremists to deadly effect in the past, most catastrophically in the 1994 Rwanda genocide.

However, while Burundi and Rwanda are the smallest countries in the EAC both in terms of area and population, culturally they have become majority nations overnight. Rwandan officials report that, including eastern Democratic Republic of Congo, there are over 30 million Kinyarwanda speakers in East Africa. A borderless East Africa will reunite them into one large nation for the first time.

Likewise, the integration of East Africa will alter the sense of marginalisation that communities like the Iteso or Samia might feel. It could even embolden large groups like the Luo of Kenya whose numbers will grow through integration that brings them together with their kith and kin in the neighbouring countries. All these factors will impact on how people vote in referenda for political federation, and also affect the way national groups behave politically in their own local elections. The only caveat is that we don't yet know exactly how.

All said and done, East African politicians will soon have to confront a more complex definition of citizenship, triggered by Rwanda, the only EAC country with active dual citizenship (Uganda has given the nod to dual citizenship, but it will be a while before the law enabling it is passed; Kenya may adopt dual citizenship once it untangles its acrimony-plagued constitutional review process; in Tanzania, a White Paper has been developed on the concept). The ruling RPF in Rwanda has slots for Diaspora Rwandese in its party Congress. Many ministers and top officials hold dual citizenship. So many Rwandese with dual citizenship could soon have East African passports. But those of them who choose not to could throw East African Immigration officers into a quandary if they arrived with their Canadian, French, Belgian or British passports. The chaos would be delightful.

Hopefully, it would also spark off a lively debate on who we are as East Africans, and open up an opportunity to finally share our dreams..

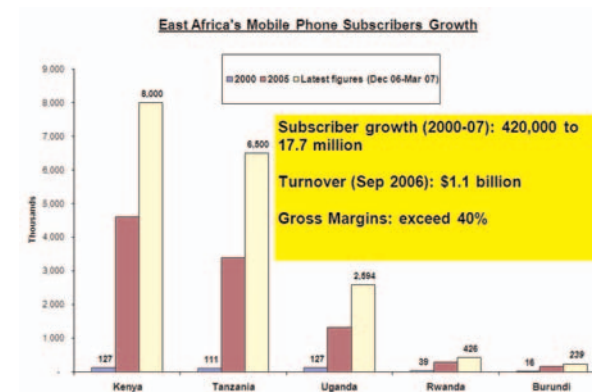


'ONE NETWORK'
AND 'JUST LIKE
HOME' - REGIONAL
INTEGRATION BY
MOBILE PHONE

Aidan Eyakuze

Explosive growth in mobile subscriptions

In 2000, the entire population of mobile phones users in East Africa, at 420,000, was less than half that of the twin isles of Zanzibar. In 2007, at 17.7 million, they equal the combined populations of Rwanda and Burundi, two of the five countries that currently make up the East African Community.



Source: ITU, mobile phone company reports, various newspaper articles

As the chart above shows, there has been an explosion in the number of mobile phone subscribers in East Africa between 2000 and 2007. This figure increased 24 times from 2000 to 2005 and almost doubled, from 9.7 million to 17.7 million, in just the 12 months leading up to the first quarter of 2007. East Africa's performance helped to make Africa the continent with the fastest growth in mobile phone usage in the world since 1998. It also enabled two major insights: one, the hitherto unsuspected size and growth potential of the region's telecommunications market; and two, its importance as a cradle of business-model innovation.

Market and future growth prospects

In a recent survey of Africa's top 500 companies as measured by their total sales in 2005, 12 were from East Africa and, of these, three were mobile phone companies.¹ Safaricom (Kenya), Vodacom (Tanzania) and MTN (Uganda) had combined sales of \$824 million, accounting for

¹ Source: *Top 500 Companies* (p. 92) and *Top 200 Banks* (p. 122). *The Africa Report* No. 6 April-June 2007. Groupe Jeune Afrique

22% of the \$3.8 billion in total sales of the top East African companies. Moreover, with net profits of \$236 million, these three companies accounted for 48% of the total net profits of the region's largest companies. Figures for the first nine months of 2006 suggest that mobile telecommunications revenues in the region were over \$1.1 billion². It is sobering to note that Burundi's total GDP in 2005 was approximately \$800 million.

Growth in mobile subscriber numbers in the region is likely to remain robust in the next five years. A report issued in early 2007 by the specialist research information provider, Informa Telecoms and Media, and quoted in the regional press,³ projects an increase in subscriber numbers of 109% for Tanzania and 87% for Kenya by 2011. Subscriber numbers in the DR Congo are expected to increase by 200%. It would be hard to imagine that Rwanda and Burundi, where subscriber numbers almost doubled between 2005 and 2006, will do any worse. Set against an average growth rate for the African continent as a whole of 72%, the appetite of East Africans for mobile telephony seems almost insatiable.

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Morgan Stanley, an investment bank, projects that in the next decade to 2017, mobile penetration rates - the proportion of the total population using mobile phones - will more than triple in Uganda (from 8.4% to 30%), and double in Tanzania (from 15.3% to 40.8%) and Kenya (from 21% to 40.4%)⁴. These growth prospects provide a mouth-watering opportunity for all involved in the mobile phone value chain - from network operators and telephone equipment vendors to airtime distributors and value-added service providers.

Innovations for Integration

One Network and Just Like Home

Given the enthusiasm with which East Africans have embraced mobile phones, combined with geographical proximity and a currency with a common name for the three largest countries, it was perhaps, with hindsight, not surprising that the region would be the first in the world to have true borderless mobile phone connectivity.

² Morgan Stanley Research and author's calculations based on Celtel's estimated 2006 market share in Kenya, Uganda and Tanzania.

³ Kenya, Tanzania Congo Lead in Regional Market *The EastAfrican*, May 1, 2007

⁴ MTC-Africa Growth at a Reasonable Price! Morgan Stanley Research, February 5, 2007

Celtel probably detected in its revenue systems, the magnitude of East Africans' cross-border movements and the prospects of bigger market share. On September 27th 2006, the firm launched *One Network*, calling it 'the world's first borderless mobile phone network' by allowing customers to 'move freely across geographic borders without roaming call surcharges and without having to pay to receive incoming calls.' The broader significance for regional integration comes through the marketing language in the company's official press release:

'This major initiative will bring the people of East Africa closer together...In a region historically dependent on freedom of movement across borders, we are now offering a communications solution that fits the needs of our customers breaking down barriers and making life better for businesses, families and individuals.'

Referring to Celtel's launch, the director of government and regulatory affairs at the GSM Association said that the One Network 'is as important to East Africa as the fall of the Berlin Wall was to Germany.'⁵

The competitive challenge posed by Celtel's innovation was very quickly picked up by its rivals. On February 1st, 2007, just four months after Celtel, they launched *Just Like Home*, the world's second borderless network linking the national networks of MTN Uganda, Safaricom Kenya and Vodacom Tanzania. One of the networks' chief executives reflected the region's integrationist impulse by noting that 'the single network hopes to encourage business growth and cross-border trade in the region.' It is also a testament to the significance of the regional market that MTN and Vodacom, two arch-rivals in the South African market agreed to cooperate in East Africa.

One could have debate as to whether the One Network and Just Like Home were truly East African innovations or just innovations in East Africa. Such nuance notwithstanding, is interesting that at time when the Europe's mobile network operators are wrestling with the Commission on the issue of lowering roaming charges, East Africa incubated a new business model that forgoes such a lucrative revenue stream. Indeed, according to a Celtel executive, the EU approached them to 'find out how we managed this.'⁶

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⁵ Celtel....and the walls came tumbling down. *New African*, February 2007 No. 457, p 38-3

⁶ *Jumping the gap. African Business. January 2007, No. 327, p. 18-20*

It is a logical next step for Celtel to continue its One Network strategy across other markets and it is likely that the three linguistically and geographically contiguous markets of Malawi/Zambia, Ghana/Nigeria, and Gabon/Congo-Brazzaville/DR Congo are next in line. And as Rwanda and Burundi formally accede to the East African Treaty in July 2007, at least MTN Rwanda's nearly 500,000 customers should notice that in the enlarged region the mobile phone network is 'just like home.'

The coming M-Pesa zone

The integration of the mobile phone networks anticipates an even more exciting technology-enabled, borderless future for East Africans. A future in which it is as easy to send money across borders as it is to talk cannot be too far off. In February 2007, Safaricom launched M-Pesa, a mobile phone money transfer system that allows subscribers to send each other significant sums of money cheaply and instantly. This service had been pre-tested from 2005 in collaboration with Faulu, a microfinance institution, which used it to disburse loans and collect repayments⁷. The February 2007 launch unshackled M-Pesa from a bank and moved it to the much bigger potential market of person-to-person transfers. According to the official launch press release⁸

'M-Pesa is aimed at mobile customers who do not have a bank account, typically because they do not have access to a bank or because they do not have sufficient income to justify a bank account.'

This is a significant development in a region where the vast majority of people are unbanked. A recent survey in Tanzania, for example, found that 54% of adults are completely excluded from the financial services sector, a further 35% operate in the informal sector and just 8% have bank accounts. On the other hand, nearly half of Tanzanians have access to a mobile phone⁹. Kenya's statistics are not very different, although at 19% and 54%, a larger proportion of adults have bank accounts and access to mobile phones respectively¹⁰. The

⁷ Porteus, David (May 2006). *The Enabling Environment for Mobile Banking in Africa*. Report commissioned by the Department for International Development (DFID) available on www.bankablefrontier.com

⁸ Safaricom and Vodafone launch M-PESA, a new mobile payment service. See http://www.vodafone.com/start/media_relations/news/group_press_releases/2007/safaricom_and_vodafone.html

⁹ Finscope (2007). *Key findings of the FinScope Survey in Tanzania* available from <http://dgroups.org/groups/FSDT-Tanzania>

¹⁰ See <http://www.fsdkenya.org/finaccess/documents/07-01-18%20FinAccess%20Results%20summary.pdf>

M-Pesa service falls within what experts call a 'transformational model' of mobile banking because 'the financial product linked to the use of the mobile phone is targeted at the unbanked, who are largely low income people¹¹.'

In a region of borderless mobile phone networks and a fast growing subscriber base of 18 million users, it is not difficult to imagine an emergent M-Pesa Zone spanning five countries, stitched together by at least seven mobile phone companies and, if necessary, the almost 100 banks operating in the region. For this to work truly seamlessly, the phone companies and banks will have to allow inter-connectivity between their networks, but the 'Just Like Home' initiative shows that this can be done given a compelling business imperative. Such a mobile financial network would be both driven by and support East Africans' desire to talk and do business with each other regardless of location or distance.



A 'new' East African Central Bank: Private and Mobile

It is the fundamental role of a central bank to manage the price of money (by setting interest rates) and indirectly, its value (by controlling inflation) essentially by managing the supply of money in the economy. It is also a theoretical possibility that mobile phone companies can

¹¹ Porteus (2006), *op. cit.*, p. 3

'create' money by issuing airtime that can be used to buy other goods and services.

'The growing use of airtime to make payments for other services raises an important question for policy boundaries: do such payments amount to the issuance of electronic money (e-money), and therefore deposit taking by telcos [telecommunications companies] without their being regulated as banks? If the account which is debited is a post-paid (i.e., contract) airtime account, or indeed, a bank debit or credit card account, the question does not arise. However, if the debited account is a pre-paid airtime account, then the telco may be acting as an issuer of e-money (Porteus 2006: 19).'

In the event that the M-Pesa model becomes ubiquitous, and mobile phone companies issue as much airtime (e-money) as they desire, could we have two currencies operating in the region: the shilling and airtime e-money? Could we end up with a de-facto East African Monetary Union created by mobile phone companies using airtime transfers and payments? Can we foresee an essentially private East African Central Bank board of directors made up of the chief executive officers of the mobile phone companies? None of this is beyond the realm of possibility.

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By changing price signals, developments and applications of technology can have profound effects on economies and societies. East Africans have enthusiastically adopted the mobile phone as it has become cheaper and more convenient, creating a large and fast-growing market for the companies that provide the service and inspiring them to further lower barriers to true regional integration by going 'borderless.'



DANCING TO A CROSS-BORDER BEAT: MUSIC, FASHION AND EAST AFRICAN REGIONAL INTEGRATION

Morris Mwavizo

Morris Mwavizo is a features writer at the Citizen newspaper in Tanzania and is an aspiring author of short stories.

When John Ngereza moved from Tanzania into Kenya in the 1970s, he could not have known that he was pioneering a whole wave of migrations by musicians around East Africa in search of a fan base from which to make a living. Although Nairobi was the hub of the recording industry in the 1970s, so that he may at first have been seeking only to record his music there, his continued stay in Kenya proved he had found greener pastures.

He was not the first musician to do so. George and Wilson Kinyonga among others had already moved to Kenya from Tanzania for similar reasons. Ngereza's move was significant, however, because he was a member of the prominent Les Wanyika band, formed in 1978 soon after the dissolution of the first East African Community. It seems clear that these musicians were not worried by the collapse of formal political and economic co-operation in the region at the time. They were more preoccupied with the need to continue to earn a living from their craft and they saw that the best way to achieve this was to capture both the Kenyan and Tanzanian markets by working as East Africans and producing music which would resonate with audiences across the region.

The strategy worked. Ignoring the political difficulties that led to the collapse of the East Africa Community, Les Wanyika prospered with the release the classic *Sina Makosa* in 1979. John Ngereza died in 2000. Had he been alive, he would probably have smiled at the direction that the music industry has taken and the progress it has made in the region.



The region's new generation musicians still share the predicament of Ngereza and his contemporaries: they too must constantly struggle to make ends meet. The challenges they face are daunting: The lack of a proper music distribution system; a culture of listening to, but not

buying original music; ineffective music copyright protection; piracy and the lack of enforcement of intellectual property rights. All this helps to ensure that very few new generation musicians live on the sales of their music. Instead, they survive on personal appearances and live performances. Rather like their musical forebears of the 1970s and early 1980s, the younger musicians recognise the need to produce music that will be accepted throughout the East African region so that they have wider stage on which to perform.

To the younger generation of East Africans, Chameleone and Bebe Cool (Uganda), Mr Nice and TID (Tanzania), Nameless and Necessary Noyz (Kenya) are all familiar and much admired names. These artists have written songs with the singular purpose of capturing the market beyond their own borders and appealing to listeners throughout the region.

Cross-border Collaboration - 'Don't let a border get between you and your lunch'

The new generation of musicians and artists is going beyond merely writing songs with cross-border appeal. They are crossing the borders, as did their predecessors, to collaborate in sound and video recording and live performances. The number of Tanzanian musicians heading north to Kenya for such purposes has prompted some Kenyan producers to contemplate establishing a physical presence in Tanzania. In 2006, Tedd Josiah, a renowned Kenyan producer, was rumoured to be planning to open a branch of his studio, Blue Zebra, in Tanzania.

Tanzanian musicians are going to Kenya despite the fact that there are many successful producers at home and it costs a lot less to produce music in Tanzania than in either Kenya or Uganda. Indeed, when transport and accommodation costs are added onto the costs of productions, artists would be better off producing music in their own countries. However, more and more Tanzanian musicians are heading north. Gwamaka Kaihula, popularly known as Crazy GK of the East Coast Team from Dar es Salaam explains that this has little to do with costs but is instead a move to capture the more lucrative market beyond the country's borders. He argues that the youth population of East Africa is sufficient to sustain East African musicians if it is well captured, but that one can only really tap into it by collaborating with artists across the national borders.

The East African Bashment Crew, made up of Bebe Cool from Kampala and the Necessary Noyz duo of Nazizi and Wyre from Nairobi, have turned the vision of regional integration of musicians into a

resoundingly successful reality. Within two years of their coming together, the Bashment Crew had been nominated for both the African Kora Awards, in the category of the Best African Reggae Group, and Kenya's Kisima Awards. They have also sold some of their music to an Internet entrepreneur for a tidy sum.

East Africa's Swahili Nation

The East African Bashment Crew is only the latest of the new generation East African musical collaborations to achieve continental recognition. In the early 1990s, two Kenyan brothers, Andrew and Robert Muturi, together with the late 'Cool' James Dandu from Tanzania, formed a Swahili language R&B and hip hop music group, Swahili Nation. It was the first ever East African group to be nominated for an award anywhere on the continent. In the mid-1990s, it was nominated for a South African Channel O Award.

Swahili Nation was able to make a huge impact on the younger generation of East African listeners by singing in Kiswahili, the language of the region. The success of other musical groups and solo artists in the region has been enhanced by the use of the common language. The rise of Ugandan artist Jose Chameleone to the top of East Africa's music charts is a direct consequence of his singing in Kiswahili for the past 10 years.

"East Africa TV in particular has hugely promoted East Africa's own uniquely indigenous music, a major cultural coup. Gone are the days when East Africans wholly embraced Congolese music as their own. Today, the youth of East Africa proudly share home-grown music, from Bongo Flava in Tanzania, to Lugaflo in Uganda and Hip-Hop in Kenya. Even Taarab music has found a hip-hop innovation in "Taarap"! Clearly, the cultural spirit of East Africa is coming alive. Our youth now use the medium of music to engage in social change and address burning issues of the day such as HIV and AIDS, urban crime and peace building."

*Ambassador Juma V Mwapachu, EAC Secretary-General.
Excerpt from a speech to the East Africa Media Summit in
Nairobi on April 27, 2007*

The use of Kiswahili has become such a major success factor for young musicians that even those who find it difficult to compose a complete song in the language collaborate with others to ensure that at

least one verse or the chorus is in Kiswahili. Such a collaboration between Tanzania's hip-hop artist Ambwene Yesaya (AY) and Uganda's Maurice Kirya produced a major Luganda-Kiswahili hit song that was nominated for the Kora Award in 2005.

From Music to Fashion and Electioneering

East Africa's new generation of musicians are also venturing into the urban fashion industry, rather like their American counterparts. Tanzanian rapper Mr II pioneered the Deiwaka label, which now faces competition from the East Coast and Uswazi labels. Kenyan hip hop fashion brands include Fundi Frank, Ruff Wear and Stitch Styles among others. It would have been inconceivable a decade ago for an East African designer to come up with a brand, base it in the US, and sell. However, Jeffery Kimathi, a Kenyan born and raised designer showed that it is possible when he founded Jamhuri Wear, a fashion brand that is based in New York and worn by US superstar artists Jay-Z and Akon.

East Africa's new generation music goes by a wide range of names: Kapuka, Boomba, Genge, Bongo Flava, Takeu (TanzaniaKenyaUganda), Utake (UgandaTanzaniaKenya). It delivers the youth's message gives voice to their grievances, fears, frustrations, hopes and inspirations. Politicians recognise the impact that popular music can have on their fortunes. When the Kenyan group GidiGidi MajiMaji released the hit single *Unbwogable*, it was used to great effect by Mwai Kibaki's presidential campaign in 2002. Similarly, Tanzania's ruling party CCM added youthful cachet to Jakaya Kikwete's election campaign in 2005 by

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involving the TMK (Temeke) Wanaume Family and appropriating the catchy beat and melody of Bushoke's hit song *Mume Bwege*.

East Africa's musicians have shown themselves to be both practical and adaptable. From the time of Les Wanyika to the present, they have striven to expand beyond their national borders in search of larger audiences and a wider market. They have done so by collaborating across borders and by recording their songs, at least in part, in Kiswahili.

They continue to collaborate, crossing borders almost instinctively in search of success, in blissful ignorance of the formal, state-led efforts at regional integration.

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PART 2

FACTS AND FIGURES

BURUNDI IN THE EAST AFRICAN COMMUNITY: A STATISTICAL PROFILE

Aidan Eyakuze

Background

Burundi is emerging from over a decade of civil war. Long-standing internal tensions spilled over into violent conflict in 1993 when an attempted coup resulted in the death of the country's first democratically elected Hutu president and six ministers. Fighting between the army and Hutu rebels followed and by 2000, the conflict was estimated to have resulted in the death of over 200,000 people and created 500,000 refugees and 800,000 internally displaced people¹.

The Arusha Peace Accord was signed on August 28, 2000 after a peace process facilitated by former presidents Julius Nyerere of Tanzania (until his death in 1999) and Nelson Mandela of South Africa. Two rebel groups (CNDD-FDD [*Conseil Nationale pour la Defence de la Democratie-Front pour la Defence de la Democratie*] and Palipehutu-FNL [*Parti pour la Liberation du Peuple Hutu-Forces National pour la Liberation*]) held out on signing the accord until 2003 and 2006 respectively. The first democratically elected government since 1993 came into power in September 2005, and the challenging process of consolidating the peace is still ongoing. This statistical profile of Burundi should be read in this context.



People

Burundi's population grew from 4.13 million in 1980 to 7.32 million in 2005, bringing the region's population to over 114 million. However, with a fertility rate of 8.8 children per woman, Burundi's rate of population growth is higher than Uganda's and will result in a near doubling of its population, to 13.5 million, by 2030.

In 2000, Burundi's population density was 225 people per square kilometre, second in the region only to Rwanda's 293. Its urbanisation rate of 9% was lower than other regional countries, except Rwanda's 6%, and at 65%, Burundi had the lowest rate of urban population living in slum conditions in the region.

Natural Resources

Burundi's total land area of 2,568,000 hectares makes it the smallest country in the region. It has also seen its forested area decline by 154,000 hectares (from 9% to 3% of the total land area)

¹ See <http://www.un.org/peace/africa/pdf/Burundi.pdf> accessed on May 2, 2007

between 1990 and 2000. Arable and permanent cropland increased from 51% (1990) to 53% (2002) of total area, a larger share than all other countries in the region except Rwanda, which had 56% in 2002. Permanent pasture also increased from 33% to 39% during that period, a proportion equal to Tanzania's 40%. The reduction in the size of Burundi's forested land very probably reflects its conversion into crop and pasture land. The share of protected land in Burundi (5.4% of the total or 146,000 hectares) is the lowest in the region.

The country irrigated 5.5% of its agricultural land area of 1,351,000 hectares in 2002, which was the highest proportion in the region, ahead of Tanzania's 3.3%. It also had a fairly high intensity of labour input into agriculture at 2.4 workers per hectare after Rwanda's 2.99 and Tanzania's 2.93 and double Uganda's 1.29. Its rate of fertiliser use (2.8 kilogrammes per hectare) was a distant second in the region after Kenya's 29.1 but above that of Tanzania, Uganda and Rwanda. Its rate of mechanisation matched Rwanda's 0.1 tractors per 1,000 hectares.

Burundi's per capita food production index has followed the regional trend by falling from 117 in 1983 to 98.8 in 2002, demonstrating its inability to match food production with population growth. The daily per capita calorie intake was the lowest in the region in 2000-02 at just 1,649 calories, as was the share of animal protein in the calorie supply at just 2.1%, compared with Rwanda's 2.9% and Kenya's 11.9%. Fish protein made up 17% of the total animal protein in the diet, rather higher than Kenya's 8% but lower than Uganda's 23% and Tanzania's 27%.

Poverty, Inequality and Human Development

The proportion of Burundians living under the national poverty line doubled between 1990 and 2004, from 32.4% to 65.7% in rural areas and 35.1% to 70.5% in urban areas. Burundi therefore had the highest proportion of its population living under the poverty line in the region, above Rwanda's 60%.

Inequality however fell between 1998 and 2002, as the Gini coefficient went from 44.7 to 38. This makes Burundi the second least unequal economy in the region after Tanzania. However, given the big increase in the share of citizens living under the poverty line, the reduction in inequality could well reflect a more equitable distribution of deepening poverty.

Burundi's human development index (HDI) was the lowest in the region at 0.34, compared with Tanzania's 0.41. The human poverty

index (HPI), at 45.8, was the highest in the region compared with Rwanda's 44.7. Burundi has combined lower development with higher deprivation.

Maternal mortality rates in Burundi compared with those of Kenya at 1,000 per 100,000 live births. Only 25% of births had a skilled attendant present compared with 31% for Rwanda and 44% for Kenya.

The infant mortality rate was second highest at 190 after Rwanda's 203 in 2004. The prevalence of malnutrition in children as measured by low weight (45% of children) and stunting (57% of children) was the worst in the region.

Life expectancy at birth has also fallen, from 45.1 and 48.6 for men and women respectively in 1980 to 43.7 and 45.7 respectively in 2005, mirroring the general decline in East Africans' longevity over the same period. The HIV prevalence rate in Burundi was 6% of the adult population in 2003, which placed the country third in the region after Tanzania's 8.1% and Kenya's 6.7%. However, Burundi's incidence of tuberculosis was, at 339 people per 100,000, the lowest in the region.

Healthcare spending per capita was lowest in Burundi at \$19 in 2001, compared with Tanzania's \$26. And at 5, the number of physicians per 100,000 people was the same as Uganda's but better than the 2 available in Tanzania and Rwanda.

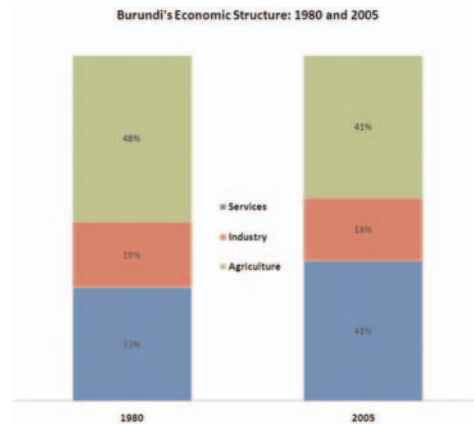
Burundi's adult literacy rates, at 57% for men and 43% for women in 2000-04, were the lowest in the region and below the sub-Saharan Africa average. Gross primary school enrolment rate, at 77% (2002-03), was better than Tanzania's 70.2% and the primary school student-teacher ratio of 50 in 2001 was better than Uganda's 54 and Rwanda's 59.

Infrastructure

Burundi has some 12,322 kilometres of roads of which just 10.4% (1,286 kilometres) are paved. Only one of its eight airport runways is paved. Installed power generation capacity was 49 MW in 2001, slightly more than Rwanda's 31 MW. Burundi's power consumption of 157 million kilowatt hours was also slightly higher than Rwanda's 121 million in 2003, but its oil consumption at 3,100 barrels per day was half that of Rwanda's.

The country has no railway, oil or gas pipeline system.

Economy²



Burundi's economic structure has changed since 1980, with a decline in the share of agriculture in its GDP and an increase in the share of services, while that of industry has remained essentially unchanged over the 25 year period to 2005. There was little difference between Burundi's and Uganda's economic structure in 2003.

The size of Burundi's GDP was \$800 million in 2005, the smallest in the region, compared with Rwanda's \$2.2 billion or Kenya's \$15 billion. The economy grew by an average of 1.9% between 2000 and 2004, which was slightly better than Kenya's performance of 1.6% growth during the same period, but lower than the other regional countries' average growth rates of 5-6%. The inflation rate was, at 11-12%, on the higher end for the region.

Burundi had an external debt level of \$1.5 billion in 2005. It received some \$342 million in external financial flows in 2004, double the annual average of \$152 million between 1994 and 2003. Foreign direct investment made up a tiny 0.5% of these inflows.

Burundi's exports grew by 84% from \$37.5 million in 2003 to \$69 million in 2005, while imports grew by just 26% over the same period, from \$130 million to \$164 million. The country traded an average of 27% of its GDP, making it joint second with Uganda in economic openness after Kenya, which traded 44% of its GDP in 2000-03. In

² Data from the African Development Bank's Selected Statistics on African Economies 2006, Vol. XXV

terms of intra-regional trade, Burundi conducted 19% (\$13 million) of its export trade and 33% (\$54 million) of its import trade with the EAC partner states in 2005.

Labour and Employment³

Burundi had a labour force of 3.3 million in 2004, of which 3.1 million or 94% were engaged in agricultural production. The industrial and services sectors absorbed approximately 68,000 and 146,000 workers each. The informal sector was estimated to employ 64% of the country's private labour force in 2004.

Politics and Governance

BURUNDI	
Official Name	Republique du Burundi
Form of State	Republic
Independence	July 1, 1962
Administrative Divisions	17 provinces
Constitution and Legal System	- Constitution ratified by popular referendum, adopted on February 28, 2005 - Legal system based on German and Belgian civil codes and customary law
Suffrage	Universal adult (18 years)
Latest National Elections	July and August 2005 (presidential and legislative); next elections due in 2010
Women in Parliament	At least 30% reserved seats out of 118 in the National Assembly
Head of State	The president, elected by universal suffrage to a five year term, renewable only once
Executive Branch (current)	President: Pierre Nkurunziza First Vice-President: Martin NDUJIMANA Second Vice-President: Gabriel NTISEZERANA
Legislative Branch	Bicameral Parliament: a) National Assembly (100 members elected by popular vote; 18 members are co-opted to ensure that constitutionally mandated ethnic (60% Hutu-40% Tutsi, and 3 Twa) and gender (at least 30% women) quotas are met, members serve for five years; b) Senate (54 members, 34 elected indirectly by communal councillors, 3 members are from the ethnic Twa minority, 4 former presidents, and 8 co-opted members appointed to ensure that gender (at least 30% women) quotas are met; members serve 5-year terms vote)
Parties in Parliament (most recent election) ⁴	CNDD-FDD, FRODEBU, UPRONA, CNDD, MRC-Rurenzangemero

³ Source: http://pdf.usaid.gov/pdf_docs/PNADG059.pdf

⁴ See: <http://africanelections.tripod.com>

Burundi is classified as being 'partly free' by Freedom House, which puts it in the same category as Kenya and Tanzania. However it gets a 'not free' ranking in terms of press freedom. The country's latest corruption perceptions index was 2.3, which placed it just above the lowest score in the region - Kenya's 2.1 - and below Uganda's 2.5.

Burundi's military spending was some \$38.6 million in 2004, accounting for 5.4% of the country's GDP for that year. It had a 45,000 strong army, placing it third in the region after Rwanda and Uganda. The 170 pieces of heavy weapons put it above Rwanda's 110 but below Kenya's 250 units.

Burundi has experienced four violent conflicts since 1950 and participated in two peace-keeping missions, both in Afghanistan. In June 2006, the UNHCR reported some 438,663 refugees of Burundian origin and over 100,000 internally displaced people.



COST OF DOING
BUSINESS IN
EAST AFRICA:
SUMMARY OF
FINDINGS OF THE
WORLD BANK'S
*DOING BUSINESS
REPORT (2007)*

Aidan Eyakuze

Introduction

This section provides a summary of the East African results in the World Bank's report *Doing Business 2007: How to Reform*. This report was published in 2006 as the fourth in a series of global World Bank annual surveys on the 'regulations that enhance business activity and those that constrain it'.¹ The global survey was carried out in 175 economies and investigated the regulations that affect nine areas of everyday business: Starting a business; dealing with licenses; employing workers; paying taxes; registering property; getting credit; protecting investors; trading across borders and enforcing contracts. The full details on the survey methodology, results, reports and database are available online at www.doingbusiness.org.

Given that private sector-led economic growth is a cornerstone of economic policies across the East African region, and that it also partly informs the regional integration effort, it is only appropriate to assess and compare the regulatory environments in which business is conducted in the most populous cities of the five East African Community partner states of Tanzania, Kenya, Uganda, Rwanda and Burundi.

The costs of doing business in chart form for the nine areas of business regulation are summarized using **real** values (days, procedures, costs, payments, documents). This approach allows for a **cardinal ranking** of results to be made by order of magnitude.

East African Economies in the Global Ranking (2007)

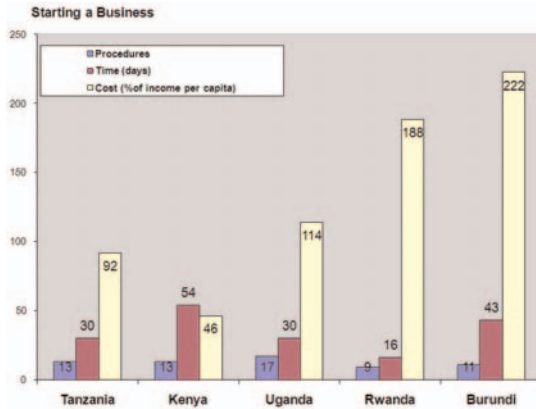
COUNTRY	GLOBAL RANK
Kenya	83
Uganda	107
Tanzania	142
Rwanda	159
Burundi	166

Kenya's rank of 83rd globally tops the list of East African economies in terms of the ease of doing business. Burundi's rank of 166th places it at the bottom of the East African league table. The highest ranking African economy was South Africa at 29th place globally. The

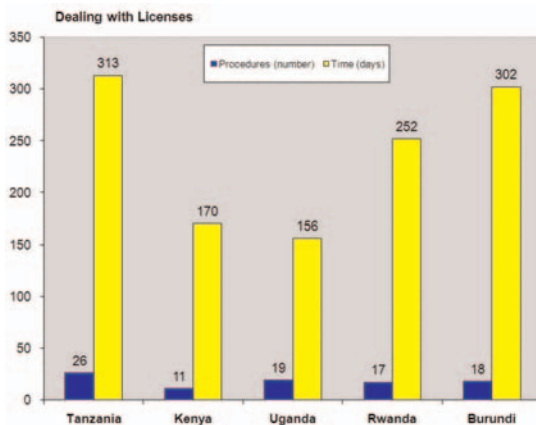
¹ World Bank (2006), *Doing Business 2007: How to Reform*

Democratic Republic of Congo was the hardest place in the world in which to do business. It ranked 175th out of 175 economies.

Starting a Business and Dealing with Licenses

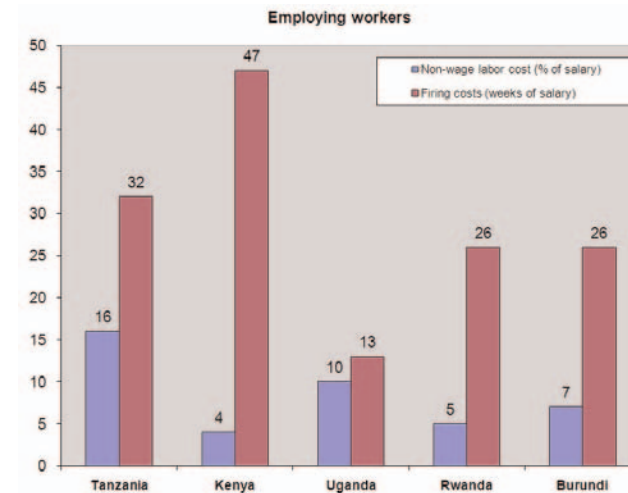


It took between nine (Rwanda) and 17 (Uganda) procedures to start a business in East Africa. Although only 13 procedures are required in Kenya, it took the longest number of days (54) to complete them in that country, compared with the relatively quick 16 days needed in Rwanda. The cost in Kenya was the lowest at 46% of GDP per capita, compared with Burundi's very high 222% of GDP per capita.



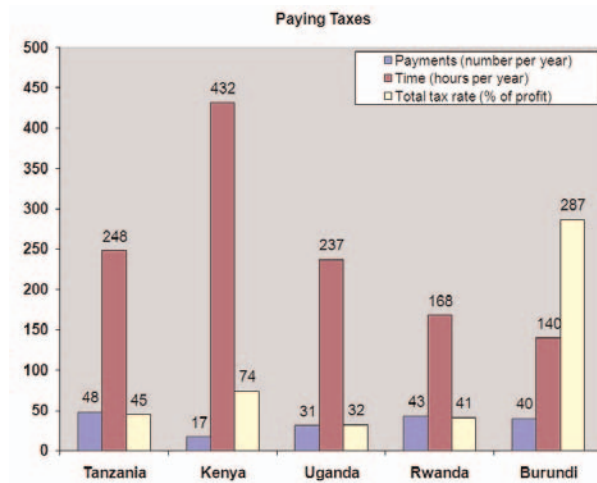
The assessment of the area of dealing with licenses looked at the construction industry, specifically the regulations required to build a standard warehouse in the most populous city. Kenya required the fewest number of procedures (11), compared with Tanzania's 26. Uganda, Rwanda and Burundi required between 17 and 19 procedures. It took longest to comply with the licensing requirements in Tanzania (313 days) and Burundi (302 days), as opposed to Kenya's 170 days and Uganda's 156 days.

Employing Workers and Paying Taxes



The non-wage labour cost measures all social security payments (retirement fund, sickness, maternity and health insurance, workplace injury, family allowance and other obligatory contributions) and payroll taxes, expressed as a percentage of the worker's salary.

This cost was highest in Tanzania (16%) and lowest in Kenya (4%) with Rwanda and Burundi also recording less than 10%. Firing costs included the severance pay, advance notice period and any penalties incurred in laying off a redundant employee, measured in the employee's weekly salary. It was most expensive to fire workers in Kenya (47 weeks of salary) compared with just 13 weeks in Uganda. Tanzania came in at 32 weeks and Rwanda and Burundi both had 26 weeks.



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Tax payments are measured for a standardised limited liability company that is assumed to be paying all required taxes in its second year of operations².

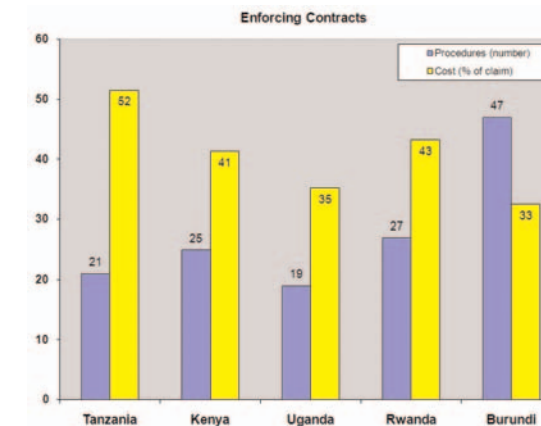
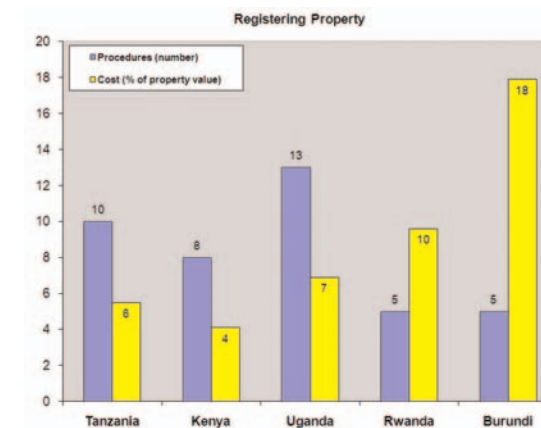
The number of payments per year was greatest in Tanzania at 48 followed by Rwanda (43), Burundi (40) and Uganda (31). Kenya had the least number of payments at 17, but it took the longest number of hours (432 hours, or 54 eight-hour days) to pay them. Tanzania (248 hours) and Uganda (237 hours) were next. Rwanda's and Burundi's tax administration seems to be the most efficient as they required just 21 and 18 days respectively to make a similar number of payments as Tanzania.

The total tax rate (measured as the amount of taxes payable by the business expressed as a share of profits³). This was lowest in Uganda (32%) followed by Rwanda (41%) and Tanzania (45%). Kenya's business tax burden was 74% of profits, but Burundi's 287% was the highest tax burden in the region by a very large margin.

² World Bank (2006), *Doing Business: How to Reform*, p. 71

³ *Ibid.* p. 71

Registering Property and Enforcing Contracts



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The survey recorded 'the full sequence of procedures necessary when a business purchases land and a building to transfer the property title from the seller to the buyer so that the buyer can use the property for expanding its business, as collateral in taking new loans or, if necessary, to sell to another business.⁴ Every interaction by the buyer or seller with an external party (government, inspectors, lawyers,

⁴ *Ibid.* p., 66

notaries) was recorded. The cost was recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita.

The number of procedures required to register property was highest in Uganda (13) followed by Tanzania (10) and Kenya (8). It was lowest in Rwanda and Burundi where only 5 steps were required.

The cost of property registration yielded a different ranking in the region, with Burundi being the most expensive at 18% of property value. Given Burundi's per capita income level of \$100 and assumed property value of \$5,000 this cost amounts to \$900, which is nine times greater than the country's per capita income. Rwanda's cost of 10% of property value in the context of a per capita income level of \$230 for the country represents \$1,150 which is five times greater than its per capita income. Uganda's cost level of 7% of the property value amounted to \$980 or three and a half times the country's income per capita. Tanzania's cost level of 6% of property value was equivalent to \$1,020 or three times income per capita. Kenya's cost level was the lowest in the region at 4%. This amounted to \$1,060 or just twice the country's income per capita.

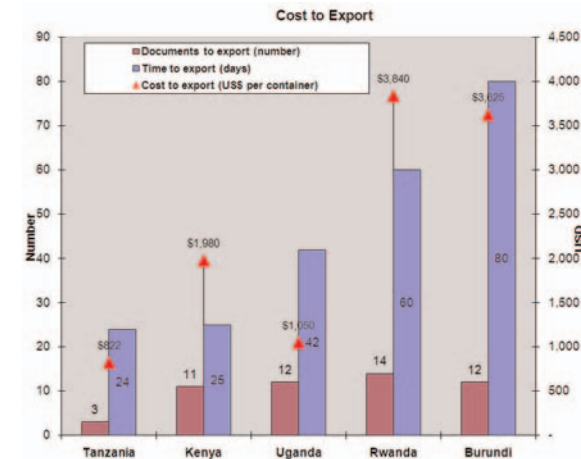
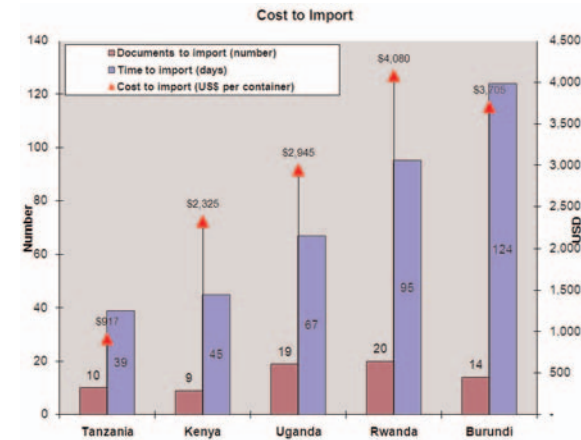
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The *Doing Business* survey investigated contract enforcement costs and procedures as a measure of the 'efficiency of the judicial system in resolving a commercial dispute.' As with property registration, every interaction required by law or regulation between the contracting parties or the judicial system to file the case and obtain hearing, judgment and enforcement was included. The time was recorded in calendar days from the moment the plaintiff filed the suit in court until payment was received. Costs were recorded as a percentage of the claim, assumed to be 200% of per capita income. Only official costs required by law and average lawyers' fees were recorded.⁵

Burundi had the most contract enforcement procedures at 47 and Uganda the least at 19. Rwanda and Kenya had roughly the same number (27 and 25 respectively) while Tanzania had 21 procedures. However, the cost of contract enforcement was highest in Tanzania where it absorbed over half (52%) of the claim and least in Burundi where it cost one-third of the claim.

⁵ *Ibid.* p. 72

Trading Across Borders



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The ease of engaging in international trade was assessed. All procedures, documents and official fees (excluding trade taxes and tariffs) required to export and/or import a standard, full 20-foot equivalent container were recorded.

The number of documents required to export ranged from three in Tanzania to 14 in Rwanda. The time taken to export also increased from 24 days in Dar es Salaam, Tanzania to 80 days from Bujumbura, Burundi. The cost per container was lowest in Tanzania (\$822) and highest in Rwanda (\$3,840). Interestingly, it was significantly cheaper to export a container from Uganda (Kampala) than Kenya (Nairobi). Importing generally required more documentation (except for Kenya), took longer and cost more across the region. As was to be expected, the time and costs reflected the distance from the relevant country's largest city to the port of exit on the Indian Ocean.



AN INVESTOR'S
GUIDE TO LAND,
LABOUR AND
INFRASTRUCTURE
IN EAST AFRICA.
SUMMARY OF THE
SNAPSHOT AFRICA
REPORT FINDINGS

Aidan Eyakuze

Introduction

One of the objectives of the East African integration process is to become a single destination for foreign direct investment (FDI). Significant efforts have been made by individual governments to improve the investment climate and promote their countries as FDI destinations by providing information, facilitation and a variety of incentives to potential investors. In November 2006, the World Bank Group's Multilateral Investment Guarantee Agency (MIGA) published the Snapshot Africa report. This report¹

- Is a result of a benchmarking exercise aimed at gathering (through desktop and investor interviews) necessary but hard-to-come-by information for investors;
- Provides an overview of the cost and quality factors that a number of current investors in Africa experience;
- Systematically compares Ghana, Kenya, Lesotho, Madagascar, Mali, Mozambique, Senegal, Tanzania and Uganda in terms of their potential to attract investment;
- Looks at investment costs such as: Real estate, utility, transport and labour costs; and quality conditions such as: Business climate, corruption, quality of utilities and infrastructure, and availability of labour;
- Covers the textile, apparel, horticulture, food and beverage processing, call centre and hotel sectors.

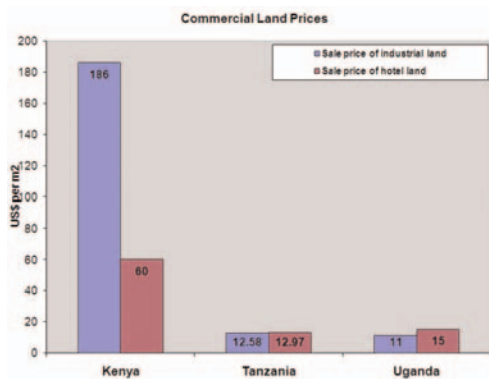
This section summarises the *Snapshot Africa* findings for Kenya, Uganda and Tanzania (Rwanda and Burundi did not feature in the report). It compares the three countries on three major areas:

- a) Commercial real estate costs;
- b) The quality of infrastructure as experienced in the textile, horticulture and food and beverage processing industries;
- c) Direct costs of labour in the same sectors.

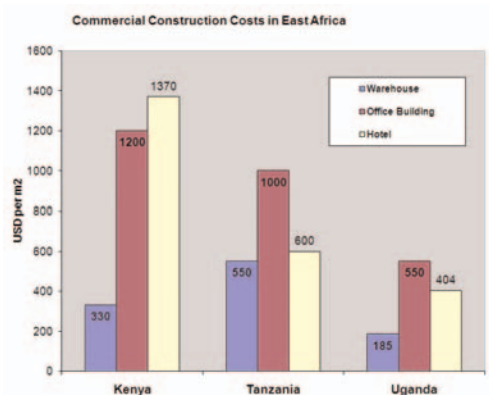
¹ The full report is available at http://www.fdi.net/documents/WorldBank/databases/snapshot_africa/ (accessed on April 20, 2007)

In order to make the comparison useful, this summary focuses on those indicators where the magnitude of the underlying number has an obvious interpretation and meaning. Indicators constructed on the basis of indices are not included. Furthermore, only those indicators which were available for all three countries are included.

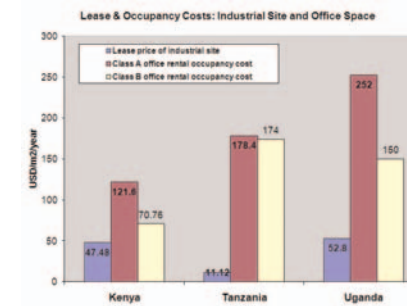
Commercial Real Estate Costs: Purchase, Construction Lease



Kenya's land prices were the highest in the region by a large margin. Industrial land prices at \$186/m² were 14-17 times greater than those in Tanzania and Uganda. Similarly, hotel land prices in Kenya were between 4 and 5 times higher than those in the neighbouring countries, where they were broadly similar and the authorities did not seem to distinguish between the various uses to which they would be put.



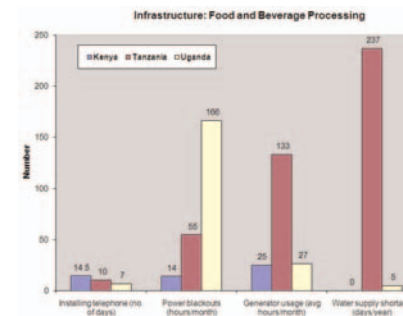
Uganda was the cheapest place in the region to build commercial property, with office buildings (\$550/m²) coming in at half the cost of those in Tanzania (\$1,000) and hotels² (\$404) at less than a third of the cost in Kenya (\$1,370/m²). Indeed, with the exception of warehouses, construction costs were highest in Kenya.



Uganda's lease costs were the highest in the region for industrial and Class A office space (located in the prime areas of the largest cities). Annual lease costs for industrial space were \$53/m²/year in Uganda compared with \$47 in Kenya and just \$11 in Tanzania. Class A office space went for \$252/m²/year in Kampala compared with \$178 in Dar es Salaam and \$122 in Nairobi. The most expensive Class B office space was in Dar es Salaam at \$174/m²/year.

Infrastructure Quality for Selected Industries³

Food and Beverage Processing Industry



² Five-star quality hotel

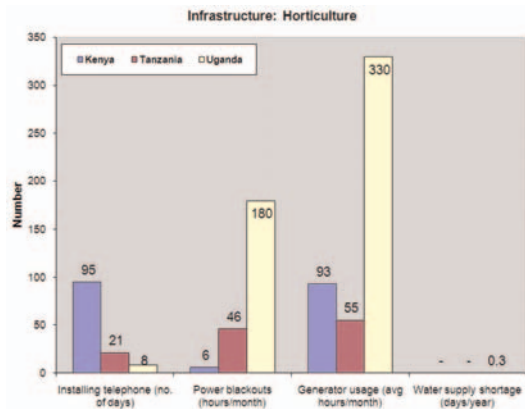
³ Data based on company/investor interviews conducted between November 2004 and March 2005

Companies reported delays of between one and two weeks for the installation of telephone services.

Ugandan investors experienced the longest power blackouts at 166 hours per month (or seven days), compared with 55 hours (two days) in Tanzania and 14 hours (half a day) in Kenya. Interestingly, generator use was greatest in Tanzania, where investors reported 133 hours per month, compared with 27 and 25 hours in Uganda and Kenya respectively.

Tanzanian investors experienced the worst water supply shortage, amounting to 237 days. The Kenyan and Ugandan food processing firms were spared such acute shortages of this critical input.

Horticulture

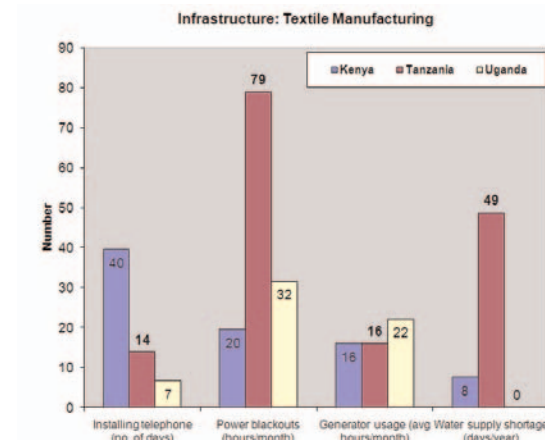


It is encouraging to observe that investors in the region's horticultural industry did not report water availability as an infrastructural constraint. However, power availability was a problem across the board, especially in Uganda where blackouts were experienced for the equivalent of over seven days per month, and generator usage was relied upon for the equivalent of two continuous weeks each month.

In Tanzania, the industry experienced an average of two days of blackouts per month which were matched by generator usage of approximately two days. Investors in Kenya experienced just six hours of blackouts, but used generators for 93 hours (equivalent to almost four days) per month.

Installing a telephone for horticultural investors took longest in Kenya (three months), compared with Uganda, where it took just one week.

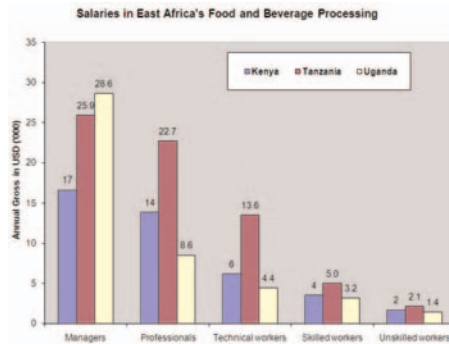
Textile Manufacturing



Investors in Tanzania's textile manufacturing sector suffered the longest shortages of power (79 hours/month) and water (49 days/year). Uganda and Kenya had better power supplies, and in the case of Uganda, no problems with water supply. The fairly modest use of generators (16-22 hours per month) in all three countries may partly reflect the high cost of running sizeable, power-hungry textile operations on generators. With a delay of over a month (compared with one week for Uganda and two weeks for Tanzania), Kenya came off worst in terms of obtaining a telephone.

Salaries for Selected Industries

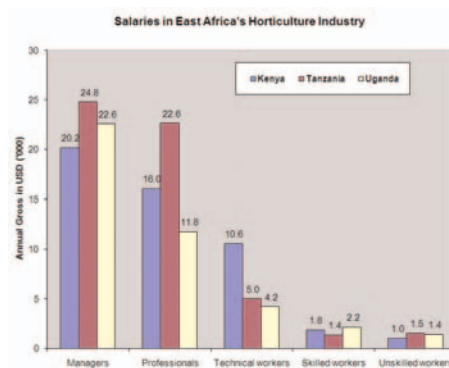
Food and beverage processing



The region's food and beverage processing industry pays the highest annual salaries to managers in Uganda (\$28,600) which is over 68% higher than managers in Kenya are paid. In all other job classes, Ugandan employees receive lower salaries than their counterparts, while Tanzanians are the best paid.

The gap between management and unskilled workers salaries was greatest in Uganda, where managers earned 20 times more than unskilled workers compared with 12 times in Tanzania and eight times in Kenya.

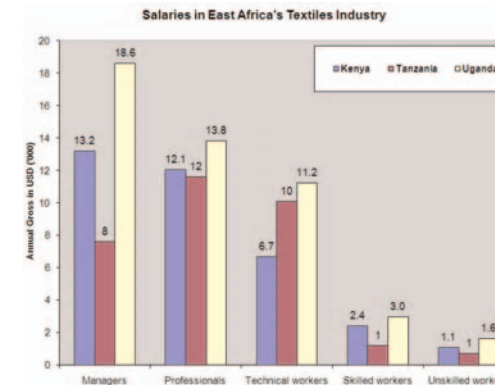
Horticulture



The region's horticulture industry paid its Tanzanian managers the best annual salaries (\$24,500), although the salary range at this level was quite narrow with Kenya paying \$20,200 and Uganda \$22,600. Tanzanian professional workers also topped the salary scales, by a quite significant margin of 40-50%. However, Kenya's technical workers were paid at twice the rate of their counterparts in Tanzania and Uganda.

The salary gap between managers and unskilled workers in this sector was greatest in Kenya (20 times) compared with Tanzania and Uganda's multiplier of 16.

Textile Manufacturing



Ugandan textile industry workers were the best paid in the region across all job categories while Tanzanian managers actually appeared to earn less than the professionals and technical workers they supervised. The range of management salaries was wide for this sector, with Ugandans receiving 132% more than their Tanzanian and 47% more than their Kenyan colleagues. Kenya's technical workers received just 67% of what their Ugandan colleagues were paid. Tanzania's skilled workers, however, were getting less than half what their Kenyan and Uganda counterparts were earning.

The salary gap between managers or professional and unskilled workers in this sector was the same across the three countries (12 times).

Snapshot Africa Benchmarking Summaries:

Tanzania

Surveyed investors cited a stable political system, a safe operating environment and an active and beneficial investment promotion agency (IPA) as contributing to a positive investment environment. These findings are corroborated by a recent survey conducted by UNCTAD indicating that foreign investors are satisfied with investment conditions and seek to expand their operations. The labor force was viewed as possessing good training potential. Utility prices are competitive with water at USD 0.67 per cubic meter, compared to the [survey] average of USD 0.74, and electricity at USD 0.056 per kWh, compared to the survey average of USD 0.076 per kWh. Sale prices for both industrial and hotel land were also found to be low. Trade infrastructure is improving and the recent modernization of the Dar es Salaam port has made it the most efficient container terminal in sub-Saharan Africa, ahead of Durban, Mombasa, and Mauritius.

Kenya

Human resources and international transportation infrastructure are two key aspects of Kenya's attractive investment environment. The country boasts the highest literacy rate resulting in a high level of qualified upper level staff and skilled labor. This large supply of labor also contributes to fairly low wage levels. Flexible employment regulations make workforce management comparatively easy for companies in Kenya. Kenyan firms also benefit from access to well developed sea shipping and airfreight services. Investors reported some of the lowest prices in office rentals, and utility costs are at a competitive level compared to other surveyed countries. In part this is due to the relatively low cost of water, which was the third lowest at USD 0.42 per cubic meter. Kenya's EPZs also strengthen the operating environment for zone-based industries, as these areas have comparatively good electrical, water, and telecommunications connections.

Uganda

There are a number of overarching attributes in the operating environment that are favorable to investment. The government of Uganda is seen by investors to be committed to creating a pro-business environment. The policy of universal primary education is starting to produce more generally qualified workers with strong English language skills. Wage levels in Uganda are low, which keeps down general operating costs. The privatization of telecommunications is more advanced in Uganda than in most other sub-Saharan African countries, which has led to increased voice quality over landlines and lower costs relative to other sub-Saharan.

Source: Snapshot Africa Report available on http://www.fdi.net/documents/WorldBank/databases/snapshot_africa/ (accessed on April 20, 2007)

