

**THE AFRICAN STATE AND THE INFORMAL CROSS-BORDER  
TRADE: AN ANALYSIS OF THE KENYA/UGANDA EXPERIENCE,  
1962-2005**

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## DECLARATION

I declare that this thesis is my original work and a result of my own study except where otherwise acknowledged. This thesis has never been submitted for any other purpose in Kenyatta University or any other academic institution.

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## **DEDICATION**

I dedicate this piece of work to my late father Mr. Walter Mukani who was unable to live a little longer to see his dream come true. To my dear sons Wayne Easter and Kyle Walter who were patient with me as I encroached on resources meant for them in order to have this work done.

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## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>i</b>
<b>DEDICATION.....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iii</b>
<b>LIST OF ABBREVIATIONS .....</b>	<b>viii</b>
<b>OPERATIONAL DEFINITION OF TERMS.....</b>	<b>ix</b>
<b>ABSTRACT.....</b>	<b>xi</b>
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Background to the Study.....	1
1.2 Statement of the Problem.....	5
1.3 Objectives of the Study .....	6
1.4 Research Questions .....	6
1.5 Research Premises.....	7
1.6 Significance of the Study .....	7
1.7 Scope of the Study .....	8
1.8 Limitations of the Study.....	9
1.9 Literature Review.....	9
1.10 Theoretical Framework .....	20
1.10.1 Realism Theory of International Relations .....	21
1.10.2 The Modernization Theory .....	24
1.10.3 The Dependency Theory.....	26
1.10.4 The State Theory and Corporatist Practice .....	28
1.11 Methodology .....	33
1.11.1 Research Design.....	33

1.11.2 Target Population .....	33
1.11.3 Sample Design .....	33
1.11.4 Data Collection Method .....	34
1.11.4.1 Primary Research .....	34
1.11.4.2 Secondary Data .....	34
1.11.5 Data Collection Procedure .....	35
1.11.6 Data Analysis .....	35
<b>CHAPTER TWO .....</b>	<b>37</b>
<b>2.0 THE MAIN FEATURES OF A MODERN STATE IN AFRICA: FOCUSING ON KENYA AND UGANDA.....</b>	<b>37</b>
2.1 Introduction .....	37
2.2 Origin of the Modern African State .....	37
2.3 Centralization of Economic and Political Power and the Emergence of Informal Cross-Border Trade.....	41
2.4 Corruption in the Modern African State; Case of on Kenya and Uganda ...	49
2.5 Ethnicity in the African State and its Challenge at the Kenya/Uganda border .....	57
<b>CHAPTER THREE.....</b>	<b>68</b>
<b>3.0 THE FAILURE OF THE KENYAN AND UGANDAN STATES TO MANAGE THE RELATIONS AT THE BORDER AND THE RISE OF INFORMAL CROSS-BORDER TRADE.....</b>	<b>68</b>
3.1 Introduction.....	68
3.2 The Evolution of Informal Cross Border Trade.....	68
3.3 Categories of Informal Cross Border Trade.....	71
3.4 Informal Cross-Border Trade between Kenya and Uganda.....	74

3.5	The Rise of Informal Cross-Border Trade in Kenya: The Kenyatta State, 1963 – 1978.....	76
3.6	The Rise of Informal Cross-Border Trade in Kenya: The Moi State, 1978– 2002.....	83
3.7	The Rise of Informal Cross-Border Trade in Kenya: The Kibaki State, 2002– 2005.....	92
3.8	The Rise of Informal Cross-Border Trade in Uganda: The Kabaka Mutesa II Kingdom 1961-1966.....	97
3.9	The Rise of Informal Cross-Border Trade in Uganda: The Milton Obote State 1966-1971 .....	100
3.10	The Rise of Informal Cross-Border Trade in Uganda: Idi Amin State, 1971-1979 .....	108
3.11	The Period of Further Uncertainty in Uganda: From Yusuf Lule – Tito Okello 1979-1986 .....	114
3.12	The Rise of Informal Cross-Border Trade in Uganda: The state Yoweri Museveni State 1986-2005 .....	119
3.13	Conclusion .....	124
	<b>CHAPTER FOUR.....</b>	<b>126</b>
	<b>4.0 THE IMPACT OF INFORMAL CROSS-BORDER TRADE ON THE LEGITIMACY OF THE KENYAN AND UGANDAN STATES .....</b>	<b>126</b>
4.1	Introduction.....	126
4.2	History of Kenya and Uganda Socio-Economic Integration .....	126
4.3	Positive implications .....	130
4.4	Negative implications .....	134
4.5	Conclusion .....	142
	<b>CHAPTER FIVE.....</b>	<b>143</b>

<b>5.0 SUMMARY, CONCLUSION AND RECOMMENDATION .....</b>	<b>143</b>
5.1 Introduction.....	143
5.2 Summary and Key Findings.....	143
5.3 Conclusion .....	146
5.4 Recommendation .....	147
<b>REFERENCES.....</b>	<b>149</b>
APPENDIX 1: OUTLINE OF CHAPTERS .....	176
APPENDIX 2 TIMELINES.....	177
APPENDIX 3: BUDGET.....	178
APPENDIX 4: QUESTIONNAIRE.....	179



## **LIST OF ABBREVIATIONS**

ILO - International Labour Organization

PTA – Preferential Trade Agreement

COMESA – Common Market for Eastern and Southern Africa

KANU – Kenya African National Union

KADU – Kenya African Democratic Union

EITI – Extractive Industries Transparency Initiative

ICBT – Informal Cross-Border Trade

CBT – Cross Border Trade

OAU – Organization of African Unity

## **OPERATIONAL DEFINITION OF TERMS.**

### **Cross - Border Trade**

This alludes to the movement of commodities and services where crossing the boundary from one state onto the next is generally simple and where items are altogether less expensive in one place than the other, regularly due to huge differences in tax levels on products like garments, food and liquor.

### **Ethnic**

Connected with or belonging to a nation, race or people that share a common tradition.

### **Failed State**

A country wherein the government is frail to such an extent that it has failed to keep a grip on the structures of the state and is seen as having fizzled at a portion of the essential conditions and duties of a sovereign government.

### **Informal Cross –Border Trade (ICBT)**

Informal cross – border trade alludes to exchange legitimately produced merchandise and enterprises which escape from the administrative structure for taxation and strategies set by the government, as such dodging certain taxes and regulatory burdens

### **Nation**

This idea is utilized in the study to allude to a group of people brought together by common culture, values, principles and political goals and occupying an unequivocal region and having a feeling of common character. Such a gathering that shares the previous qualities is said to have a typical nationhood.

**Sovereignty**

This refers to the exclusive legal jurisdiction that a particular state possesses within its freedom to act in international affairs without being subjected to any legal control by another state.

**State**

In this study the state is a body of people who occupy a definite territory and politically organized under one leader. This political community that is run by one government is also independent and self-sufficient.

## ABSTRACT

At the time when there is enhanced social instability across the world, there is growing concern that the modern nation-state has failed to meet the obligations of its citizens. As an organizing tool of contemporary politics, the state faces overwhelming challenges, chief among which is its inability to unify its inhabitants around shared aspirations and desires. This study sets out to examine the main features of the modern state in Africa with a key focus on Kenya and Uganda. It examines how the key features of the modern states have led to the rise of Informal Cross Border Trade between Kenya and Uganda. It also assesses the socio-economic and political impact on the legitimacy of the Kenyan and Ugandan states. A fundamental question to answer is whether or not the flourishing informal trade between the two countries is a reflection of success or failure of the nation-states. The study revolves around three premises. It proposes the main features of the modern state in Africa with a key focus on Kenya and Uganda. It also assumes that the failure of the Kenyan and Ugandan states to manage the relations at the border has necessitated the rise of Informal Cross Border Trade. The study proposes that there is socio-economic and political impact on the legitimacy of the Kenyan and Ugandan states. From the theoretical standpoint, this study employs a duo perspective. It combines the Marxian theory of the state with that of the Corporatist practice of the state. According to Karl Marx, the state is not only an instrument of oppression, it is also parasitic because it feeds on the blood and sweat of its own citizens. On the other hand, Goran Hyden and Julius Nyang'oro share the view that the African state has a poor corporatist practice: this means that instead of asking the people what they would wish to be done for them by the state, the state in Africa arbitrarily determines what the people require and often gets everything wrong. Thus, this study uses the two theoretical formulations to demonstrate that not only have the Kenyan and Ugandan states been parasitic and dictatorial, but they have also failed to meet the desires and dreams of the people. As a result, the border communities in the two states have engaged in informal trade in order to promote localized nationalism and address the urgent needs hitherto ignored by their respective governments. Various methodological tools have been employed to collect data. Primary data was harnessed from field respondents on the operations of both the Kenyan and Ugandan states. Besides, secondary data was obtained from books, articles and journals that are readily available on the internet and local libraries. All the data has been subjected to the rigorous interrogation of the Marxian notion of state parasitism and essential elements of the theory of state corporation.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background to the Study**

Kenya shares territorial boundaries with her neighbors and by this they become trading partners both formally and informally. Among her neighbors are: Uganda, Tanzania, South Sudan, Ethiopia and Somalia. In spite of this, the international trade activity of the informal sector known as Informal Trade or Informal Cross-Border Trade (ICBT) between Kenya and her neighbors is not sufficiently captured because it is viewed as 'illegal' and often 'invisible.' It is because of its informal nature that shields it from official scrutiny and taxation.

The evolution and transformation of the Kenya-Uganda border into what it is today presents researchers with interesting analytical paradoxes. Since the early 1960's when the two East African countries attained political independence from a single colonial power, Britain, a series of negotiated local, inter-state and regional initiatives have come to converge in defining its nature, shape, meaning and interstate trade. In the post-independence period analysis, the economic setback and paradoxes facing these two independent states is the legitimacy of the border that divides culturally similar locality occupied by the Babukusu, Bagisu, Basamia, Basebei and Bateso peoples on the two sides of the Kenya/Uganda border. As a homogeneous cultural zone enlightened by strong historical ties, borderland areas have not only been sites of immense inter-state relations as well as an arena of possibilities for the local communities (Wafula,2008).

As global trade integration continues to develop, countries are organizing themselves into stronger regional blocs. Within Africa, there has been increased interest in intra-regional trade for some time. Sub regional initiatives aimed at promoting trade in Eastern and Southern Africa are not new. Among them the East African Community (EAC) of 1967; the Southern African Customs Union (SACU) of 1969; the Economic Community of West African Countries (ECOWAS) OF 1975; the Southern Africa Development Community (SADC) of 1990; the Preferential Trade Area of 1982; the Common Market for Eastern and Southern Africa (COMESA) of 1994 and Cross border Initiative (CBI) of 1993. Noticeable advancement in reducing tariff and nontariff barriers to trade has been achieved, formal trade among most African countries continues to face some challenges. For the time being, informal/unrecorded trade is thought to be important.

From a purely state-centric perspective, the Kenya-Uganda border needs to define patterns of territory and facilitate control from the centre. The border and the informal activities generated across it are domestically seen to challenge the stability of the administrations and the countries' quest for hegemony, control and nation building. Yet from the borderlands perspective, the identity of the persons experiencing the restrictions created by the international boundary and their various responses towards the border and the regimes that limit their movement and fruitful cross border transactions and communication need to be appreciated (Donnan and Wilson, 1999).

Dongala (1993) states that informal trade occurs if there is unchecked and extensive trade whereby many participants are involved. He continues to argue that the magnitude of operation is smaller than in the formal sector; formal sectors demands notably registration are minimal or even absent and, in the circumstance of their existence, are evaded with much ease. Thus, this shows that people engage in these informal trading and socializing activities because the modern state in Africa (i.e the European state in Africa) appears to have failed to offer desired services to its people. So, informal cross border trade is a daring expression of localized Babukusu, Basamia, Bateso and Basebei nationalism. These communities are eager to violate and dissolve boundaries which endanger their unity.

For this reason, the essential component of Informal Cross Border Trade is the informal economy. In the past, Informal Cross-Border Trade was viewed as a ‘survivalist strategy’ globally and, consequently, the Informal Cross-Border Trade traders was viewed as uneconomical to follow the laid down procedures (Ndlela, 2006). Unlike as it was traditionally perceived, Informal Cross-Border Trade entail both informal and formal firms today OECD (2003) – goods passed across the borders vary greatly from small items to large consignments (Peberdy, 2002). The kind of Informal Cross-Border Trade that takes place involves formal firms normally takes account for big consignments; small volumes that are in most occasions passed across the borders by informal firms and individuals similarly constitute significant quantities when computed; accordingly, it is

essential to take note the impact that Informal Cross-Border Trade may have on the economies of East Africa.

From the time East African Community Customs Union was established in January 2005, integration aspects have been occurring, chiefly, through efforts aimed at strengthening of institutions and business environment to enhance formal cross-border trade interactions. However, there is no political good will by the two states to recognize the central role played by the informal cross-border trade and to keep track of its activities. In fact, various researches carried out show that informal trade reinforce regional integration, networks and relationships (Mwaniki, 2004).

According to Meagher (1997), Informal Cross-Border Trade is a reflection of indigenous forms of trade which are relevant than formal trade channels. Informal Cross-Border Trade is not necessarily incentivized by the setbacks facing formal trading; but, should be viewed as an old practice that is resilient of barter trade that took place before colonialism. People traded freely in pre-colonial Africa across borders and majority wish to perpetuate the practice of free trade. Therefore, Informal Cross-Border Traders wish to go on exchanging as it occurred in the past. Largely, just as formal integration received promotion under the evolving Customs Union and Common Market Protocols as an interference and a threat to their livelihoods (UNECA, 2009).



Globally, due to challenges of recognition of cross border trade as an informal sector it is difficult to ascertain the economic importance of this sector however, In Africa, the last decade witnessed the growth of the informal sector by an average of one percent. In the developing countries, the informal sector comprises an essential part of their economies. Holistically, Gross Domestic Products (GDP) of 43 percent is estimated to take place in Africa hence, competing favorably with the formal sector. In the long run the informal sector brings economic development in the developing countries and in short term empower the poor households. Therefore the study sought to demonstrate that the informal trade practices across the common border are a reflection of the failure of the two states to meet the overall desires of the people (Schneider 2010). This informal trade serves to fill economic, social and political gaps that the states have failed to handle. Notably, the communities along the Kenya/Uganda border have their own idea of national and international relations, moreover these communities continue exchanging emissaries, settling disputes and working outside under internationally recognized pillars of international relations.

## **1.2 Statement of the Problem**

Although Kenya and Uganda are both independent and sovereign states, they are confronted by informal cross-border activities that have the capacity to threaten the independence and sovereignty of the two states. While recognizing this reality, the study set forth to interrogate the nature of Kenya and Uganda states

with special focus on the key features that have influenced the rise of Informal Cross Border Trade between the two countries. It also interrogates the socio-economic and political impact that Informal Cross Border Trade has had on the legitimacy of the Kenyan and Ugandan states. In essence, the study interrogates the creation of new meanings of nationalism and international relations with regard to cross-border communities between 1962-2005.

### **1.3 Objectives of the Study**

**The objectives of the study include;**

- i. To examine the main features of a modern state in Africa by focusing on Kenya and Uganda.
- ii. To assess the extent to which the rise of informal cross-border trade between Kenya and Uganda could be explained in terms of the inherent weakening of the modern state.
- iii. To analyze the socio-economic and political impact of informal cross-border trade on the legitimacy of the modern state in Kenyan and Ugandan

### **1.4 Research Questions**

**The research questions of the study include;**

- i. What are the main features of a modern state in Africa with key focus on Kenya and Uganda?

- ii. To what extent has the failure of the Kenyan and Ugandan states to manage the relations at the border necessitated the rise of Informal Cross Border Trade?
- iii. What is the socio-economic and political impact of the Informal Cross-Border Trade on the legitimacy of the Kenyan and Ugandan states?

### **1.5 Research Premises**

#### **The study is premised on the following:**

- i. Centralization of economic and political power and institutions has remained a key feature of the modern state in Africa, specifically Kenya and Uganda.
- ii. The failure of the Kenyan and Ugandan states to manage human interaction at the border has necessitated the rise of Informal Cross Border Trade.
- iii. There are significant socio-economic and political impacts of Informal Cross-Border Trade on the legitimacy of the modern state in Kenya and Ugandan

### **1.6 Significance of the Study**

This researcher examined necessary data and demonstrated the origin of the informal economies and the way these economies affect formal trade on one hand and the nation-state on the other. Due to their centralized nature, the states of Kenya and Uganda seem to have lost their grip on informal trading activities among such border communities as the Basamia, Bateso, Babukusu, Bagishu and Basebei. This study therefore, demonstrated the decline in cross border trade

the dwindling power of the modern nation state. The study's significance lies in its research and policy implications. In terms of research, the study provides critical analysis on the ways in which cross-border informal trade has led to development of African state. Trade. This analysis will be vital to researchers working in the research area. In terms of policy, the study is significant since it seeks to generate data that could help understand Informal cross-Border issues hence address policy issues.

### **1.7 Scope of the Study**

Independence within Africa ushered a new era in the socio-economic and political organization of the region. This study begins from the time when the two East African countries attained their political independence. Uganda in 1962 and Kenya in 1963. The study was carried out within Kenya and Uganda border towns like Busia, Malaba, Muluanda, Adungosi and their environs for the last forty five years. The study took a historical perspective to understand the conflict between the formal states of Kenya and Uganda and the border nations. In Kenya, the study explored three historical epochs, that is, the Jomo Kenyatta state (1963-1978); the Moi state (1978-2002) and the Kibaki state 2003-2005. In Uganda, the study explored the configuration of the state under Fredrick Kabaka Mutesa II and especially during his last years in power (1961-1966); Obote era (1966-1971); Amin era (1971-1979); Tito Okello era (1979-1980); Paul Muwanga era (1980) and lastly Museveni era (1986- 2005). Thus, the study was limited to the period between 1962 and 2005 EAC Customs Union (CU) was established in January the same year. The year 2005 is key in our study since

from this period, some aspects of integration have been taking place, especially, through official efforts aimed at strengthening of institutions and business environment to enhance formal cross-border trade interactions.

### **1.8 Limitations of the Study**

The study limitation was on how direct answers to the questions could be sourced since some traders wanted to give their own views away from what the questionnaire demanded. This limitation was solved by being keen on their narration then get the answers significant to the study. There was a challenge in terms of funding to cater for tokens since the study covered quite a broad area; but this was solved by using extra money that was earned as dividends from Mwalimu Savings & Credit Cooperative to buy the traders a bar of soap or a packet of sugar. Time was also a challenge since the questionnaires were administered during the day when traders were busy with work and some traders wanted some money for compensation. In this case, the researcher and the research assistants explained that this was an academic study that was aimed at a master degree. We were also very patient during the administration of the questionnaires since interruptions by customers were frequent

### **1.9 Literature Review**

Berkovitch et al., (2007) notes that cross-Border Informal trade is informed by kinship networks in Africa in addition to official institution undermining. Allegiance to traditional authority is widely acceptable than obedience to the

state in Africa. Before European colonization there existed kinship groups, these kinship groups had adjusted and adopted to the colonial and post-colonial economic environment. Clift (2004) states that, members of the community were linked by social and religious bonds that enable complex and flexible trading strategies with property rights and contract enforcement provided by group solidarity rather than formal rules. He continues to assert that religious beliefs and affiliations played a key role among groups. Contract fulfillment, financial access and information exchange was achieved through kinship networks that accounted for the bonds of trust, norms and enforcement mechanisms without formal documentation taking place.

Fletcher (2010) notes that in the international trade, informal cross border trade play a central role, this is achieved though settling indifferences caused by lack of information across the countries involved by helping to overcome transaction costs. On the other hand informal networks have been promoting ant-social behavior through violation of rules and norms set up by the formal sector.

Harris (2007) states that same ethnic groups operate in different regions in the same country. Notable examples in the other parts of the world where ethnic groups conduct ICBT include the Mourides for Senegal and the Gambia, in Eastern Nigeria and Benin the Yoruba, in Cameroon the Igbo and Southern Nigeria, in Northern Nigeria and Niger the Hausa, the Burji in Northern Kenya and Ethiopia, in Eastern Congo the Nande, and in north-western Uganda the

Lugbara and the north-eastern Congo. Menski (2006) gives a new intriguing delineation of the role of family relationship in coordinating business sectors across nations found that there is no border value intermittence for exchange in millet and cowpeas across the Niger-Nigeria political border, as long as that exchange happens between business sectors of the equivalent (Hausa) identity. There is a boundary impact, besides, when cross-border markets is among Hausa and non-Hausa advertises just as a measurably critical value discontinuities across the virtual borderline among Hausa and Zarma locales inside Niger.

According to Devling, (2011) opine that a lot of traders realizing the importance of less restriction cross border trade now demand less restrictions across borders as a mechanism to improve the flow of goods and services across shared international boundaries. This strategy has reaped economic benefits in countries that it has been implemented. For these practice to be effective, it requires the good will of cross-border management stakeholders. Since the establishment of East African Community (EAC) the treaty that saw countries such as Kenya, Uganda, Tanzania, Rwanda, Burundi and South Africa take part willingly the OSBP strategy was therefore adopted.

Malik (2008) postulated that the EAC Common Market convention union to set up a solitary custom association or domain to encourage free development of merchandise in the East African area. This need to encourage free commerce spurred the adoption of the OSBP model in some significant border points inside the EAC. Busia being one of the critical border points located at the international border between Uganda and Kenya operates as a transit point for goods traveling

from Kenya to Uganda, DRC Congo, South Sudan, and Rwanda from the Kenyan port of Mombasa. This has made Busia one of the busiest points. It is from the critical role that Busia border plays that has forced it to witness heavy traffic caused by vehicle and human traffic constituting petroleum tankers, containerized cargo trucks and small scale traders.

Akech (2012) asserts that over 30 years Intra-African trade flows has been noted down with low level and discrepancies. Even with trade liberalization and the structural adjustment programs the situation continues to grow amidst wide integration programs. Cho (2011) states that in Africa there exists over 30 regional blocs and each of the countries in the African continent are a member of at least four regional blocs. Surprisingly, African imports and exports account for only 10 percent in the official Intra-African Trade.

An observation by Ahmad and Schroeder (2003) shows that Informal Cross-border-Trade thrives everywhere in Africa. Numerous case studies exist on the cross border trade in the last two decades conducted by political scientists, sociologists, and anthropologists among others Kieck (2010). A sample of these studies cover many border areas in Africa including Uganda and Kenya.

In the East African Community and Informal Cross-Border Trade Uganda is the major trade partner with Kenya. Trade on agricultural and industrial goods take a lion share between the two countries mentioned. Ackello et al. (1996) alludes that volumes of trade between Uganda and Kenya is underestimated. In the year



1994-1995 trade in goods between Kenya and Uganda in the informal Trade was valued at US\$146 million compared to formal trade valued at US\$96. thus, critical questions with regard to policy need to be interrogated. Probing further, indicates that more important but unanswered questions with regard Informal Cross-Border Trade remain unanswered.

The Informal Cross-Border Trade sector in most instances evade tax payment and consequently denies governments revenue for substantial investment. Ogalo (2010) states that with missing statistics on the Informal Cross-Border Trade are, it becomes a setback for the governments involved to come up with viable policies. Further, Pearce and Robinson (2007) attest that in the East African Community Informal Cross-Border Trade seems to represent a substantial share of regional cross-border trade. Thus, due to unreliable data on Informal Cross-Border Trade led to underestimation of GDP in East African Community economies and specifically Kenya and Uganda.

Wijeyewardene (1990) argues that artificial boundaries that were set out by colonial masters have continued to be upheld by post-independence in Africa states. Other instances, some people realized that division of boundaries along ethnic lines will have a negative impact on them during the independence period. Truly, myths of origin have put more emphasis on the common originality among communities sharing national boundaries. This work portrays the throwbacks witnessed in the modern nation state of Africa with a particular case of Kenya and Uganda.

Roosens (1989) asserts that kinship groups who wanted a merger have received opposition from the ruling class so that the groups remain fragmented. He continues to argue that negative ethnicity and has been manipulated depending on the office bearer who influences resource distribution. It has been assumed that people may change their ethnic identity “if they can profit by doing so.” In essence, this work too highlights the challenges of the modern nation-state in Africa. Although this work offers general information about the state in Africa and will certainly enrich our study, it does not tackle the emergence of informal trade across the Kenya – Uganda border, and challenges state citizenship and nationalism in Kenya and Uganda.

Morley (2007) in his study zeroed down to changes in thoughts of home, place, belonging and personality with regards to the transnational patterns of correspondence and mobility which progressively describe our contemporary, destabilized world. Of specific concern was the guidelines in trans-border exchange. His examination investigated both small and large scale levels, according to the family, the country and the neighborhood or transnational locale as 'Spaces of Belonging.' He contends for a 'realist' variant of social examinations which is sensitive to both the emblematic and the material geologies inside which individuals' characters are framed. Although this work offers general information on the conception of the notion of borders to mark nation- states and does not specifically discuss the states of Kenya and Uganda, it will certainly provide useful insights to this study.

Ang (2000) examined the nation with regard to global world. He argued that nationalism and the nation are obsolete whereby connection are made between individuals and cultures across national boundaries whereby the individual become socialized to become a global citizen. She examined Islamic fundamentalism as a case of patriotism. Her work examined cultural identities on one hand as being grounded historically, and on the other hand as being transformative. She analyzed the concept of nationalism with specific reference to Islamic fundamentalism. Even though she never made reference to nation states of Kenya and Uganda she questioned the understanding of the term nationalism.

Hyden et. al (1992) examined the question of 'getting politics right' that had taken Centre stage in Africa, with soviet Union and Eastern Europe experiencing political reforms. Afrocentric scholars are taking the lead in interrogating African governance and possible avenues for political. The centrality in comparative politics narrowing down to vital role played by actors and other stakeholders besides government. The study therefore suggests that the similarity of the situation between Soviet Union and Eastern Europe applies in Africa and also in Kenya and Uganda thus, valid to an extent.

Hyden (2006) asserts that in African historiography the community and the government take different directions with regard to development and politics in Africa. Politics in the African continent is associated with the colonial legacy in

Africa, and its open policies to the international communities, an acknowledgment of a top-down model to development and, recently, a failure in a few nations to withstand the pressing factors of social powers produced by financial and economic and globalization. The last is connected to its pre-colonial past, its socially inserted types of correspondence, a bottom up model to deal with development and the potential for an African renaissance. Although Hyden discusses governance in African states and does not mention what happens to Kenya/Uganda, his work is, however, important in this research in analyzing the theory of corporatist practice in the Kenyan and Ugandan states.

Adejumobi (2000) good governance and democracy are the aspects that he interrogated in Africa with suggestions on the 21<sup>st</sup> C. taking note of the global agenda issues that pop-up include: good governance, market reforms and liberal democracy. From the start of the 1980s, the concerns have dwelt on slow, however, coordinated endeavor to alter the course of political despondency and bafflement which as of recently have portrayed political life in Africa. This endeavor shows in the interest for political pluralism and democratization. Although the author discusses governance in African states and with specific to Kenya and Uganda, his work is, however, important to this research in the analysis of Marx's Parasitic theory.

Wafula (2007) examined historically community relations across the Kenya/Uganda border with specific reference to the Babukusu of Western Kenya and the Bagishu of Eastern Uganda. He examined trans-border social, economic

and political relations which had evolved between the communities. However, unlike Wafula's study, the current study interrogates how the operations of the modern states of Kenya and Uganda might have influenced the socio-political and economic behavior of border communities. Away from Wafula's work that was historical, our present research uses Marx's Parasitic theory of the state together with the essential components of the Corporatist framework to analyze cross border activities involving not just the Babukusu and Bagisu but also the Basamia, Bateso and Basebei during the post-independence dispensation. Thus Wafula's work will be an important point of reference to this study.

Horowitz (1985) notes that where groups engage in unnecessary competitions setting of boundaries become vital this is because such competitions tend to take a political stand. He demonstrated the intertwined aspects between social boundaries and physical boundaries by noting that group identity shape "territorial boundaries that arises as the most notable. The bigger the regional boundaries, the more extensive the ethnic boundaries are probably going to be; and the other way around. All else equivalent." Recognizing how perplexing and liquid boundaries could be, Horowitz remained rather wary, for in inter-ethnic relations there will consistently be intervening factors that can't be held constant. Although this work offers general information on the conception of the notion of borders to mark nation- states and does not specifically discuss the states of Kenya and Uganda, it will certainly provide useful insights in this study.

A study by Sashittal and Wilemon (2006) shows that in order to minimize the risks involved in informal trade the participants diversify in the commodities they handle and also hold a small stock of merchandise. Although there is minimal specialization the involved stakeholders conduct other functions such as transportation, processing, grading storage among others. According to Trademark East Africa exchanges happen on currency basis and the Kenyan cash is the most favored technique for payment. With insignificant working capital turnover of stock in many events is noticed. Despite the fact that cash in return of merchandise is the most favored methodology in different cases barter exchange happen whereby Ugandan brokers trade food wares for Kenya's industrial items. By and large, merchants depend on hired vehicle and in many events storerooms are inaccessible. Arrival of products in many cases arrive borders points on hired trucks and are kept in leased stores/shops while prior arrangement are made to sneak the merchandise across the boundary, either during the day or at night.

According to Mwaniki's (2004) evaluation on the impact of Informal Cross-Border Trade on Regional Integration in The Southern African Development Community (SADC), integrations aspects take place, to enhance formal cross border trade formal efforts are made that aim at strengthening the institutions and the business environment. However, due to lack of recognition of informal cross border trade there are minimal measures that are taken by the states involved. The study is therefore relevant since it also covers the specific area of

study Kenya/Uganda border and the effects of the informal cross-border trade between these two nation-states and the challenges involved.

Meagher (1997) handles Informal Cross-Border Trade just as an impression of longstanding native pattern of exchange that makes more sense formal exchange channels. Informal Cross-Border Trade isn't really boosted by the limitations confronting formal exchanging; rather, the propensity to adhere to Informal Cross-Border Trade should be viewed as a resilient practice that is difficult to bring into cessation with its roots anchored in precolonial times. Although Meagher's paper studies Informal Cross-Border Trade generally before most African countries got independence, his study is relevant to our research with regard to understanding the dynamics in informal cross-border trading activities in post independence Kenya and Uganda.

Cross-border monitoring survey activities have been set up by numerous organizations among them are; Uganda Bureau of Statistics (2006, 2007,2008); The Regional Agricultural Trade Intelligence Network (2007); The Famine Early Warning Systems Network (2007); and Ackello-Ogutu and Echessah (1997,1998) and some more, taking a case of Kenya and Uganda cross-border trade, the findings show that the commodities of trade between the two states are food items for among them maize rice and beans. The food items traded at the border between Kenya and Uganda are considered cheaper by Kenyan traders who live along the border among them are Basamia, Bateso, Babukusu and

Basebei communities. Although this work offers the general picture of the Kenyan state and not the Ugandan state, it will certainly be useful to this study in analyzing historical events and the concept of nationalism.

### **1.10 Theoretical Framework**

The study's core objective was to examine dynamics of the Informal Cross Border Trade across the Kenya/Uganda boundary in the context of the general configuration of the African state. For example, most Marxist scholars including Ngugi wa Thiong'o (1986) and Samir Amin (1976) tend to look at the African state as a reflection of class rather than ethnic struggle.

For the Marxist they argue that capitalism is a mode of production that thrives on the exploitation of the masses. This mode of production thrives based on the inequality caused by the rich exploiting the poor. Capitalism thrives based on exploitation which brings wide gap between the poor and the rich in society whereby the rich continue being rich through paying little wages to the poor and sacking their labor immensely. In an African context racism developed because Africans were viewed as lesser human beings who did not deserve freedom and Liberty as Paul D Amato wrote:

*It is widely acceptable that slave exploitation and oppression was anchored on class struggle. In this mode of production inequalities and oppression are anchored on wage exploitation. Under this mode of production racism was used to justify slavery, conquest and plunder as*



*Karl Marx stated that racism was used to divide and rule and to bring conflict in the various castes causing class consciousness (Yamahtta T,2011)*

Consequently, they see ethnicity as some form of false consciousness that requires little attention; yet we know that ethnicity in Africa is real. Besides, ethnicity has reconfigured the African state in ways that have made it difficult for the people of the continent to fight discrimination, corruption, poor leadership and misuse of resources. So on its own, the Marxist theory does not help to illuminate the reality of the African state. That is why the current study combines the Marx's parasitic disposition of the state with the framework of the state corporation to analyze data.

### **1.10.1 Realism Theory of International Relations**

Realism states that independent states are the key actors in the international system.

Nicolo Machiavelli (1469 – 1527) laid down foundations of modern governance by separating ethics from politics. For him rulers ought to seek truth and truth alone to rule rather than imagination.' The 'effectual truth' for him is the only truth worth seeking. For him, in order to make the country and individuals strong and prosperous basic particle conditions ought to be followed by subjects. Machiavelli claims that to make political ends meet both means (moral and immoral) are justified. For him the higher duty of the state is to maintain itself. This means that the state must serve the interests of the leaders whatever the

immoral methods. The evils that political leaders perpetuate like ethnicity, misuse of public resources and corruption are covered up as long as leaders are favored. As a consequence, citizens in African states have to devise methods of survival through whatever means like practicing Informal Cross Border Trade because their states support Machiavelli's 'the end justifies the means.'

Hans J. Morgenthau (1904–1980) developed realism into an exhaustive international relations hypothesis. For him power and self-contentedness are the focal point of human life. He kept on expressing that the cravings of individuals to overwhelm others is the reason for clashes. In his book *Politics among Nations: the struggle for power and peace* 1968 notes that actually like other legislative issues global politics is the battle for power. Morgenthau (1973) systematizes realism in international relations based on six rules that he remembers for the second version of his book.

Morgenthau asserts that what makes politics autonomous is power or interest whereby state actors pursue state interests. Thus, led to the construction of rational theory which is not driven by individual political leaders ideologies, morality or religious believes. He continued to note that states can avoid conflicts through avoidance of moral crusades and ideological confrontations by states but be concerned with the satisfaction of their interests.

Morgenthau defines politics as autonomous but does not follow Machiavellian point of view that removes ethics from politics. He argues that even though

human beings are political animals that are led by their selfish interest they still remain moral. When morality is taken away from human beings they become either beasts or gods. For him even though political principles are not guided by universal principles they have a moral significance and are directed towards national survival, in addition to prudence. For Morgenthau the state's duty to protect its citizens from harm has a moral aspect in politics. For Morgenthau realism is a useful theory for making policies and also reflecting about international relations. In addition, his theory states that conflicts emerge from human nature in addition to power which have received criticism.

For Morgenthau International politics, is a struggle for power because of the basic human lust for power. However, his argument that all human beings have a desire for power which he shares with Thomas Hobbes is a questionable one. In that human nature cannot be proved from empirical research because it cannot be observed but it is based on belief and education. Morgenthau introduces another aspect to his theory that is rationality. For him a good foreign policy should be rational. He defines rationality as an interaction of ascertaining the expenses and advantages of all alternative policies to decide their relative utility; their capacity to maximize power. For him state actors think and act inspired by power. Just intelligent shortcoming of policy makers can bring about international policies that go astray from a rational course pointed toward limiting dangers and amplifying benefits. Morgenthau puts more emphasis on power rather than rationality.

Realism has a weakness of tending to slip into an extreme version which accepts state policies at the expense of citizens. Morgenthau's idea of realism, is questionable. It very well may be either a methods or an end in politics. In any case, if power is just a methods for acquiring something different, it doesn't characterize the idea of global political issues in the manner Morgenthau.

Although this theory does contribute to our understanding of the balance of power and the struggle of states to meet their needs, it doesn't permit us to comprehend the activities of states autonomously from the intentions and philosophical inclinations of their political leaders. It can't fill in as the reason for characterizing political issues as a self-sufficient circle since it presents exclusively as an end in itself, which states should seek after consistently. Morgenthau's standards of realism are hence open to question. Therefore, this theory could not sufficiently help us understand this study since the communities living around the Kenya/ Uganda border do not consider the state as the Centre of international relations but rather they continue to engage in social, political and economic activities without consultation with their leaders.

### **1.10.2 The Modernization Theory**

The African state has made scholars concerned about its inability to serve the interests of the African people. For some scholars argue that modernization theory is the most relevant theory for Africans. Modernization theorists like Rostow and Hagen (1968) propose evolutionary prescription for development

and capitalism as a force that can bring progress and development. They shift their attention to the pitfalls of third world countries and try to offer possible solutions how developing countries can mitigate the shortcomings of development. Modernization theory speculates that traditional communities as stagnant, not innovative and are unchanging that for them to develop they require modernization.

Take off is the metaphor that Rostow uses to articulate that for third world countries to develop they ought to shift from the traditional society and move to high consumption for them to witness development. For him he articulates the correction of policies but does not take into account for failure to take off or what will happen for those economies that have started shift and begin to decline and crumple. This means developed countries (European countries) must continue to grow if they are to 'assist' the developing (African) countries. Therefore, as a concept, modernization came to be the only universal truth that would rescue Africans from their state of hopelessness.

Modern state development is viewed from a western perspective. Borders are conceptualized as tools of separation and control, limiting peoples' movement within territories and marking points in which authority of a state ending and authority of another starting. Asiwaju (2002) relating to borders in contemporary Africa, uses this theoretical framework to assume that since borders in Africa are structurally and functionally extensions of western European parallels then

the modern African states themselves are historically territorial replicas of particular Western European states. This theory and its assumptions though offering an insight to understanding the political and economic conditions in Africa, has a few limitations. With time, African nation-states realized that modernization was irrelevant because it had overlooked the African reality and achievements (Kisiang'ani 2003).

For instance, this theory does not take to account other factors such as instability and inequality. This theory does not content the conflicts of interests between the rich countries and the poor countries. Negating the fact that world resource benefits are limited, that amassing wealth by the few deprives others the right to the limited resources. Modernization unfortunately, ignores that some the problems of developing countries are not in the periphery but are internal. The African states face internal problems such as ethnicity, corruption, misuses of public resources just but to mention afew. Although the work focuses on international relations and the state dynamics, there is need to develop a theory that examines the nature of relations between states (Kenya/Uganda) and the communities (Basamia, Bateso, Basebei and Bagisu) and the numerous border activities. More specifically, Informal Cross Border Trade which shows that the states have very minimal control over economic flows across their boundaries.

### **1.10.3 The Dependency Theory**

Gunder, F.and Amin, S. (1976) observe that the African state which is in the periphery is underdeveloped and suffering because of overdependence on

Western Modernization. They suggest that the Africans states should do away with Westernization and cut links with the West completely. The states have to establish socialist governments based on nationalization of property.

Kisiang'ani (2003) asserts that Africa experiences in the period of 1960s and 1970s shows that modernization for Western countries undertook to hinder the internal affairs of African states and went further to maintain autocratic leadership that supported the preservation and sustenance of Western cultural, political and economic values on the continent. As a result, Africa became more and more underdeveloped because, in its post-independence era, the continent continued to play similar cultural, economic and political roles of supporting Europe's progress as it had done during the era of formal colonialism.

Foreign investment in formerly colonized states had been carefully planned to favor the sale of manufactured goods of the developed world while at the same time stagnating the economies of young nations with an irrational emphasis on agricultural rather than industrial development. Therefore, for development to take place there is need to eliminate foreign penetration that embrace the maintenance of the status quo that supports socialist context of development (Chilcote and Edelestein, 1974).

Unfortunately, these scholars did not realize that mere cutting of links with the Western countries without addressing such internal African problems as

centralization of economic and political power and institutions, ethnicity and corruption will bring to development. Therefore, the study had to develop both the Marxist theory of State Parasitism and the Poor Corporatist Practice of the state to address issues in the African States.

#### **1.10.4 The State Theory and Corporatist Practice**

The current study will make use of Marxist theory of State parasitism and coupled with the Corporatist Practice of the state as given by such theoretical luminaries as Goran Hyden and Julius Nyang'oro (1989), Shaw, Callager (1984) to argue that the state in African faces predicament. Border communities and states face a wide range setbacks ranging from historical and social factors to demographic, technological, ideological, global among others. From the above setbacks decisions made range from external actors to state and political leaders, individuals and domestic social organizations. Notwithstanding principle explanation and assumptions of Monetarists, Keynesians and Marxist economists examine the nature and impact of state intervention in capitalist economies. The net effect has been discussions ranging from historical problems to methodological issues that have generated a number of assumptions. For workers in other traditions Marxist debate becomes irrelevant. However the debate merits high considerations in the absence of the state.

For Marx, the state is an instrument of class rule. The state is assumed to be a neutral instrument and can be used with equal facility and equal effectiveness by any class or social force. Giddens (1971) for the society to develop it must take



into account continual productive interaction between men and nature. The emergency of Classes in the society are brought about by differentiated division of labor that does not prohibit surplus wealth accumulation by the minority leading to exploitations of the majority. For Marx's therefore, classes is the linkage between the relations of production and the rest of society, or 'superstructure' (Ibid).

Onyango (2010) in his understanding of social life observes that Marx freely admitted that individuals are 'personalities of economic categories and embodiments of particular class-relations and class-interests.' In the Marxist theory the modes of production dictates the class struggles. In primitive societies wage labors perform while the ruling class own the means of production hence become the main decision makers. Thus for marx the history until now is the history of class struggle. (Marx and Engels 1954). Classical Marxism therefore, looked at society only in terms of economic class consciousness while ethnicity and religion were considered as false consciousness.

Another political colossus, Oginga Odinga, on the other hand, wanted a government which handled fundamental national issues such as land distribution, nationalization of resources and foreign policy by taking into account the aspirations and needs of all ethnic groups. However, despite peaceful calls for reform in distribution of resources, Kenyatta went ahead and utilized most of the \$5 million British loan for resettlement to give land to his own

tribesmen. Through this programme, the Kikuyu obtained huge chunks of former white highlands in central Kenya and the Rift valley regions. Kenyatta himself acquired thousands of acres around Nakuru town which his family owns to date (Kisiang'ani, 2003).

Marx also describes the modern state as a generally parasitic institution that plays no essential role in economic production or reproduction. This means it feeds on the sweat and blood of the people it is meant to protect and does not offer required services. It exploits the people and distributes resources to the privileged few at the top and leaves the rest of the people in abject poverty and despair. Indeed, for Marx the state is a private property that enables the bourgeois and craftsmen struggle for advancement Marx (1954).

In Africa, the condition of the state is even worse. It not only feeds on the blood and sweat of the people, but also distorts social relations of production by ethnicizing the daily lives of the people. Ethnic communities which produce leaders also access resources and power unfairly and at the expense of the other non-privileged communities. Consequently, the state in Africa is doubly parasitic because it has not only been ethnicized, but is also not fully capitalist. The net impact of this dispensation is that the state in Africa has a very poor corporatist practice. By this we mean it does not ask the people to direct it on what they want. Rather, it designs and tells the people what it wants to do for them. This is hardly surprising if you consider that the state in Africa is

permanently insecure and cannot risk asking the people to express what they want done for them.

Nyang'oro (1989) argues that African crisis ranges from the problem of underdevelopment to that of society management something that continue to re-occur due to the African continent economic crisis. In order for the state to go on with the expression of Authority and legitimacy politics of corporatist are embraced.

African leaders for example Jomo Kenyatta and Daniel arap Moi of Kenya and Idi Amin and Yoweri Museveni of Uganda ethnicized their countries during their reigns. There was and has continued to be even with the present governments, the extensions of political, social and economic favours to the members of one's ethnic community without any regard to the aspirations and interests of other communities. Kisiang'ani (2003) observes that ethnic identity continued to be an important factor, in Kenya's social equation, under the Kenyatta state. It became politically correct to be Kikuyu or to speak Kikuyu language. Kenyatta himself used to address the nation in Kikuyu, thus enhancing the status of the community within the post colony. During the first cabinet of the new Kenyan republic in 1964, Kenyatta's tribal mind was manifest. Out of the 19 cabinet positions, Kenyatta himself included, there were six occupied by the Kikuyu ethnic community members as opposed to four by the Luo, two by the Kamba, one by the Meru, one by the Kisii, one by the Luhya, one by the Kalenjin, one by the Maasai and one by the Europeans.

Given its poor corporalist practice, the state in Africa has not been able to adequately provide required goods and services to the people. Nyang'oro premises that states have their own internal problems which includes ethnicity, wastage in governments and corruption. This study used the premise to explain the expression of the informal trade practices between Kenya and Uganda as a clear reflection of the failure of the state to meet the aspirations of the people. Informal trade also enables people to evade taxation regimes because taxes collected never translate in clear services for the people. The roads are so poor that travelling from Busia Kenya to Malaba takes about two hours instead of about forty minutes yet taxes are collected to enable the government maintain good roads and provide other services. The ethnicization of the state forces people to work with their kinsmen across the border in order to forge more meaningful nationalism than the empty nationalism offered by the state. Most of the Ugandans living at the border keep crossing to the Kenyan side for medical services and at least better quality education. Thus, this study borrows from the important assumptions of the two theoretical positions as it makes effort to analyze the African state and the Informal Cross Border Trade at the Kenya/Uganda border.

## **1.11 Methodology**

### **1.11.1 Research Design**

This study made use of historical research design. This was achieved through analyzing informal cross-border trade between Kenya and Uganda in the period 1962-2005. The study made use of both primary and secondary sources of information. Data was analyzed quantitatively in order to draw a conclusion.

### **1.11.2 Target Population**

The target population for this study was informal cross – border traders: 400 traders in clothes and shoes; 200 traders in foodstuffs (cereals, vegetables and fruits); 40 traders in bicycle and motorbike spare parts and 20 traders in petroleum products along the Kenya and Uganda border towns. The target population was 660 and 15 key informants.

### **1.11.3 Sample Design**

Stratified random sampling was used to pick the representatives proportion of the target population. This method is considered the most appropriate because the population of the study is not homogeneous owing to the different roles played by the selected samples. The target population was divided into four strata, namely traders in clothes and shoes, traders in foodstuffs, traders in spare parts and traders in petroleum products. Within each stratum, purposive and random sampling was done to arrive at the sample size. The total sample size

consisted of 40 traders in clothes and shoes, 20 traders in foodstuffs, 4 traders in spare parts and 2 traders in petroleum products. From a target population of 660 sample size of 66 was drawn which represented 10% of the target population. According to Kinoti (1998), in purposive sampling it is advisable and allowed to select samples of 10% and above.

#### **1.11.4 Data Collection Method**

##### **1.11.4.1 Primary Research**

Primary data was collected by the use of the following namely observation, the questionnaire and interviews. The questionnaire consisted of a set of questions that were presented to respondents in the category of informal cross – border traders. This instrument was preferred because it is simple in nature and ensures confidentiality which is necessary in research. The questionnaire consisted of open – ended questions.

Open ended questions which permitted free responses were given to the 15 key informants and the closed ended questions ensured that the responses were limited to the stated alternatives were given to the 66 sampled traders.

##### **1.11.4.2 Secondary Data**

Library research was done at the Kenyatta University Post Modern library and the University of Nairobi's Jomo Kenyatta Memorial library to gain insights into publication done in the area of the African States and the Informal Cross-Border Trade especially the Kenya/Uganda experience between 1962-2005. Internet

research was also done to collect data on the current developments on the modern African states.

#### **1.11.5 Data Collection Procedure**

The researcher got an introductory letter from Kenyatta University Graduate School. The researcher used the introductory letter to seek research permit from (NACOSTI) National Commission for Science, Technology and Innovation. The researcher reported to the County Commission and County Director of Education before embarking on the actual research. At the research site, questionnaires were distributed to the respondents for filling in and then scheduled interviews were done during working hours between 8 am – 5 pm. However in a few foreseen cases the researcher had to interpret questions for understanding by some interviewees and for clarity of the responses.

#### **1.11.6 Data Analysis**

Data was analyzed through thorough scrutiny to minimize variations due to missing responses, should there be any. After the field work, all the questionnaires were adequately checked to ensure correctness. The data was then analyzed using qualitative technique. Explanatory analysis was first done to ensure the output is free from errors and that missing responses are at the minimal level to grant the data and the research validity. For the independent variable (The African State) analysis was done to establish its link with Informal Cross-Border Trade between Kenya and Uganda states (dependent variable)

Data gathered from the diverse sources outlined above formed the basis of analyzing the theme of the Kenyan/Ugandan states in the post-independent periods.



## **CHAPTER TWO**

### **2.0 THE MAIN FEATURES OF A MODERN STATE IN AFRICA: FOCUSING ON KENYA AND UGANDA**

#### **2.1 Introduction**

The chapter interrogated features of modern states in Africa by focusing on Kenya and Uganda. It examines the origin of the modern African state and interrogates the centralization of economic and political power and institutions as a reason for the emergence of Informal Cross-Border Trade. Besides, the chapter analyzes the debilitating effects of corruption and ethnicity on the overall performance of the modern African state. In so doing, the chapter hopes to demonstrate that a highly ethicized and corrupt state creates a fertile ground for the evolution of Informal Cross-Border Trade.

#### **2.2 Origin of the Modern African State**

Keller (1991) argues that whereas the state had previously been considered nothing more than an epiphenomenon, an arena of political competition and conflict, it is now being widely viewed as one that is managed by egotistical class whose actions are motivated by common good, in addition to survival instincts and hegemonic power. The state acts on behalf and is mandated with two functions i.e. abstract and concrete. At the concrete level, the state is defined by government institutions, territorial sovereignty together with political organizations as vehicles by those in power to rule and achieve regime goals. At

the abstract level the state is led by political ideologies of the regime in power i.e. issues of governance between the state and its citizens.

Colonialism and imperialism made Africa a modern state. The process saw African states being incorporated into the international economic and political avenues with a primary interest of being producers of raw materials for the colonial masters industries (Akude, 2000).

Wafula (2007) observes that the legitimacy of the colonial partition has remained the long lasting legacies of colonialism in independent Africa. Sovereign States emerged out of colonialism in Africa however the states themselves were artificial entities. The case of the Kenya/Uganda border nations of the Basamia, Bateso, Basebei and Bagishu amplify not only the artificially inherent in the colonial partition but also constant challenge posed by trans-border cultural relations on the state-model introduced by the colonial rulers.

Chazan et. al (1999) note that in the 1970s, those who vied for state as a key actor in the international politics saw the importance of the state. The state was viewed as an agent of exploitation. The close connections between class formation, capitalism and the character of the state in Africa generated a variety of social definitions of African states.

Successful decolonization stated that political power is vested on the rulers this emerged out colonial practices. In the international politico-economic system interest protection that implied colonial ethos and interest (Okoth-Ogendo, 1991).

Colonial masters and foreign states continue to exploit the poor countries in terms of institutional capacity and economic development in compensation for material gains. In this regard developing states witness their economies being controlled by foreign firms that emerged from their colonial masters and international organizations. Therefore, economic development has remained marginalized. The development assistance policy has therefore remained largely benefitting power elites. Similarly the cold war super power politics supported African leaders without taking in consideration their integrity issues. (Blum, 1986).

African rulers have maintained contact with their colonizers. This has been based on mutual interests witnessed in the expensive tenders awarded to foreign firms, foreign direct investments by international organizations and increased investment opportunities for the foreign firms. Hence African leaders are maintained by Foreign aid, foreign trade and foreign investment.

Ethnicity and religion have been politicized by those in power in order to accumulate state wealth. This has turned politics in the continent of Africa to be

violent and has sowed seeds of discontent among political competitors. Civil wars and military dictatorship has led to political violence in Africa. This has led former colonial masters to support those who are in power regardless of how they assumed to office. The failure of African states during the cold war era was necessitated by demands for political and economic reforms. Therefore, the modern African state has continued lag behind.

Wafula (2007) argues that by the time these two countries Uganda and Kenya broke the yoke from their colonizers in 1962 and 1963 respectively, which represented territorial independence where different ethnic communities lived. This two Africans states were mandated to provide conducive environment in which state sovereignty thrived. State building and perpetuation of integrity required territorial stability.

Postcolonial African leaders ought to be nationalists who should embrace national unity as a means to ethnic divisions began by the colonial masters. Most of the African states inherited states that had been formed on the basis of ethnic lines (Stambuli, 2002). Most of the African leaders who assumed power after independence encouraged formation of single party states which to them could bring national Unity except for Gambia and Botswana, who embraced party pluralism. The remaining states embraced one party rule Uganda and Kenya included.

A respondent noted that:

*The Kenyan and Ugandan states and the leaders protect their class interests and do not take into consideration the citizens' interests and have failed to provide for all their needs and services. The border communities' needs have been overlooked and taken for granted, for example poor infrastructure and social services (Sumba, O.I., 2013).*

### **2.3 Centralization of Economic and Political Power and the Emergence of Informal Cross-Border Trade**

The state in Africa set out to for a merger between political and economic authority which sought to end marginalization. Hence, most of African nationalist opted for Stalinist-Marxists philosophy which states that states were at liberty to determine how income should be distribute, resource allocation, investment and savings and also determine the prices of goods. While opposing communist ideologies Rothschild and Chazan (1988).

Governments that emerged after independence advocated for policies that encouraged comprehensive ownership of means of production and centralized economic management. For example Kwame Nkurumah the founding father of Ghana brought cocoa farming under state ownership and gold mines in the Ashanti. Similarly, Kennedy Kaunda of Zambia brought copper mining under the control of the state. States that opted for Marxists governments include, Angola and Mozambique. Nyerere of Tanzania embraced socialism which

encouraged cultural transformation Ze-dong (1937). For the case of Malawi, Kamuzu Banda supported state enterprise to produce and market.

Lando (2009) making reference to the Sessional Paper No. 10 of 1965 argues that Kenya intended to mobilize its resources for it to attain rapid economic growth after attaining independence. During the colonial period, Kenyan people were voiceless in the government. Kenyan resources were exploited but did not benefit the natives but the outsiders. Human development remained uneducated largely, untrained, inexperienced and unbenefited by economic growth.

According to wafula (2010), one of the main fears to President Obote of Uganda's regime was that the opposition was colluding with external agents outside the borders to destabilize his government. One of the main responses to this crisis was the famous changes in 1967 in which parliament converted itself into a constituency assembly, which among other things abolished all the kingdoms. In terms of inter-state relations and especially border peoples' interactions, the decision by Milton Obote to expel thousands of Kenyan migrant workers in 1966 and 1970 opened a major diplomatic row that had significant consequences on the two countries' relations.

Okoth (2000) though rationalized within Uganda's nationalization program, there is no doubt that the expulsion targeted mainly Kenyan border populations like the Basamia, Bateso, Basebei and Bagisu for political reasons. Berg-

Schlosser and Siegler (1990) argue that there were fears that the Kenyan border communities were colluding with their kinsmen in Uganda to destabilize Obote's regime.

Nugent and Asiwaju (1996) making reference to the African boundaries stated that they had the following characteristics namely they bind with the interior but link with the exterior and they unite and divide at the same time. For them colonial boundaries are mere barriers that separate communities however they are not guided by any law. Thus, these boundaries divide the political space but the people link with one another. The established boundaries were set to serve the purpose of separating people and forming classes of citizens and subjects however they changed and became zones of interactions.

From the international relations theoretical point of view, the new nations of Kenya and Uganda following the attainment of independence and their incorporation into the international system became sole agents of change within separate juridical and territorial bounds. Ojo (1985) points out that since a nation is merely an ethnic group that has a common heritage, language, culture and a sense of common identity, its distinction from the other depends on its occupation of definite territory and enjoying legal sovereignty. Such a state is merely a body of people politically organized under one government with sovereign rights recognized by other sovereign states as having a legal status had

the sole right to transact and mold the social, economic and political developments within its distinct territory in the international system.

From the ongoing discussion it can be stated that single party systems and state bureaucracies in Kenya and Uganda were geared towards consolidating political power in the capitalistic nature. A profoundly prohibitive, protectionist and over-controlled environment appears to have been intended to ensure state venture accomplishment close by imperialistic business interests of political frameworks who enjoyed in moratoria and waivers in quest for "capitalism of the trivial few", sparingly stretched out to global political partners in a phenomenon normally perceived as "crony capitalism" (Okoth-Ogendo,1991).

We agree with Nugent and Asiwaju (1996) that the economic policies which were adopted by some states after independence conferred an added importance upon border controls. From the standpoint of central authority, everything rested on a capacity to render border surveillance more effective. Yet, the reality is that the African regimes including Kenya and Uganda, have been even less capable of fulfilling their aspirations than their colonial forebears. Given that the boundaries of Africa have not changed significantly, supervision of lengthy frontiers remains problematic as ever.

By and large, the financial climate planned to restrict the extension for fissiparous sharing and exchanging of monetary impact innate in industrialist



society, while the political cum regulatory climate intended to keep the elements of a free society curbed while compelling its different propensities to contend inside a solitary characterized political field. During the 1960s and 70s, most African states, explicitly Kenya and Uganda utilized liberal progressions of unfamiliar guide and gains from good fare exchange towards foundation of state undertakings that wandered into different private area exercises in industry, exchange, money, cultivating and property advancement. The states attempted more straightforward proprietorship, the board and course than arrangement of motivating forces to private areas. Government services became vehicles for big business proprietorship while state banks reused financial assets to put resources into private undertaking to the detriment of interest in wellbeing and schooling (Cockcroft, 2006).

Consequently the end of socialism in Eastern Europe had the impact of elevating Africa and situated itself so that it underscored its own weakness to monetary emergency. Huge public areas and meddlesome government indicated that the African experience of state making had been tied in with moving states from pioneer strife and confusion to patriot abuse. Enormous public area had accomplished combination of political space more than the assumed monetary kindheartedness. The single party framework and the smothering organization had arisen as instruments for propagation in force aspirations of a specific coterie.

Ake (1985) contends that regardless of the relative multitude of energies directed at economic change, the "African Capitalist States" are confronting huge

challenges related with scaling back of government. The end of subsidization of enterprises implies that disguised joblessness is showing itself into widespread unemployment. The government is constantly challenged as political activists and interest groups savagely contradict a large number of these actions. The option of switching these actions implies that budget deficiencies reappear and government stays in the endless loop of settling the economy despite declining foreign aid resources.

Tax collection frameworks have likewise fizzled as African economies left on the change to showcase direction. The subsequent financial shortages are alarming, as the capacity of these administrations to cut spending by comparative extents is restricted by requests of the improvement program. The income breakdown owes to inconsistency of the old tax collection framework with a market-based economy. Already the state needed to remove charges from ventures over which they had extraordinary control. Notwithstanding, privatization implies that the state was confronted now with a huge number of people and exclusive undertakings. The advancement of costs and wages to advertise decided levels likewise implies that the state is not, at this point be immovably in charge of the assessment base (Dongala, 1993).

Nugent and Asiwaju (1996) observe that, across the African continent, the fiscal crisis of the state has meant that officials are generally not paid a living wage – and sometimes they are not paid at all for months at a time. Like educators, border guards can just stand to work at the command of their manager for part

of the time and should battle for themselves during its remainder. The thing that matters is that the fringe watchman or cop is greatly improved put to utilize his office to make great the deficiency. A teacher may have to moonlight as a trader, but a border official can simply collude with those who are smugglers. Such an official is hardly ever completely deaf to the demands of his superiors, but he is likely to further his own agenda at every opportunity. The frequency with which border guards are reposted often reflects official frustration at the failings of state personnel.

Although we have marked boundaries and strict regulations to be observed at Kenya/Uganda border, both the customs officers and the police officers understand that transactions whether legal or illegal have to go on. We stamp some documents and often underestimate the value of goods crossing the border. At times, we indicate the wrong goods we are clearing.

*We also have 'border points' which are just manned by police officers who take 'something small' and allow the goods to pass as long as 'the boss' has been 'seen'. Basically, we pay all the authorities some cash for a specific timeframe to permit all the product to cross border (Clearing Agent, O.I. 2013).*

High expansion that goes with liberalisation likewise subverted benefits of enterprises, emanating from taxable income. Since the beginning of market changes the private sector increased and and became difficult to tax. Monetary changes additionally imply that the state needed to auction corporate control of the financial area to private interests. It is hence getting awkward to collect

retention charges without essential data. There is need for charge change in Africa. Some of it is in progress, particularly new assessment framework like worth added duty and individual personal expense changes. Notwithstanding, these can't be simply presented for the time being while the contributor network neglects to help temporary plans to guarantee that consequences for the financial shortfall are limited (UKNA,CO/685/10).

Lemarchand (1981) notes that, the state likewise proffered industrial avoidance by making permitting a precondition to initiation of any business, giving existing administrators the option to reject applications from new participants. Because of state association in business its own organs were clumsily situated as the two contenders just as controllers of private enterprises. Because of additional power over banks, advancement banks and home loan account sources, and the position to endorse unfamiliar trade, the public authority of Kenya and Uganda in a real sense controlled the progression of assets to enterprise.

These improvements have had diverse ramifications that have led to fiscal and monetary approach. The way that the conditions of Kenya and Uganda monetary bureaucracy permitted the administrations to guide credit from banks to state undertakings or favored ventures, in a real sense underestimated unadulterated private area admittance to back. The way that bank arrangement of credit to non-performing endeavors depended on the liberality of the state to renegotiate them when such subsidizing transformed into terrible advances, implies that financial

strategy was melded with money related approach. Essentially, the conditions of Kenya and Uganda practiced financial arrangement through the money related organizations. The legislatures caused significant disappointments in allocative proficiency of the monetary framework by smothering financing costs to diminish the weight of the inside open obligation and credits to state ventures (KNA Library, GP 363.7 SIM).

#### **2.4 Corruption in the Modern African State; Case of on Kenya and Uganda**

Is African debasement special, or is it simply like defilement in different pieces of the world? Residents of African nations will in general contend that they have an unchallengeable lead in the entire business of debasement - their own concern surpasses that of every other nation. Worldwide corporate sorts, in any case, will in general consider defilement to be Africa just like indistinguishable to that which they confront or partake in over a scope of nations. In Non-Governmental Organization (NGO) hovers, debasement in Africa will in general be viewed as a result of western impact and the alarm voices of private enterprise. Where does reality lie? (Wrong, 2009).

Cockcroft (2006) investigated the idea of corruption over the world, the powers which drive it forward, and the barriers to battling it. A considerable lot of the issues examined are basic to a scope of nations. He especially centers around five key drivers. The first is the size of the 'unrecorded economy' - in numerous nations from Russia to Nigeria unrecorded exchanges add up to in any event

40% of Gross Domestic Product (GDP), comprising a huge store from which degenerate installments can be made without follow.

The second is the arrangement of 'political finance,' by which colossal amounts of cash, regularly picked up corruptly, is invested in the political cycle with the desire for a corruptly picked up remuneration whenever power is made sure about or re-made sure about. The third is the part of coordinated wrongdoing in making sure about political help and cover for exchanging tasks going from medications to fake drugs - a perceived practice from Italy to Thailand. The fourth is the part of public and global organisations in the 'mis-evaluating' of items which empower an enormous lump of benefits to be moved to sanctuaries where expense is low or non-existent - a typical marvel from Russia to Peru. The latter is the framework by which wrongfully and corruptly picked up items -, for example, oil, wood and uncommon minerals - travel from the unlawful area to the lawful area, for example, lumber from Cambodia or fake medications in South East Asia (UKNA, CO/536/143/6).

It is anything but difficult to see that these five drivers are additionally grinding away across Africa. No African nation has an economy, with the exception of South Africa, wherein more than 60% is recorded in standard GDP figures; predominant ideological groups are regularly financed by a little club with corporate interests ; coordinated wrongdoing is a central point in numerous nations particularly in the medications and fake drugs business ; 'mis-evaluating' of mineral and wood trades is normal; and the travel of illicitly procured items,

for example, lumber, oil and coltan - from the casual to the conventional area is broad. By these measures, defilement in Africa is a lot of part of a worldwide example (Ibid).

Cockcroft (2006) sees that while these sorts of corruption are normal across a large part of the world, it is hard to contend that Africa is a survivor of worldwide and degenerate cycles which, generously, it can't control. The subject of the unrecorded area is one which government can handle over a three to long term period as, Rwanda has appeared. Any expansion in the neighborhood charge take- a developing topic among benefactors - relies upon a consistent expansion in the overall size of the conventional area. The control of political money is a major issue all through the world, yet the more unbelievable assaults in Africa on Treasuries, Central Banks and the safeguard spending plan can be significantly decreased. The development of the arms of coordinated wrongdoing relies upon the consistence of probably some chosen and non-chosen authorities, yet the cycle isn't unavoidable. The travel of items from the unlawful to the lawful area, albeit a component requiring worldwide coordinated effort, is eventually set off by neighborhood instead of global activities (Donnan and Wilson 1999).

The subject of mispricing is one for which the duty falls significantly more intensely on the corporate world external Africa and where African nations are without a doubt regular survivors of this, losing tremendous amounts of income

simultaneously (Joe, 1988). Here activities, for example, the Extractive Industries Transparency Initiative (EITI), which submits the two organizations and governments to announcing the income they separately acquire and get from the misuse of mineral assets, are vital (of the 14 nations which are 'completely agreeable' with EITI, seven are in sub Saharan Africa).

Aseka (1990) noticed that after independence, Kenyatta turned into a chief president, the focal point of Kenya's political framework and the object of an official mission of hero worship. All through 1964, the KANU government under Kenyatta directed all its energy to the destruction of the KADU opposition and the 'Majimbo' (bureaucratic) constitution received at the Lancaster House Conference under which Kenya was conceded its autonomy. When Kenyatta formed the first internal self-government in June 1963, he embarked on a scheme to get all forms of political opinion brought within the ambit of KANU.

The newly elected leaders soon began to benefit from their parliamentary positions with three increases and a doubling of salaries in less than three years. While leaders cushioned their class interests by increasing their salaries there was a serious decline facing African economies, Kenya and Uganda included. Yet, African leaders seek refuge in fatalism by saying that there was really nothing they could do about the exploitative relation in which their countries were tied to the West. Babu (1981) sees this as a question of moral responsibility. They want to perpetuate plantation economies that benefit only a handful at the



top and leave a bulk of the population in abject poverty. This is a decision made by the leaders to their greatest advantage against the interest of the majority (Babu 1981).

Kanyinga (1998) notes that through a series of constitutional amendments, President Moi transformed the authoritarian Kenyatta state into an autocratic regime characterized by detentions and severe press censorship thereby exacerbating the sowing of seeds of discord and political instability. While Kenyatta's ruling elite acquired wealth especially land through state clientelism, where state resources, government jobs and contracts went to an emergent Kikuyu bourgeoisie and technocracy, Moi's ruling elite resorted to outright plunder of state resources. Dissatisfaction with the 'Nyayo' State was conceived out of its inability to convey social services and its political suppression. The combination of the Nyayo authority included narrowing of the space for common activism, expanded political restraint that circumscribed oppression, choking of mainstream cooperation in the political cycle and heightened corruption.

Africa's corruption has numerous worldwide viewpoints, particularly the way that it emerges from profound underlying components which it will take incredible energy and mental fortitude to change. Saints, for example, Nuhu Ribadu and John Githongo have indicated the path forward, yet have additionally shown the profundity of protection from moving it back - both were constrained

into oust. As somewhere else on the planet, governments should address the basic issues just as the suggestive cases which are just incidentally brought to court (KNA, GP 307.76 SMA).

Wrong (2009) cast as a biography of John Githongo, the previous Kenyan anticorruption dictator who blew the whistle on the Anglo Leasing embarrassment and fled for his life. Utilizing Githongo's story, Wrong investigates the occasions that caused the then Kenyan President Kibaki's helper John Githongo to uncover the defilement in their administration. She additionally investigates the outcome of his whistle-blowing, including the mobs happening late 2007 after Kibaki was confirmed for a subsequent term. It is the mix of Wrong's veteran columnist cleaves and her longing to recount accounts of the startling truth past any anecdotal spine chiller that takes what has happened as of late in Kenya from a shocking, exciting story to a nuanced, insightful and eventually appalling story with no simple answers. Wrong can weave in a generous measure of significant foundation data on Kenya, on ethnic governmental issues, on debasement, and on guide conveyance.

There are three fundamental strands in Wrong's short and holding book. One is the degree to which elevated level of corruption is installed in the (officially) majority rule structures of Kenya. The second uncovers the eagerness of contributor nations and multilaterals to continue working together as common after debasement is uncovered and a couple of eye-foreheads have been raised. The immersing parts portraying the two angles affirm the conviction of

numerous improvement financial analysts that taking on debasement is a conflict lost even before the battle. There is an intrigue of quietness among the pioneers, and contributors and multilaterals are acceptable at yelping yet scarcely ever chomp. The third strand is the excellent story of a man of qualities, John Githongo, put in charge of an enemy of defilement authority by nation pioneers who anticipated Githongo to uncover join in the past government - however stay away from the wrongdoings of the occupants (Wrong, 2009).

What is unordinary about the Githongo story is both that Githongo opened up to the world and that someone (to be specific the benefactor network) minded. In any case, the financing of governmental issues (just as close to home utilization) through acquirement extortion in the security and military area is totally ordinary stuff in low pay nations (and even a few nations that are not low pay). Individuals stumble over it, talk about it, expound on it, at times review it and periodically are killed over it (KNA, GP 307.76 SMA).

Exactly when John Githongo was named anti-corruption tsar in 2002, by Kenya's new president Mwai Kibaki, the country was essentially excited with trust. Kibaki had promised to clean up debasement in a country where the occupant offered around 16 bribes each month to the police or some organization association. Githongo was the ideal man for the work, and he pulled in unbelievable energetic visionaries like himself to work with him. Government laborers began blaming him with proof of extortion and debasement. There was sufficient low-hanging spoiled natural product to keep his office occupied for

quite a long time. Yet, Githongo realized he needed to take on his own tribe, the Kikuyu, if the "it is our turn to eat" attitude was to change. The principal president after independence was a Kikuyu, Jomo Kenyatta, and the Kikuyu developed rich. After Kenyatta's passing on, anti-Kikuyu communities united and Daniel arap Moi became president. He was a Kalenjin. Kalenjin government officials purchased Mercedes, their spouses shopped abroad. The Kikuyu, urgent to get to the box once more, convinced other enemy of Kalenjin communities to get together with them, and the Kikuyu Kibaki was voted in (KNA BY/19/295).

Githongo's goal was Anglo Leasing and Finance Company Limited enlisted in Britain, it had 18 agreements with then Kenyan government for the stockpile of everything from a criminological research community to a maritime power frigate and jeeps: 16% of the public authority's utilization in 2003-04 went to Anglo Leasing. The organization was near a street address in Liverpool. The American clergyman, William Bellamy, said that the proportion of money diverted was adequate to deftly every HIV-positive Kenyan with antagonistic to retroviral for an extremely long time.

Michela Wrong (2009), author of the acclaimed book *In the Footsteps of Mr Kurtz: Living on the Brink of Disaster in the Congo*, is a phenomenally talented writer. It is definitely not hard to imagine George Clooney turning her record of the risks Githongo took - the way where he was trailed by Kenyan insights after he escaped to Britain; the malicious libelous assault against him at home - into an account of government bad behavior and a mission as per Michael Clayton. She breaks down Kenya's corruption to a gigantic landfill that has grown

progressively raised all through the long haul. "Each layer has a to some degree exceptional consistency - the landfill trucks brought by and large plastics and cardboard that week, perhaps, less nuclear family waste and more creation line reject - yet everything smells undefined, letting off huge methane groans as it settles and moves."

*You know corruption is an obvious song sang everyday but sincerely speaking you cannot feel guilty of being corrupt if you have not taken somebody's money. The kind of corruption that goes on at our borders to some extent is acceptable because we engage in smuggling to survive. There are no good jobs and if you get any, it is never well paying. I have been able to educate my brothers and sisters, built a house and lead a comfortable life from doing Informal Cross-Border Trade. I sell supermatch cigarettes, from Uganda to Kenya. It is a high risk venture but well paying... (Anonymous, O.I. 2013)*

## **2.5 Ethnicity in the African State and its Challenge at the Kenya/Uganda border**

History has stripped Africa's kin of the dignity of building their countries on their own indigenous qualities, foundations, and legacy. The cutting edge African state is the result of Europe, not Africa and to endeavor at this late date to re-visitation of genealogical characters and assets as bases for building the advanced African country would chance the breakdown of numerous nations. Simultaneously, to ignore ethnic real factors is expand on free sand, likewise a

high-hazard work out. One may ask; is it conceivable to combine the structure of the advanced African state while giving acknowledgment and most extreme utility to the part components of identities, societies, and goals for self-assurance? (Deng,1997)

Deng (1997) states that ethnicity is more than skin complexion or actual attributes, more than language, song, and dance. It is the embodiment of characteristics, associations, and instances of conduct, a composite whole addressing a group's chronicled understanding, objectives, and world view. Prevent a group from getting their personality, their lifestyle, and you keep them from getting their capacity to know east from west or reason. Usually, African social orders and even states worked through a point by point structure subject to the family, the heritage, the group, the tribe, and finally a confederation of get-togethers with ethnic, social, and etymological characteristics in like way. These were the units of social, economic, and political affiliations and between aggregate relations.

Horowitz (1985) contends that the defining of boundaries is supposed to be important where people participate in serious circumstances. He further notes that such boundaries will in general move with the political setting. Horowitz gives a significant connection among physical and social boundaries by noticing that "regional boundaries help shape the degree of group identity that arises as the most striking, the more extensive the viable regional boundaries, the more extensive the ethnic boundaries are probably going to be; the smaller the regional

boundaries, the smaller the ethnic boundaries". Perceiving how perplexing and liquid boundaries could be, Horowitz remained rather wary, for in between ethnic relations there will consistently be mediating factors that can't be held consistent.

Khapoya (1980) observes that during the 1974 elections, the trend of the Kikuyu dominance in the cabinet was maintained. The Kenyan civil service was controlled by members of the Kikuyu ethnic community. For instance, out of the eight provincial commissioners that Kenyatta employed throughout his regime, at least five were from his Kikuyu community. The majority of District Commissioners, District Officers and Permanent Secretaries were also Kikuyu. This civil service imbalance was Kenyatta's deliberate strategy to exclude Kenya's diverse ethnic groups from participating in public life.

Kisiang'ani (2003) notes that while Kenyatta displaced Europeans and embarked on deliberate efforts to *Kikuyunize* Kenya's public sector, Moi pledged to follow 'Kenyatta's footsteps' (translated in Kiswahili as 'Nyayos'). However, by following Kenyatta's footsteps, Moi was not going to retain Kenyatta's Kikuyu supporters. Following footsteps meant using Kenyatta's methodology in order to strengthen his own grip on power. Slowly but carefully, Moi began to *de-Kikuyunize* the public sector, while at the same time *Kalenjinizing* the cabinet, civil service and the military. Once he was secure in power, Moi employed the services of political advisers from his own ethnic community led by such powerful figure as Nicholas Biwott and Henry Kosgei.

Both Kenyatta's and Moi's governments structured a state driven by ethnicity, capitalism, unfair land distribution, infrastructural marginalization based on ethnic considerations and corruption. The ethnic communities outside the ruling ones, and these includes the Basamia, the Bateso and the Babukusu felt hopeless and disillusioned in the above structuring of the state and this led to Informal Cross-Border Trade across the border with Uganda (KNA BY/19/295).

*Moreover, after overwhelmingly voting for KANU regimes all through, only one Member of Parliament, Hon. Eliud Masinde from Busia was given a ministerial post. Instead of the leader coming to the ground to find out what could be beneficial to communities around the border, he goes ahead and accepts an offer to build The Korinda Prison. We actually need better roads and improved services at the customs for easy business transactions (Osamong' O.I., 2013).*

In most parts of Africa, ethnic regional boundaries were artificially made during the colonial time and propagated or continued by the post-colonial state. In different cases, group gatherings themselves understood that discontinuity would place them at the verge in the ethnic rivalry that was expected to follow the making of independent states (British East Africa Protectorate 1917, Report, p. 18). This went about as a significant main thrust in rushed endeavors to rethink both social and regional boundaries. In fact, accentuation of basic plunge and legends of cause have been regular especially among groups living across national boundaries (Wijeyewardene, 1990). Now and again, these gathering



based activities have been divided by the political administration quick to keep conceivably ground-breaking bunches divided. It has been expressed on and on that identity is without a doubt relative and that it is a social asset controlled by entertainers relying upon who has what capacity to impact the stream or admittance to scant assets. It has been accepted that individuals may change their ethnic character "on the off chance that they can benefit thusly" (Roosens, 1989).

During the time of state formation, groups were partitioned or united with practically no respect to their regular characteristics or particular ascribes. They were set in new authoritative systems, administered by new principles, new organizations, and new operational standards and methods (Lemarchand, 1981). The self-governing standpoint of the old request was replaced by the control systems of the new state, in which a definitive power was an outcast, an outsider. This system worked through the centralization of power, which eventually laid on police and military power, the apparatuses of dictator rule. This unrefined power was, in any case, mollified by utilizing customary pioneers as broadened arms of state command over the clans or the local communities, giving this remotely forced framework a similarity to authenticity for the general population. Such measures divided the Basamia at the Busia border, the Bateso at the Busia and Malaba Borders, the Babukusu/Bagishu at the luakhakha border but this has hindered them from operating like brothers and sisters (UKNA CO/685/10).

*For instance, (Nakhone O.I, 2013) When Aggrey Awori of Samia Uganda vies for a parliamentary seat, Basamia from Kenya cross over to vote for him.*

Adding to this appearance of authenticity was the presentation of a government assistance framework by which the state offered pitiful social types of assistance and restricted advancement occasions to advantaged areas. Public assets were generally extricated and sent out as crude materials to take care of the metropolitan businesses of the colonial masters. This new framework sabotaged the individuals' indigenous framework, which furnished them with the methods for seeking after their unobtrusive yet manageable life targets, and supplanted it with halfway controlled assets that were hard to find and expose to seriously serious requests (UKNA CO/685/10).

Although Uganda's president Milton Obote (1962 -1971) denied the authenticity of correspondence in the relations between state elites and ethno-regional delegates, he regardless acknowledged the truth of this causal relationship. He applied a standard of proportionality in such zones as financial assignments, world class enlistment and alliance arrangement in the upper degrees of the party and government. In this manner, Obote pronounced that a 'Public Assembly... as a get together of harmony meeting delegates and ancestral conciliatory and authoritative functionaries' was unsatisfactory, however he continued participating in political trade associations with these ethno-regional diplomats in any case (Chazan et. al, 1999).

By 1967, Uganda's economic and political problems had begun and President Obote had sabotaged those opposed to his misuse of power. The poor political and economic atmosphere eroded investor confidence. The collapse of the Uganda economy in the 1970s among other things intensified the reliance of the Ugandan people on Kenya, especially, the border communities i.e the Basamia, the Bateso, the Basebei and the Bagisu. This was aided by the provisions of the EAC and other informal economic networks (KNA Library, GP 363.7 SIM).

Fanon (1980) explains that development was considered as a techniques for getting fundamental services from the state, rather than as a pattern of improvement and total accumulating of plenitude that could along these lines be placed assets into extra developments. The limited, wide based, OK, self-proceeding with implies practices offered way to deal with high-danger, characterizing contention for state power and meager resources, an impasse of characters reliant on tribalism or identity. Self-rule killed the common foe, the colonial oppressor, anyway truly sharpened the dispute over bound together power and other public resource.

*Frustrations that border communities experienced in the early to mid 1980s led to many learned people joining the smuggling of goods across the Kenya/Uganda border. In fact, we were so underrepresented in the government and our plight was ignored (Onyango O.I, 2013).*

Today, basically every African conflict has some ethno-local dimension to it. To be sure, even those conflicts that may have every one of the reserves of being freed from ethnic concerns incorporate communities and associations worked around ethnic loyalties. Specialists overall have one of two viewpoints on the capacity of personality in these disputes. Some believe nationality to be a wellspring of conflict; others believe it to be an instrument used by political class visionaries to propel their desires. Really, it is both. Nationality, especially when gotten together with regional character, is a reality that exists self-ruling of political moves. To battle that ethnic get-togethers are coincidental gadgets of political control is to barely care about a fundamental social reality. On the other hand, nationality is undeniably a resource for political control and business (Nkwachukwu, 2008).

It was seen that a motivation to casual exchange is the presence of networks that rise above communities. Such group share a great deal in like manner both culturally and socially. They communicate in a similar language, intermarry and own land on both side of the border. These especially solid informal organizations lead to cross-border exchange as a result of long-standing information on the traditions, items and organizations of one another. Models incorporate the Basamia on Kenya/Uganda border at Busia; the Basebei on one or the other side of Kenya/Uganda border at Mt. Elgon and the Babukusu/Bagishu on Kenya/Uganda border at Luakhakha. This shows local nationalism is more meaningful to the people than the nationalism glorified by

the state. The study explored why this local nationalism is so important and the majority of the respondents (50 out of 60 respondents) have no intentions of shifting to another town since they have come up with ways of survival through informal cross border trade (UKNA, CO/536/143/6).

*We also feel secure in our small nations formed at the borders.  
Our relationship is so strong that we cannot sit back and fold  
our arms when one of us is in trouble with the authorities  
(Byobona O.I., 2013)*

After independence Africans were on edge to disavow tribalism as troublesome. Fortitude was proposed to such an extent that legendary homogeneity amidst variety. Kwame Nkrumah of Ghana precluded parties formed on tribal or ethnic bases. Houphouet-Boigny of Côte d'Ivoire co-opted ethnic get-togethers through astute dispersion of ministerial posts, basic help occupations, social organizations, and improvement adventures. Julius Nyerere, a scion of genealogical chieftaincy, disposed of tribalism by empowering nationalistic pride in Tanganyika and later, Tanzania, coming about because of the relationship with Zanzibar (Mwakyembe, 1995). Jomo Kenyatta of Kenya fabricated a delicate alliance of ethnic social affairs behind the strength of his Kenyan African National Union get-together (KANU).

Charlton (2009) clarifies that the choice of the Founding Fathers of the Organization of African Unity to regard the colonial borders set up a regularizing rule that has been followed with momentous achievement. Progression developments have met with solid opposition from the OAU.

Wolin (1960) says that in most African nations, the assurance to safeguard national unity following autonomy gave the inspiration driving one-party rule, unreasonable centralization of power, oppressive dictator systems, and deliberate infringement of human rights and major freedoms. These thus, have created a response, showed in uplifted strain and the interest for a subsequent freedom. Overseeing ethnic conflicts inside the solidarity of the colonial borders is a test that African states are hesitant to confront, yet can't wish away.

The constitutions for independence were weighed down with optimistic standards created outside the continent. The systems based on them needed authenticity and by and large were soon toppled with no regret or laments from the general population. In any case, these changes included just a revolution of similarly invested elites, or more regrettable, military despots, expectation on involving the seat of power abandoned by the colonisers. Such leaders before long turned into their colonial masters. (Mwakyembe, 1986).

Right now, for the majority of African nations quest for solidarity underscores the force of disunity. However long Kenya and Uganda try not to defy the issue of identity and neglect to created standards and means for overseeing ethnicity inside the structure of solidarity, harmony and solidness will keep on evading the pluralistic state.

Marenin (1988) contends that as of now, most African nations are tending to the racial and ethnic identity issues through a pacifying system of distribution and allocation type of impromptu down to business the board as opposed to a key methodology. What makes the issue of identity especially intense for the landmass is that it contacts on governmental issues, yet additionally on financial aspects and the hierarchical limit with regards to a self-producing and reasonable advancement from the inside.

## **2.5 Conclusion**

From the discussion of the main features of the modern State in Africa, the study established that the state has centralized the social, economic and political power, with its authorities being a long way from speaking to the regular interest of the common society. Rather it oppresses the civil society in the interest of specific sectional groups. The state additionally appears to play almost no or no fundamental function in monetary creation or proliferation.

In Marxist's view, democratic government would be portrayed by an authentic unity of state and individuals. The leaders encourage indecencies like corruption, unjustifiable appropriation of assets and ethnicization of communities. Subsequently, the advanced state is an outflow of the hostile clashes established in the pride of civil society. The study uncovered that the idea of the state is viewed as insignificant to the financial strengthening of its residents particularly at the Kenya/Uganda fringe all things considered and is viewed as a factor that shapes and restricts their latent capacity.

## **CHAPTER THREE**

### **3.0 THE FAILURE OF THE KENYAN AND UGANDAN STATES TO MANAGE THE RELATIONS AT THE BORDER AND THE RISE OF INFORMAL CROSS-BORDER TRADE**

#### **3.1 Introduction**

This chapter examines how the Kenyan social, political and financial organisation of the state under Presidents Jomo Kenyatta (1963-1978); Daniel arap Moi (1978-2002) and Mwai Kibaki (2003-2005,) facilitated the rise of Informal Cross-Border Trade. Equally, the bankruptcy examines how the configuration of the country underneath Fredrick Kabaka Mutesa's II closing years in energy (1961-1966); Milton Obote (1966-1971); Iddi Amin (1971-1979); Tito Okello (1979- 1980); Paul Muwanga (1980) and ultimately Yoweri Museveni (1986-2005) facilitated the upward push of Informal Cross-Border Trade.

In this chapter, conceptual and analytical components of the informal cross border landscape from Kenya and Uganda perspective are evaluated. The informal cross border trade concept is discussed to put the reader into perspective. Classification of informal cross border trade has been analysed in addition to casual unrecorded exchange showing the regional financial integration and its link to informal region trade.

#### **3.2 The Evolution of Informal Cross Border Trade**

Chauvin and Gaulier (1994) assert that the vicinity of informal exchange of goods, has been disregarded. Albeit casual trade takes exceptional ways and is



thought underneath particular names (for instance, unrecorded exchange, unlawful exchange, underground exchange, the exercises of black market, exchange issue of over-and under-invoicing, sneaking or storing), it is agreeably described by its exclusion in the nation's wide records of its homegrown and International trade.

The relationship between economic growth and the informal trade has continually caused good sized interest at distinct points in time. The casual sector has been taken into consideration as a transient scenario that could disappear with economic boom. Cross- border exchange is tremendously touchy to the treatment meted out to investors by means of conditions imposed through national governments. Its fulfillment relies on the capability of people to automatically pass the border without paying a massive unofficial fee or prohibitive tariff responsibilities and border costs. (UKNA, CO/536/145/3).

Cross-boreder exchange among African states dates back to the pre-industrial innovation. Flavors, materials and important stones had been the guideline products in the overall exchange all through the pre-trade period. Europeans toiled their way into this industrial nexus in the mid sixteenth century (OECD,2006). For Kenya and Uganda the general effect of structural adjustment has brought about a major development of trans-border substitute, explicitly by means of enormous quantities of jobless youths, ladies, and others, which incorporate ex-formal regional employees representatives scaled back through accounts changes. informal Cross-Border Trade is 'unlawful' in

numerous countries as it maintains a strategic distance from authentic strategies and channels, anyway it does at this point don't propose that the exchanged items themselves are unlawful. Most go-border exchange is in clean items; in spite of the way that observations are that it empowers trade in illegal containers, weapons, and other unlawful and unsafe products

Informal Cross-Border Trade additionally creates critical valuable amounts of taxes and permit deals for the formal region, notwithstanding a broad assortment of informal bills or taxes to specialists staff and work environments (UKNA, CO/536/143/6). The way that policies coordinated at formal food market channels can firmly influence the performance and productivity of informal business and the other way around is comparatively verification of the interconnectedness of the formal and casual sectors. Informal Cross-Border Trade likewise creates critical measures of close by taxes and permit deals for the regional, notwithstanding a broad assortment of informal bills or duties to specialists personnel and work environments

Cross-border exchange is likewise imperative phenomenon in Eastern Africa, anyway one which remains encompassed by immense controversy and absence of skill. For some observers it represents an ordinary marketplace reaction to bulky, time-eating export guidelines and nearby rate distortions, and ought to be recommended as a way to boom intra-nearby change, fulfill neighborhood need that isn't being met through national manufacturing and markets, and protect regional food security. These equivalent allies routinely contend that

numerous trans-border markets pre-date colonial and distribute independent nation constraints and, hence, reproduce longstanding indigenous markets that cause more noteworthy formal trade channels (Icafrica, 2011).

Njinkeuet al., (2008) indicates that it was expected via a couple of strategy creators that market progression (structural adjustment) guidelines of the Nineteen Eighties and Nineties may have diverted greatest informal change into formal market channels, which has not, at this point been the situation in Kenya and Uganda.

The casual cross border trade offers individuals with a wellspring of benefits and work. Cross border change empowers financial specialists to fulfill the education, housing and other fundamental wishes of an extraordinary number of their individuals. Kaplan and Norton (2004) indicate that informal cross-border traders supported on average three children and two dependents. This exchange has been going on for numerous years however below very hard grounds (UK National Archives (UKNA) CO/685/10).

### **3.3 Categories of Informal Cross Border Trade**

The informal economies in Kenya and Uganda simply like the remainder of the East African Countries generally compares to the Micro, Small and Medium scale Enterprises (MSMEs) that are viewed as semi-coordinated and unregulated. In Kenya, for instance, these enterprises are answerable for employment of 7.5 million individuals or 80% of the nation's absolute

employment outside small scope farming (Ackello-Ogutu, 1996).

Olarreaga (2003) sees that this negligible region can possibly be beneficial and green. Hence analysts have taken up the venture of examining the informal territory despite the fact that there are a couple of difficulties they in any case need to win over; locating a method of measuring the productivity of this quarter. Duval (2007) argues that informality is not a belonging of individuals, companies, or sports; as an alternative, it is a property of social exchanges and the standards and norms that administer those exchanges. In an attempt to see the principles and standards overseeing the casual area, the International Labor Organization gave a portrayal that covered straightforward entry, small scale firms, circle of family member's possession, and utilization of work period. Different attributes of the casual area given are that it comprises of sports and organizations out of entryways the structures of formal compensation work and espresso efficiency sports that aren't in consistence with the proper standards, which incorporate authorizing and tax collection, and isn't protected in a nation's GDP.

In the progressing endeavor to layout the idea of casual cross-border exchange, it would be vital to recall what Otsuki (2003) implied by saying informality does don't propose a deficiency of structure or consistency. It surely implies that structure and consistency are done by utilizing a set of strategies and standards than the ones related with formal establishments. Subramanian and Matthijs

(2007) contend that those strategies that administer informal exchanges are built through the bigger social setting; putting accentuation on the significance on organisations, connection, origin and ethnicity, for the accomplishment of those casual exchanges.

The casual economy may likewise be described by basic work innovation; might have licenses from authorities and are not enlisted with the registrar of companies; simplicity of section; little scope nature of the exercises; independent work with a high extent of family laborers and students; little admittance to coordinated business sectors; unregulated and serious business sectors; less proper credit; low schooling and training; modest arrangement of products and services and ultimately the majority of the exchanges are directed fundamentally on money premise, with next almost none through banks (UK National Archives UKNA CO/685/10). This indicates that the informal economies are diminishing the role of the formal state in international relations in terms of trade, political, social and economic relations. The states of Kenya and Uganda seem to be losing their dominance in controlling trade across their borders. They have lost to new communities and nations like the Basamia, Bateso, Bagishu and Basebei.

Members in Informal Cross-Border Trade depend on a scope of casual institutions to set up and uphold their business. In Kenya/Uganda border region, (Ackello-Ogutu and Echessah 1997) gauge that only four percent of merchants have access to formal sources of finance. 32 percent of the traders get start-up

capital from family members, companions and family, 53 percent from individual investment funds and eleven percent from saving societies. The means that the state cannot manage to trust and offer credit facilities to its poor communities and has failed to be the main player in international relations in terms of trade and improving the economic status of all its people. In this manner, trade inside Kenya and Uganda not best remaining parts woefully low in down to earth and value phrases. Furthermore, it is additionally full of selfish strategies and rules followed by methods for the incumbent governments (UKNA, CO/536/145/3).

Oyejide (2010) takes note that The Uganda Petroleum Dealers Association assesses that 25 percent of oil fuel (petroleum, diesel and paraffin) consumed in Uganda are carried from Kenya, costing the Ugandan government roughly US\$1.2 million yearly The wonder of Informal Trade all through the border most extreme perhaps emerges from damaging farming and full scale financial strategies being executed by the Kenyan and Ugandan governments (UKNA, CO/536/145/3).

### **3.4 Informal Cross-Border Trade between Kenya and Uganda**

Informal border trade between Kenya and Uganda dates way back to pre-colonial period. Individuals established barter exchange without the requirement for formal registration. (Ogutu, 2010) At independence, numerous African states acquired the artificailly made borders, which prompted the rise of tax and non-

tax hindrances. This thus has upset casual monetary interest. Products were traded inside Kenya and Uganda and over the bordering neighboring nations. Haji and Semboja (2009) hypothesizes that casual move outskirts change transformed into regularly connected with low-benefits workers.

interests in cross-border exchange among Kenya and Uganda has been overpowering yet insufficient comprehension of its significance now not just prompts beguiling figures in national cash owed anyway moreover restrains the technique for proper rules and procedures to abuse its likely effect. Concurring Gichuru (2010) the exports to the PTA locale structure a high level of Kenya's overall exports to Africa. In any case, the offer has declined moving from ninety five% in 1987 to 84% in 1991. The exports likewise shape a tremendous extent of Kenya's total export, in spite of the fact that the stocks declined from 24% in 1988 to roughly 20% in 1991. The fundamental business sectors for Kenyan exports are Uganda, Tanzania, Rwanda, Sudan, Zaire, Somalia, Burundi and Ethiopia. The level of exports to these business sectors in 1991 changed into 89%. Uganda (34%), Tanzania (17%), Rwanda (9%) and Sudan (9%) established sixty nine% of the market. This shows that there's a geological grouping of fares inside the sub-territory, with Uganda shopping for the bulk of the Kenyan exports (KNA RN/6/21).

Informal cross-border exchange activities between Kenya and Uganda deals with an exchange of great portions of agricultural and commercial items.

Various classes of transporters and couriers serve a smaller organization of entrepreneurs, whilst some public officers forever integrate their legit obligations with active participation within the casual exchange. Rent-looking for practices among public officials on the predominant border crossing factors and bulky import/export methods encourage both large and small investors to skip their goods thru undesignated routes (ibid).

### **3.5 The Rise of Informal Cross-Border Trade in Kenya: The Kenyatta State, 1963 – 1978**

At independence in 1963, Kenyatta became Prime Minister before transforming into an executive president by the end of 1964. When Kenyatta assumed leadership, he understood that power must be reclassified to meet certain real factors of advancement. His initiative tried to eliminate disparity acquired from the colonial time frame and the state had a commitment to guarantee equivalent opportunities to all residents, eliminate discrimination and give needs, for example, education, social services, medical care and government backed retirement (Ochieng', 1995).

However, even after elections in 1963, the constitution retained the fundamental elements of the Westminster system of governance. This system proceeds from the three branches of government the Legislature, the Executive and the Judiciary – and moves on to emphasize the rule of majority, under the majority party; the sanctity of the rule of law and the acceptance of opposition parties (June 1969, KNA ref. KY/3/6).



Kisiang'ani (2003) observes that President Kenyatta's state undertook to assemble its assets to achieve a quick pace of monetary development to serve the individuals. The recently introduced Kenya African National Union (KANU) government planned to accomplish this expansive goal by promising to earnestly address certain essential issues including the sustaining of political vote based system, the advancement of common social and political duty, rearranging different types of property so no one would have an excessive amount of influence and guaranteeing that residents appreciate independence from need, infection and misuse lastly building up a reformist tax assessment system that would limit the hole between the rich and poor people (Ochieng', 1995). Evidently, therefore, the promise for democracy, good life and freedom punctuated the pronouncements which marked the formative years of the Kenyatta state.

One of Kenyatta's allies Tom Mboya stated:

*Our system of African socialism will guarantee every citizen full and equal political rights. Wealth must not be allowed to confer special political concessions on anyone (cited in Ochieng', 1995). The transformation of Kenya into the so-called developing was partially an unintended conjuncture and partially an intended outcome that emerged from the interplay of structural change and political struggle (Berman, 1990).*

Soon after, Jomo Kenyatta targeted for intimidation and frustration of those who did not agree with him. He and James Gichuru, among other leaders, were from 1963 onwards transformed, into black Europeans representing Western

hegemony in the country. Such leaders became irrelevant when they forgot about the needs of the dispossessed people they had previously represented. In a nutshell, the post-independence African leadership in Kenya became ruthless in defending Western modernity in Kenya by implementing imperial administrative, social and economic policies (Aseka, 2005).

Kisiang'ani (2003) notes that the sudden transformation of the new African leadership into instruments of Western hegemonic leadership in Kenya, created a deep gap of leadership within the ranks of the dispossessed subalterns. To fill this gap, a crop of leaders who had been in the independence movement but whose views could not be accommodated under the Kenyatta state began to rally the oppressed peoples of Kenya into a new form of subaltern resistance against Western hegemony. In addition to embracing Oginga Odinga, Bildad Kaggia and J.M. Kariuki, the emerging resistance movement absorbed both the scholars and artists who thus became the voices of subalternism in the new nation-state.

By mid 1965, Kenyatta sought to end ideological debates by urging parliament to agree on a one-policy document. This was Sessional Paper No. 10 on 'African Socialism and its Application to Planning in Kenya'. The Odinga and Kaggia group rejected it saying that it was not socialist enough and Kenyatta began attacking Odinga for foreign masters. At the next Party Conference, Odinga's post of Vice President of the party was abolished and he was replaced by seven Vice Presidents (Atieno Odhiambo, 1996). In Sessional Paper No. 10 of 1965,

the KANU government outlined its political and economic philosophies in which capitalism and communism were rejected.

The intra-party politics of the mid-1960s culminated in the ostracisation of Odinga at the Limuru KANU Conference and led to the formation of Kenya Peoples Union (KPU). The politics of the Kenyatta era between 1966 and 1969 did not only flow along cleavages of ideological difference. They also became ethnicized as the Kenyatta cult grew. Kikuyus from Kiambu vowed that the presidency would not cross the River Chania. Following the assassination of Tom Mboya, Luos supported Odinga. Now that Europeans were no longer an issue, the politics of identity and ethnicity took hold (Aseka, 2005).

The Kenyatta state became a state system embroiled in ideological ambiguity. His leadership relied on centralist, corporatist colonial tradition and other authoritarian techniques to control the state in the process ending up reproducing the colonial administration policy logic. The logic simply resulted in organizations of domination, partly autonomous and partly dependent on formal structures of control. This political framework placed Kenyatta above the law, a provision that undermined the accountability of the office of the President. His contestants were not equals and were therefore vulnerable – and indeed were neutralized politically (Kimenyi and Mbaku, 1996). Kenyatta became preoccupied with integrative politics, almost a complete reversal of his previous agitation politics of the colonial era. While ensuring the acquisition of wealth by

members of his group, he at the same time attempted to unify different cultural, ethnic and economic groups under the one banner of nation building.

Consequently, state institutions in Kenya under Kenyatta became fragile and, therefore, lacked effectiveness and legitimacy to impartially mediate the struggle between competing groups. Therefore, the state became isolated and remained aloof from the society and it was unable to structure the relations between social interests or mediate between these interests and itself (Rothchild, 1995). The Kenyatta government promulgated a wide range of policy guidelines that looked extremely ambitious. It was a capitalist strategy encased in a socialist package which attempted to summarize the ideology's basic tenets as the promotion of political democracy, cultivation of mutual social and political responsibility, universal freedom from poverty, eradication of disease and exploitation, provision of equal opportunities for advancement and the realization of high growth per capita incomes, put in place a system of progressive taxation needs. The government stressed the wisdom of operating a mixed economy and private enterprise (Ochieng, 1995).

In the meantime, coffee smuggling turned scores into millionaires at the Kenya/Uganda border. It was referred to as 'black Gold' and consistently in the period of 1974 and 1977, trucks overloaded by a great number of bags of smuggled coffee carried along the tight town streets of Chepkube market under the cover of murkiness. The coffee markets normally opened at 12 PM to the early

morning. By dawn, it was finished. As the unlawful exchange blast, another variety of millionaires arose in Kenya. It was a bonanza. The smugglers – a clique of senior legislators, directors and brokers – all snared together by the money printing thrill (KNA, RN/1/88).

Kenya's administration opted for a strategy of monetary development dependent on an assurance to continue existing binds with major industrial countries of the West, particularly Britain. The emphasis was on development of the economy instead of rearrangement. Fundamental political dynamic was brought heavily influenced by the indigenous bourgeoisie. In July 1977, following the executing of Archbishop Janani Luwum, and the gathering together of all Americans living in Uganda, Preesident Jimmy Carter forced an exchange ban on Uganda's \$250 million yearly coffee exchange with the United States. It implied Uganda's coffee must be sold through Kenya. Kenya's complex world class and brokers exploited Uganda's inconveniences. The new coffee millionaires were not taxed after President Kenyatta personally refused to tax the earnings of smallholder coffee makers during the blast time frame, leaving the bonus to the farmers (Ibid).

In his statement, the president said Kenya is in a time of transition set in motion by the achievement of independence. We are on the move from subsistence to a money related economy, from a monetary reliance on agriculture to a more adjusted development from an advancement of natural assets to assist the

individuals of Kenya. The advancement needed can't be effortlessly won and it can't be accomplished by returning to pre-colonial conditions. The best of Kenya's African social legacy and frontier financial heritage must be redesigned and assembled for a coordinated, deliberately arranged assault on neediness, sickness and the absence of training to accomplish social equity, human poise and monetary government assistance for all (Sessional Paper no.10 of 1965).

The numerous constitutional amendments under Kenyatta ended up strengthening the presidency to dangerous proportions and this alienated him more from the citizens. Jean Marie Seroney and Joseph Martin Shikuku were arrested in the precincts of parliament contrary to parliamentary provisions of immunity. They were arrested for having made unsavoury statements about KANU in parliament (Aseka, 2005).

*Raila Odinga said:*

*The Kenyatta regime retained or resuscitated draconian colonial laws and resorted to highly authoritarian measures to silence and stifle all democratic dissent and opposition. He turned to excessive use of detention without trial and resorted to changing and tampering with the constitution to preserve personal rather than national interests (Keen, 2003)*

Fanon (1980) once explained that when the native is confronted with the colonial order of things, he finds himself in a state of permanent tension. In the case of Kenyatta and his Kikuyu society, the reason for the emergence of such tension

is very apparent. Colonial enterprise among the Kikuyu and other colonized communities of the country with its diverse social, political and economic institutions was a disruptive force and not a positively creative one.

By the end of the Kenyatta's legacy in the leadership of Kenya in 1978, he had carved for himself an image far beyond that of an ordinary human being because his character was complex and enigmatic. As a leader with interesting patterns of social discourse and configuration of character, he nevertheless, flouted the basic principles of constitutionalism and left a dictatorial state, where ethnic particularism presented the greatest challenge to national integration (Aseka, 1992).

### **3.6 The Rise of Informal Cross-Border Trade in Kenya: The Moi State, 1978– 2002**

President Daniel arap Moi inherited a political edifice resting on reinforced provincial administrative practices that had been introduced by Kenyatta in order to defeat and bury the idea of 'Majimbo' (regionalism). Moi was to state that the challenge of nation-building could be accomplished more easily if each Kenyan realized that he or she had a unique role to play. He stated that, not all of us could be members of parliament at the same time. But that did not mean that those outside parliament, could not make a direct and important contribution in the country's development (Njiro, 1980).

The construction of Moi's *Nyayo* state began immediately after the burial of Kenyatta. Moi sought to legitimize his succession of Kenyatta by asserting his loyalty to the Kenyatta government. It was from this assertion of loyalty that the word *Nyayo* (footsteps) derived significance and it came to be the label for Moi's regime (Ibid). Moi's promise to Kenyans was *Nitawatumikia Kikamilifu* (I will serve you unreservedly) and he assured his anxious fellow Kenyans that he would follow the footsteps of his predecessor. He further endeared himself to the people by releasing Kenyatta's political detainees and pleading for national reconciliation. Journalists began to talk about new politics in Kenya and even a new era of relatively free political discussion and political tolerance (Khapoya, 1980).

Moi sought to elevate *Nyayo* into a philosophical concept and political practice embodying the virtues of love, peace and unity as fundamental ingredients. Despite these fine intentions, the populism of this so-called philosophy drove its supporters into the obstruction of other people's rights to independence of opinion and freedom of association and assembly. It also led to its architects into manipulation and demonization of opponents. In 1990, under the Moi regime, KANU rhetoric suggested that African traditions were uniquely suited to one-party democracy. The traditions cited included decision making by consensus rather than by contest (Daily Nation, December 4, 1992).



Notwithstanding his fame, Moi was still too feeble to even consider consolidating his power. From the earliest starting point, anticommunism was a significant topic of Moi's administration and talking for the new President's sake, Vice-President Mwai Kibaki obtusely expressed:

'There is no space for socialists in Kenya.'

On 1st August, 1982, lower-level Air Force staff, driven by Senior Private Grade-I Hezekiah Ochuka and supported by college understudies, attempted to overthrow and remove Moi. The putsch was immediately stifled by military and police powers instructed by Chief of General Staff Mahamoud Mohamed. Right up 'til the present time apparently the endeavor by two free gatherings to hold onto power added to the disappointment of both, with one gathering making its endeavor somewhat sooner than the other. The economic hopelessness which people had experienced in the former regime was now taking a turn for the worse and bleak (Ndege, 1995).

Moi accepted the open door to excuse political adversaries and solidify his power. He decreased the impact of Kenyatta's men in the bureau through a long running legal enquiry that brought about the distinguishing proof of key Kenyatta men as deceivers. Moi absolved them, yet not prior to building up their swindler status in the general visibility. The fundamental schemers in the

overthrow, including Ochuka were condemned to death, denoting the last legal executions in Kenya. He named allies to key jobs and changed the constitution to build up a de jure single-party state. Notwithstanding, the nation had adequately been a one-party state since 1969. The revisions adequately gave Moi complete political power over the nation (Kihoro, 2007).

Kenya's scholastics and other scholarly people didn't acknowledge this and the colleges and universities turned into the beginning of movements that tried to present majority rule changes. In any case, Kenyan mystery police penetrated these gatherings and numerous individuals moved into banish. Communism could not, at this point be instructed at Kenyan colleges. Underground developments, for example Mwakenya and Pambana, were conceived. (Mwakenya and Pambana were underground organizations of the mid 1980s that gave the Nyayo regime a severe national headache. By the societal civility conventions of the times, Mwakenya was uncompromisingly a heretical movement which was proscribed by the state. The movements made seditious publications about the Nyayo state) (KNA ref. KY/3/6.).

Moi's regime presently confronted an economy deteriorating under rising oil costs and falling costs for farming products. Simultaneously the West not, at this point managed Kenya as it had previously, when it was seen as a vital territorial station against socialist impacts from Ethiopia and Tanzania. Around then Kenya had gotten a lot of unfamiliar guide, and the nation was acknowledged also represented with Moi as an authentic pioneer and solidly in control. Western

partners intentionally disregarded the expanding level of political suppression, including the utilization of torment at the scandalous Nyayo House dungeons. A portion of the proof of these dungeons was in the long run to be uncovered in 2003 after Mwai Kibaki became President (KNA ref. KY/3/6).

*We actually suffered in the early 1980s 'Enjala ya Moi' (Moi's hunger period) after the attempted coup. I had just given birth and there was no white maize for flour except for the yellow corn that came in as aid from the West. Fortunately for us, we the Basamia exchanged our cotton with maize from the Basamia in Uganda. Informal Cross-Border Trade was at the peak at that time because we had to survive and ensure that our young ones had good food to eat (Nadongo, O.I. 2013).*

In any case, another speculation arose among Western policymakers after the end of the Cold War, and as Moi progressively was seen as an autocrat. Unfamiliar guide was retained forthcoming consistence with monetary and political changes. One of the key conditions forced on his system, particularly by the United States through fiery representative Smith Hempstone, was the rebuilding of a multi-party framework. Moi figured out how to achieve this against savage resistance, without any assistance persuading the representatives at the KANU meeting at Kasarani in December 1991(KNA KY/3/6.).

Moi won elections in 1992 and 1997, which were defaced by political savagery on the two sides. Moi skilfully abused Kenya's blend of ethnic strains in these challenges, particularly more modest clans' consistently present dread of mastery by the bigger clans. Without a successful and coordinated resistance, Moi had no trouble in winning. In spite of the fact that it is additionally presumed that

constituent extortion may have happened, the way in to his triumph in the two decisions was a partitioned resistance (Kohoro, 2007).

Through a series of constitutional amendments, Moi transformed the authoritarian Kenyatta state into an autocratic regime characterized by detentions and severe press censorship thereby exacerbating the sowing of seeds of discord and political instability. While Kenyatta's ruling elite acquired wealth especially land through state clientelism where state resources, government jobs and contracts went to an emergent Kikuyu bourgeoisie and technocracy, Moi's ruling elite resorted to outright plunder of state resources. Dissatisfaction with the 'Nyayo' State was born from disappointment with its inability to convey social administrations and its political constraint. The union of the Nyayo authority included narrowing of the space for common activism, expanded political constraint that flanked oppression, choking of well known cooperation in the political cycle and strengthened debasement (Kanyinga, 1998). Kanyinga observes that the building of the Nyayo hegemony was reinforced by a deepening system of authoritarianism and stasis which involved the remoulding and revival of KANU to serve Moi's objectives and recover ground which the party had lost (KNA RN/6/21).

Politics then created conflicts in Kenya in the name of culture at the leadership level. (Sunday Standard, March 11, 2001). If a proper presidential leadership approach that was genuinely integration sought to solve the ethnic question in Kenya, then it would succeed. (Hyden, 1994). Kenyatta, on other hand, made the

political blunder of addressing the nation in his Kikuyu language often invoking Kikuyu symbolism. Whereas Nyerere sought to detribalize Tanzania, Kenyatta sought to Kikuyunise Kenya and Moi followed his footsteps in an attempt to Kalenjinise the country. For Moi's Kalenjinisation to succeed, he first had to deKikuyunise the inherited Kenyan state.

Kisiang'ani, (2003) notes that by 1987, both Moi and his allies (especially his tribesmen) had acquired thousands of acres of land across the country some of it marked for public utilities including forests, parks and other social amenities. Some Kalenjin personalities such the late Nicholas Biwott, Henry Kosgey and Joshua Kulei who had been paupers in 1978 were, by way of association with the President, already millionaires. Yet the situation for the bulk of people, including the landless and urban rural people remained critical (Ahluwalia, 1996).

An observer notes that:

*A normal man no longer sits down worrying about his misfortunes since things have turned out to be survival for the fittest. A man should do anything possible to put food on the table and given an opportunity, steal, as long as you are not caught. The flourishing informal businesses at the border are making people make ends meet and even develop the border towns (Anonymous, O.I., 2013).*

Kimenyi and Mbaku (1996) observe that the barriers to economic reform in Kenya were to be found in statism. State control of most economic activities had produced several outcomes most of which had become constraints to development. Statism in which a significant amount of resources was put under the control of bureaucrats and had been counterproductive, as this provided the bureaucrats with an opportunity to manipulate distributional outcomes that benefitted themselves, their families and their supporters. The duo emphasized that Africa suffered from bureaucratic and political corruption, perverse economic policies and excessive government regulation of economic activities. To provide the appropriate environment for economic and human development, reform must be undertaken. However, many countries face significant obstacles they need to overcome before they can successfully implement the reforms needed to make both their economic and political systems accessible to all relevant population groups (KNA KY/3/6).

By the early 1980s, it had become increasingly clear that the Kenyan economy was in need of fundamental review and reform. This need crystallized into Sessional Paper No. 1. of 1986 'On Economic Management for Renewed Growth' which set out the country's economic management and development perspective. At the core of this policy statement was the re-assertion of the efficacy of market forces in resource allocation in production and consumption. It emphasized a key role played by the private sector in the economic arena. The role of government was to be trimmed and limited to the provision of policy

guidelines, and public services that could not be efficiently provided by the private sector including education, transport infrastructure and public administration. The 1986 policy statement outlined the need for price decontrols, marketing, liberation, foreign trade liberalization and financial and capital market reform, civil service reform and the inception of cost-sharing programmes (KNA RN/6/70).

Aseka (2005) notes that in 1983, Anyang' Nyong'o, who became a nominated Member of Parliament and now Senator in Kisumu County, then writing from Mexico, stated that:

*Kenya is a country where resources (both natural and human) are wasted on a gargantuan scale. There are so many people with all kinds of skills who are not effectively engaged in nation building. Why? Because of tribalism, nepotism, political arrogance, the inability of those in positions of political power to realize that building a nation means mobilizing people. Mobilizing people means listening to all their ideas democratically (Weekly Review, July 8, 1983).*

### **3.7 The Rise of Informal Cross-Border Trade in Kenya: The Kibaki State, 2002– 2005**

Financial specialist and legislator, Mwai Kibaki was cleared to power in 2002, turning into the third leader of independent Kenya, ending 24 years of Daniel Arap Moi's rule, and breaking the domineering hold over public governmental issues that the Kenya African National Union (KANU) had kept up since Kenya won its independence from Britain in 1963. As in different nations in Sub-Saharan Africa that have, unexpectedly since independence, as of late saw a handover of power through the voting station, the races were hailed as a chronicled milestone, a "second freedom." Also in a similar manner as these nations, in any case, the re-visitation of multiparty majority rule government has not borne the products of its guarantee. Under Kibaki, elation offered approach to dissatisfaction as administrative corruption showed up as unmanageable as anyone might imagine, occupations were scant, and 20 million of the nation's 30 million kept on living beneath the poverty line of one dollar for each day in East Africa's biggest economy (Macharia, 2001).

Kibaki's mission dwelt on four focal vows: a crackdown on debasement, quick financial development and the production of 500 000 positions, constitutional change, and Free Primary Education for all. With these guarantees, Kibaki took advantage of the hunger for change, and in races to a great extent liberated from brutality, was cleared to triumph on a rush of rapture, winning 62.2% of the vote. After three days, on December 30, 2002, Kibaki was inaugurated still in a wheelchair because of an accident endured on the campaign field. The air was



joyous, clamorous, and confident; individuals were singing a NARC crusading motto, 'Yote yawezekana bila Moi' (Everything is possible without Moi).

The main move of the new government was to start the Free Primary Education Policy only just a week after Kibaki got to work. Moi had given a foundering economy segregated from the global network. Referring to endemic corruption, the IMF had, aside from a couple of months in 2000, frozen its financing to Kenya since 1997, and other two-sided and multilateral givers had therefore done likewise. Kibaki's promise to turn the economy around implied reestablishing financial specialist certainty and empowering the resumption of worldwide trade—as was personally connected to his vow to get serious about corruption (KNA KY/3/6).

Towards the end of 2003, international donors continued giving and loaning, referring to Kibaki's extreme position on corruption and constitutional change. What might be compared to \$198 million taken from public coffers was recuperated. Examinations prompted the suspension of various appointed authorities and judges blamed for pay off and related offences. Kibaki's administration opened an investigation into the infamous Goldenberg Affair prominent outrage in the mid 1990s including non-existent organizations, manufactured cases, and national bank installments of billions of dollars for counterfeit fare credits for gold and jewel. It was this examination specifically that was intended to pass on the message that the highest levels of Kenyan

government would not, at this point have the option to loot the state without any potential repercussions.

In spite of early indications of progress, notwithstanding, elevated level scum, defilement, and mistrust kept on portraying the monetary and political scene during Kibaki's administration. In a move that was seen by numerous individuals as confirmation of his obligation to get rid of defilement, Kibaki had designated John Githongo as boss enemy of debasement examiner. Under two years after the fact, in any case, in 2004, Githongo declared his renunciation during an outing to the United Kingdom, days after the British High Commissioner had caused a strategic tempest blaming Kenyan government authorities for "eating like indulgent people" and "regurgitating on the shoes of unfamiliar givers," as cited by Neil Ford composing for African Business. Githongo asserted that he had been kept from examining the exercises of high-positioning authorities in Kibaki's administration, and in a dossier he had readied, uncovered the Anglo-Leasing outrage, which rotated around a \$20 million identification PC framework, and prompted the renunciation of some of Kibaki's ministers and to the suspension of some cash streams from the United States and Germany.

As a component of a work to lessen Kenya's dependence on multilateral and Western contributors, Kibaki's administration increased financial co-activity with China and the Asian Tigers. Maybe more vitally, it, with Tanzania and Uganda, tried to push ahead with the foundation and organization of the East

African community, which would involve financial combination and the making of a solitary market.

While Moi's rule was described by his capable political maneuverings which set up ethnic contrasts to contend with each other, Kibaki's hands-off methodology didn't impel ethnic pressures. Allegations, in any case, that Kibaki, himself a Kikuyu, had fallen affected by a coterie of Kikuyu legislators named the 'Mount Kenya mafia', had worked up apprehensions of control by the Kikuyu once more. The chiefly Kikuyu based Mau resistance—in which Kibaki's sibling battled and passed on—was a vital piece of Kenya's way to independence. As opposed to praise it, in any case, free Kenya has avoided official celebration for dread that it would have troublesome and problematic outcomes in a multiethnic state.

Chosen on a command to kill corruption, change the economy, and actualize constitutional change, Kibaki, regardless of managing expanded monetary development rates and an extension of the popularity based space, marvelously neglected to achieve sensational change. The proceeded with commonness of corruption in high places is coordinated by the failure and upsetting among the Kenyan electorate, who in 2002 had such high expectations and desires of Kibaki. Ugandan writer and editorial manager, Charles Onyango-Obbo, composing for Open Democracy, contended, anyway that, 'When the historical backdrop of Kenya is at last written in the years to come, Kibaki would most likely be made a decision about more well than recent developments recommend'. Estimated against practical desires—as opposed to the guarantees

of another sunrise that would proclaim a total break with the past—maybe Kibaki would undoubtedly be believed to have assumed a positive part for Kenya.

Mwaniki (2004) further notes that Kenya, like the remainder of East Africa, has long and bulky traditions that lead to delays in clearing merchandise. By and large, such postpones last anywhere somewhere in the range of 30 and 40 days, in this manner occasioning enormous misfortunes for traders. This, combined with complex administrative necessities that are much of the time muddled or even obscure to traders, acts to propel numerous traders to participate in unrecorded exchange.

Casual exchange isn't unlawful completely. However, the corruption that flourishes at the border points focuses has guaranteed that such illicit angles as under-invoicing or misspecification of ports of starting point proceed. There appears, also, to be some level of resilience of casual exchange exercises by the public authority. At the Busia border point for example, people with handicaps cross the border with a group on wheelchairs that are transparently loaded down with merchandise, Uganda Bureau of Statistics, (2009). The normal portion of casual area exchange Africa is assessed at 43 percent of the official GDP, Lesser and Leeman (2009). This makes the area practically equal to the proper area. Its reality is along these lines a wellspring of genuine arrangement issues, as nations wrestle with how to manage it. Assessment is partitioned on whether the casual

area should be smoothed out into the proper area or whether it should be encouraged to assume a correlative job.

### **3.8 The Rise of Informal Cross-Border Trade in Uganda: The Kabaka Mutesa II Kingdom 1961-1966**

In Uganda there was 'a long-standing custom of local patriotism before independence', which was showed through the presence of various realms, domains and areas. In 1962, Uganda comprised of the realms of Buganda, Ankole, Bunyoro and Toro; the domain of Busoga; and the areas of Acholi, Bugisu, Bukedi, Karamoja, Kigezi, Lango, Madi, Sebei, Teso and West Nile. Faithfulness to such nearby organizations and characters implied that political conduct was generally founded on 'semantic, socio-social and monetary personalities of interests (Director of Public Works to Chief Secretary Uganda, dated 11 July 1927, enclosed in Gov. Gowers to Colonial Office, 7 October 1927).

The Independence Constitution haggled in London a couple of months preceding independence, conceded full government status to Buganda and a semi-administrative relationship to different realms. Such devolution of power sabotaged the authority of the state, and left Uganda in a 'semi government milieu.' Gakwandi (1999) states that, the realm of Buganda had for quite a while created hatred all through Uganda, since it had appreciated a place of unmatched prevalence all through the colonial period. Numerous Baganda indeed 'built up a demeanor of smug presumption towards the others of Uganda.' Almost all other ethnic gatherings in Uganda were worried by Bagandan endeavors to rule the

post-colonial state, and the 'doubt and antagonism induced by such a disposition was not really a sound reason for public solidarity.'

In 1962, at independence, there were immense inconsistencies between Uganda's diverse ethnic groups, which contributed towards the absence of unification inside the nation. Uganda achieved independence on 9 October 1962 with the Kabaka of Buganda, Sir Edward Mutesa II as its first president (Gakwandi, 1999). Notwithstanding, the government of Buganda and quite a bit of its self-rule was renounced, alongside that of the other four Ugandan realms. As of now, the sovereignty debate was the main issue in Ugandan legislative issues. Despite the fact that there were four realms, the genuine inquiry was what amount command over Buganda the focal government had? The intensity of the lord as a joining image for the Baganda became clear after his removal by the protectorate government in 1953 (UKNA, CO/685/21.).

At the point when dealings for independence compromised the self-governing status of Buganda, driving notables coordinated an ideological group to secure the ruler. The issue was effectively introduced as an issue of endurance of the Baganda as a different country on the grounds that the situation of the kings had been vital to Buganda's pre-colonial culture. On that premise, guard of the majesty pulled in overpowering help in nearby Buganda government decisions, which were held not long before independence. To restrict the ruler in Buganda around then would have implied political self destruction.

During the mid 1960s there stayed an industrious and 'practically unbridgeable gap between the different communities in Uganda. In the run up to independence Uganda's government officials neglected to frame a patriot front, and 'figured out how to show up at the limit of independence with almost no to show in the method of political battle.' This added to the absence of solidarity inside Uganda's political framework, and implied that extensively, ideological groups were part along ethnic lines (UKNA, CO/536/153/3.).

Since 1962, Ugandans have endured net infringement of basic freedoms, including annihilation, government supported brutality, demonstrations of end of elites, constrained outcasts and removals, detainment without preliminary, and forswearing of the other essential basic liberties. In excess of 2 million individuals have been murdered, harmed, detained, or constrained into oust. Different political elites have looked for capacity to control and to appropriate assets to the detriment of common freedoms. Ugandans have not yet evolved components to change government pioneers by serene methods. Political change has been affected through savagery, and this has constantly prompted different types of viciousness.

The conveyance of assets along ethnic and racial lines was a tradition of British expansionism. During the colonial time frame, the Europeans and Asians got the most noteworthy wages since they controlled the state and business, individually. Among the African populace, the Baganda were the most extravagant on the grounds that they created cash crops—cotton and coffee assumed the part of colonial sub-imperialist. Western Uganda turned into a store

of work for the frontier state just as the supervisors of the cash crop economy in Buganda. The military of the colonial period were selected predominantly from the Luo and Sudanic speakers of the northern district. This specialization along racial and ethnic lines turned into the wellspring of insecurity and brutality in postcolonial Uganda.

Marx recognizes the state as a system of political domination with specific effects on the class struggle. The post-independent Uganda was divided in terms of class system as the Baganda were considered royal and therefore, superior to the other tribes. The Baganda as we have observed were rich and had privileges while the other communities feel isolated and thus do not feel committed to the government.

*The taxes we evade paying is a form of rebellion we show the government for neglecting our region for so long. The Basamia, Bateso, Basebei do not have good roads, hospitals nor schools. Do you know we take our children to private and public schools in Kenya? (Ssemakula, O.I., 2013).*

On 24 May 1966 the government of Ugandan armed force assaulted the regal compound or Lubiri in Mmengo. They shelled the royal residence with the lord Mutesa II caught inside. The lord battled out of the structure and with the help of the ministers at a theological school in Lubaga got away from Uganda and discovered outcast in London where he kicked the bucket in secretive conditions (accused on liquor harming) after three years.

### **3.9 The Rise of Informal Cross-Border Trade in Uganda: The Milton Obote State 1966-1971**

Milton Obote's coup d'état was an attack on the unworkability of the federal arrangement, an arrangement that was based on unworkable compromises and institutionalized inequalities. The Constitution introduced a unitary form of



government as it abolished the kingdoms and made Uganda a republic. It attempted to isolate a part of the country, namely Buganda, from the mainstream of national politics (Oloka-Onyango, 1993).

From this time, Obote's politics became more socialist. The principal document of the move was *The Common Man's Charter*, which aimed at transforming Uganda into a socialist state. It sounded a warning about a growing gap between the poor and the rich and promised to bridge it (Gakwandi, 1995). It identified the malaise in Ugandan society as caused by capitalism, the entrenched interests of well-to-do, the educated, foreign influence, feudalism and neo-feudalism (Mittleman, 1975).

Although Obote promulgated *The Common Man's Charter*, having looked at progressive leaders in Africa for inspiration, he was accused by his successor of ruling by imposition of an emergency, detention of people without trial and the prevalence of Kondoism (petty robbery and theft). There was corruption in high place, the regime failed to elections, there was high taxation and a manifest lack of planning. There was alleged maladministration in the armed forces and an emphasis upon the establishment of a private army dominated by the Lang'o people (Ahluwalia, 1995). Since independence in 1962, Uganda has seen slaughters coordinated against certain ethnic and united social groups. In the range of 1966 and 1971, the first Obote system focused on the Baganda, and 400 to 1,000 individuals were accounted for to have been executed. The savage battle to

control the state drove people with significant influence to kill their political adversaries. In the period from 1962 to 1971, numerous political rivals of the primary Obote system were either detained (counting Grace Ibingira, George Magezi, Balaki Kirya, Lumu, Ben Kiwanuka, and a few individuals from the Buganda illustrious family, for example, Prince Badru Kakungulu) or constrained into banish (Sir Edward Mutesa II).

Guided by Engels, the state is, thus, in no way, shape or form a force constrained on society from without; similarly as meager is it 'the truth of the moral thought, 'the picture and truth of reason', as Hegel keeps up. Or maybe, it is a result of society at a specific phase of advancement; the confirmation this general public has gotten snared in an insoluble inconsistency with itself, that it has part into beyond reconciliation hostilities which it is weak to disperse. In any case, all together that these hostilities, these classes with clashing financial interests, probably won't burn-through themselves and society in vain battle, it got important to have a force, apparently remaining above society, that would reduce the contention and keep it inside the limits of 'request'; and this force, emerged out of society however putting itself above it, and distancing itself increasingly more from it, is the state (Engels, 1973).

This communicates with amazing clearness the essential thought of Marxism as to the authentic job and the importance of the state. The state is an item and an appearance of the hostility of class enmities. The state emerges where, when and to the extent that class threat impartially can't be accommodated. Furthermore,

then again, the presence of the state demonstrates that the class threats are beyond reconciliation.

Nevertheless, Obote had tried to make an ideology more concrete and to establish Uganda's contribution to the African revolution. But in banning all political parties except the UPC, and thereby creating a *de jure* one-party government (Maiso, 1994), he attempted a model of governance for which Uganda's political landscape was least hospitable (Gingyera-Pinyewa, 1978). Consequently, like the case was during the colonial days and Kabaka Mutesa's II regime, power in the Obote state came to revolve around himself and a few of his supporters and ethnic community.

*The President commanded absolute powers similar to those held by the colonial governors and he insistently used the army to intimidate and harass his opponents (Bwire, O.I., 2013).*

Wafula (2008) adds that in as much as the foregoing internal political developments undermined efforts towards regionalism, they also had important implications for the Kenya- Uganda inter-state regions. Obote's political problems in Uganda for instance did not only lead to a constitutional crisis and the collapse of relations between his regime and the Buganda kingdom, but had also other inter-territorial consequences. Besieged by persistent opposition, Obote through his UPC adopted a repressive regime in order to legitimize his position.

Wafula (2007) reveals that one of the main fears to Obote's regime was that the opposition was colluding with external agents outside the borders to destabilize his government. One of the main responses to this crisis was the famous changes in 1967 in which parliament converted itself into a constituency assembly, which among other things abolished all the kingdoms. In terms of inter-state relations and especially border peoples' interactions, the decision by Milton Obote to expel thousands of Kenyan migrant workers in 1970 undermined his Pan Africanist credentials and entrenched his image as a crusader of Northern Nilotic interests. No wonder his intentions in the Charter however noble, were received with misgivings. In Uganda, members of the governing elite consciously tried to use ideology as a modernizing agent. Berg-Schlosser and Siegler (1990) argue that there were fears that the Kenyan border communities were colluding with their kinsmen in Uganda to destabilize Obote's regime.

The study borrows from Nyang'uro's assertion that the African state practices Poor Corporatist Practice. The state is grappling with problems of managing society within the context of underdevelopment. Politics of corporatist organization thus become an attractive option for the state to express its authority and attempt to legitimize its existence. The socialist experiment of Obote was populist but he did not present a programme of political and economic intervention in the sphere of production that captured the innermost nature of the Ugandan society and that provided sustainable ways of mastering and

developing it, thus, the emergence and existence of some of the illegal activities at the border as a form of rebellion against the regimes (UKNA, CO/685/21).

From the international relations theoretical point of view, the new nations of Kenya and Uganda following the attainment of independence and their incorporation into the international system became sole agents of change within separate juridical and territorial bounds. Ojo (1985) points that since a nation is merely an ethnic group that has a common heritage, language, culture and a sense of common identity, its distinction from the other depends on its occupation of definite territory and enjoying legal sovereignty. Such a state is merely a body of people politically organized under one government with sovereign rights recognized by other sovereign states as having a legal status had the sole right to transact and mould the social, economic and political developments within its distinct territory in the international system.

Wafula (2008) observes that by sanctioning the continuity of the colonial boundaries, the formation of Organization of African Unity (OAU) in 1963, became an important institution in the new states' quests for internal ethnic consolidation. Yet this did not signify an end to the cross-border relations between culturally related Basamia, Bagishu, Basebei and Bateso communities. As Bach (1999) has rightly observed trans-state interactions cannot be associated with an institutionalized process, although they are totally dependent on state policies. The continuity of the spatial locations in which the Bukusu, Bagisu,

Basamia, Bateso and Basebei peoples were consigned at independence did not lead to the end of a cultural consciousness across the common border. Though residing in different countries, their common identities, characterized by similarities in language, customs, values and symbols among others persisted across the border. These processes of trans-state or cross-border interactions between these communities though countering the institutional claims of OAU and the national state in regard to the sanctity of the border translated into numerous social, economic and political permutations.

Overtime, however, these regional plans were either accentuated by times of stagnation or cursed by inversions, with unassuming accomplishments, best case scenario, in a couple of occasions. Wafula (2008) observes that both Jomo Kenyatta and Milton Obote embraced the ideals of federalism as envisaged through EACSO and seen regional integration as a method of freeing their particular states from the pains of financial malaise. By empowering regional integration, the two leaders together with their Tanzanian counterpart, Julius Nyerere, planned to make basic business sectors that would permit the free movement of individuals, capital, administrations and products inside and between their separate nations to maintain a strategic distance from their ongoing reliance toward the North. The centralization of economic and political power by the states and failure to implement the policies envisaged in the OAU manifesto has led to thriving informal cross-border trade activities as a contravention to their control.

By 1967 when the leaders of the three East African states signed the treaty formalizing the operation of the East African Community, both local and continental initiatives towards regionalism were fully on course. Locally, as we have already observed, the federation structures inherited from colonialism were active in the countries of the region. Within the East African Community, the stipulations of the 1967 treaty laid down new strategies of integration although the leaders did not abandon the structures inherited from colonialism (Ochwada, 2004; Gimode, 1996).

Ochwada (2004) further explains that, the new elements added aimed at correcting the economic disequilibria in trade between the countries. They likewise would have liked to advance a more feasible improvement procedure through the harmonization of monetary motivating forces offered by every nation. These incorporated the exchange tax framework and the foundation of the East African Development Bank. At that point, they contended that a more fair conveyance arrangement of mechanical advantages would differentiate riches and achieve financial harmony.

As already observed in Wafula (2007), Uganda's political problems had began by Milton Obote who by 1967 had sabotaged those opposed to his misuse of power. By 1969, Obote had banned political parties and in 1970 made the so-called 'Nakivubo Pronouncements' on May Day 1970, nationalizing private business holdings. Within this political atmosphere that was also associated with economic problems and the eroded investor confidence, Idi Amin, his army

commander used a disgruntled section of the army to overthrow Obote's government on January 25 1971. This coup effectively brought Uganda under Amin's military dictatorship that was to last till April 1979 (Mittelman, 1975). This is a clear indication of a failed state, a state which cannot provide security and an enabling environment for citizens to grow both socially and economically. The rise of Informal Cross-Border trade is viewed as some sort of rebellion against the poor corporatist practice of the Obote regime.

The collapse of the Ugandan economy in the 1970s among other things intensified the reliance of the Ugandan people on the Kenyan especially the border communities that is, the Basamia, Bateso, Basebei and Bagisu and through the provisions of the EAC and other informal economic networks. Mamdani (1983) has observed that in 1971 imports of animal oil and fats, cotton fabric and sugar valued at Uganda Shs. 24 million, Shs.12.3 million and Shs. 11 million respectively streamed into Uganda from Kenya.

### **3.10 The Rise of Informal Cross-Border Trade in Uganda: Idi Amin State, 1971-1979**

When Amin deposed Obote in 1971, he announced on the radio that his would be a purely caretaker administration (Mittelman, 1975). In fact, he abolished Parliament in February 1971 and began ruling by decree; the army conferred upon him the title of President and declared that his government would remain in power until 5 years were over. He suspended all political activities and empowered the armed forces to arrest or shoot on sight any suspected opponents.



He also ordered for the murder of two Americans (Nicholas Stroh and Robert Siedle) who were investigating massacres that had occurred at Mbarara barracks in Western Uganda.

Following the coup, Amin launched a recruitment drive for the armed forces and within three months, about 10,000 men had joined the army (Mamdani, 1976). By the end of 1971 about 19,742 people had been recruited. These recruits were important in bolstering the pro-Amin forces who carried out a wave of massacres, eliminating large numbers of Acholi and Lang'o armed forces personnel (Omara-Otunnu, 1987).

Amin's regime led to the almost total militarization of both the executive and judicial power. The traditional judiciary was left an almost spent and impotent force. Following the coup, Amin introduced a new constitutional order. This included the suspension of several significant sections of the 1967 constitution, including Article 1, 3 and 63 through the issue of Legal Notice No. 1 of 1971. This essentially implied that the constitution was not, at this point preeminent law and it very well may be modified without reference to Parliament. It additionally implied that the Parliament lost its law-production forces to the Head of State who was engaged to lead by official pronouncement (Oloka-Onyango 1993:30).

"Having public power and the option to demand taxes," Engels states, "the authorities presently remain, as organs of society, above society. The free,

intentional regard that was concurred to the organs of the gentile (faction) constitution doesn't fulfill them, regardless of whether they could pick up it...." Special laws are ordered declaring the holiness and invulnerability of the authorities. "The shabbiest police worker" has more "authority" than the agent of the tribe, however even the top of the military intensity of a humanized state may well begrudge the senior of a family the "over the top regard" of society. The subject of the advantaged position of the authorities as organs of state power is raised here. The primary concern demonstrated is: would could it be that places them above society (Engels, 1973)?

From the argument posed by Engels, Marx's treatment of the state as a parasitic institution is supported. The Ugandan state under the military ruler Idi Amin plays no essential role in economic production or reproduction. The state and its officials, far from representing the common interest, tend exploited and oppressed civil society on behalf of particular sectional groups. Amin converted Uganda into a private property as he struggled to advance himself. Consequently, the exposure of violence to the Ugandan citizens made them more alienated from the state.

Pushed by the force of militarism promoted by his advisers within the ranks of ruling politico-military elite who had a profound faith in militarism as a formula of achieving and maintaining power, militarism came to leave an indelible mark on Ugandan politics and societies. Its capture of state power and institutions was

to have significant repercussions for the political processes in Uganda (Omara-Otunnu, 1998).

Amin's decision to return the body of the late Kabaka Edward Mutesa II, who had died in exile, and to release a number of political detainees initially endeared him to the Baganda. This was despite the fact that it was Amin who had led the assault by the troops of government against Kabaka's palace. The Baganda now hoped for a full restoration of their kingdom system of rule (Ahluwalia, 1995). There was some apprehension in northern Uganda in Obote's home area and power base. There was also some disarray in the army where pro-Obote forces mainly from Lang'o and Acholi refused to accept the new leadership.

*During Amin's reign ethnicity was at the peak and one could not dare speak about the despotism in public for fear of dear life. People fell back to their tribal cocoons for survival and consolation. The border people continued to associate with their kinsmen in Kenya to feel human (Byobona, O.I., 2014).*

Whereas the Obote Government's Africanization and Nationalization proposals did not challenge significantly the Asian-controlled commerce and plantation sector, the 1971 Amin coup altered the Ugandan Economic scene considerably. The Baganda and Asians initially greeted the coup with great jubilation. The Asians, who controlled 80% of commerce, had been perturbed and alienated by Obote's move to the left which had slowed economic progress. The Baganda were not only bitter with Obote over the way he had humiliated the Kabaka but were also opposed to his brand of socialism. Both Asians traders and

Industrialists hoped to obtain more liberal trading policies and their renewal of trading licences. Asians merchants and Industrialists therefore extended automatic support to the Amin regime as the government to restore order. Indeed in 1971, Amin rewarded traders and merchants with almost unlimited import licences.

However, declining foreign exchange reserves and pressure from local manufacturers forced the Amin regime to reintroduce austerity measures and place all imports under the control of the state Trading Corporations, formed by merging the export and import Corporations with National Trading Corporation (Jorgensen, 1981).

Through Decrees 6 and 18, Amin reversed Obote's partial nationalization of private enterprises. The regime decided to reduce its shares from 60% to 49% in the enterprises (Maiso, 1994). The nationalization proposal made by the Obote's regime had created a crisis of confidence in the private sector and the donor world. The Association for the Promotion and Protection of Private Foreign Investments had met in Zurich and resolved that the Uganda situation be kept under surveillance. Some capitalist investors began to transfer their capital, and foreign banks, insurance companies and industries were at the fore front of these transfers (Maiso, 1994).

In the subsequent months, Amin's attack on the Asian community continued, reaching its apogee in 1972 when an economic war against the powerful Asian community was declared and 50,000 Indians and Pakistanis were expelled (Nabuguzi, 1995). Apart from consolidating the economic entrepreneurship of a new African middle class the economic logic of the Amin state gradually led to speculation and the growth of the informal sector (Ibid). The military men who were made provincial governors used their appointments to accumulate wealth, especially through participation in the sale of rural produce in 'magendo' (smuggling) networks.

Up to 1980s, apart from the economic collapse in the country, Amin's military dictatorship in Uganda worsened the security situation and this continued to have an impact on the border dynamics. Wafula (2007) observes that by 1975, for instance, thousands of Ugandans including Bagisu, Basamia, Bateso and Basebei had fled into exile in Kenya using the border as their escape route. For most of these communities, the proximity of the border and the presence of their kith and kin in Kenya facilitated their incorporation in that country. This mass exodus continued to cause alarm in the Amin administration of the mid-1970s.

As Okoth (1992) observed, Amin was clearly in difficulties and to get out of them he decided to embark on a confrontation course with Kenya. In such scenarios, cross-border relations among the Basamia, Bateso, Basebei and Bagishu on both sides were greatly strained by deliberate government decisions

to control or completely curtail movements across the border. Such national decisions, though obviously aimed at meeting the political leaders' aspirations, contradicted the historical realities of cross-border interaction between the two communities. It was within this context too that accelerated the rise of informal cross-border trade.

When the National Resistance Movement (NRM) government under Museveni came to control in 1986, it conceded to guide Uganda away from a background marked by tyranny that had beset the nation since freedom. Totalitarianisms without help from anyone else designated rulers controlled the nation for a lot of years. The 1966-1970 Obote system was a fascism that prohibited individuals' support in governmental issues aside from a couple of Uganda People Congress (UPC) elites who were sponsored by the military. The 1971-1979 Amin system was stripped fundamentalist military government (KNA GP 363.7. BRI; East Africa Protectorate 1991).

### **3.11 The Period of Further Uncertainty in Uganda: From Yusuf Lule – Tito Okello 1979-1986**

At the point when he was chosen at the solidarity meeting of the Ugandan outcasts in the northern Tanzanian town of Moshi in March 1979, the previous Principal of Makerere University College, Prof. Yusuf Kironde Lule, turned into the director of the Uganda National Liberation Front (UNLF) and subsequently President of the Republic of Uganda after the fall of Idi Amin (Amaza, 1998).

Having been invited by a great many Ugandans in an overflowing of feeling on April 13, 1979, Lule's administration seemed promising. He was the trade off competitor who might speak to a more extensive cross part of the populace than some other political pioneer at that point. Accomplished, mild-mannered, amiable, Lule was the very direct opposite of the meandering aimlessly Idi Amin.

In late 1976, Lule had framed, with a dental specialist called Dr. Martin Alier, an association named the Uganda Society, and situated in the Kenyan capital Nairobi. In their declaration, the Uganda Society contended that Uganda had been demolished by pioneers who needed schooling and individual riches thus (deficient with regards to the last mentioned), had been enticed to plunder from the public depository. Lule and Alier, in their declaration, took a favorable to Israel position, promising that if the previous US Secretary of State, Henry Kissinger, would help them secure weapons and monetary help, any administration they shaped in case of the fall of Amin would embrace "a financial inclination to suit the Israelis" (Maiso, 1994).

The Uganda Society was one of the lesser known about the Ugandan outcast gatherings, so the way that the straightforwardly favorable to Israel Lule, unpracticed in legislative issues, became president after the fall of Amin should bring up the issue of precisely who it was that supported the 1979 Tanzania-Uganda war.

According to the Kenyan scholar Bethwell A. Ogot, President Julius Nyerere of Tanzania had put all his help behind his companion and the previous president Milton Obote to succeed Amin in 1979. A clerical arrangement of organization was embraced and a semi parliament - the National Consultative Commission (NCC) was made. The NCC and the Lule bureau reflected broadly varying political perspectives.

Having basically 'boarded' the freedom train at its last part made Lule only a manikin of different powers. Sadly, Lule didn't realize he had extremely restricted forces. The genuine force lay in the possession of Nyerere and Paulo Muwanga, who was setting up the arrival of Dr. Milton Obote, and the UNLF accomplices. Thus, in attempting to declare his position as president, little did Lule realize he was submitting a grave misstep (KNA, K 363.72, p. 13.).

His arrangements to change enrollment into the military; was viewed as sabotaging the military. It was additionally seen as a danger to the predominance of the alleged customary regions for armed force enrolls, for example, Acholi and Lango. Lule's proposition to disband the National Liberation Army to supplant it with a recently made National Army was seen as a malignant move to sideline the individuals who framed the majority of the freedom power including Generals like David Oyite Ojok. On June 20, 1979, the NCC organized an upset, eliminating Lule as president for purportedly making wide going arrangements in government without talking with them. Consequently, Godfrey Binaisa was named as his replacement (Gakwandi, 1999).



Godfrey Lukongwa Binaisa was the fourth President of Uganda. In numerous circles, he has been known as the coincidental President given the manner in which he arose to power. At the point when Amin was toppled, he got back to Uganda and participated in different groups as a feature of the post-Amin time. It was through these groups that he was spotted as a potential 'figure head' and subsequently named to the top office and formally became President of Uganda in June 1979 (Ibid).

His visit as the head of this nation came when Uganda was experiencing an exceptionally violent time. The capital city, Kampala was flooded with a wide range of cannons. Murders, plundering and burglaries were the thing to get done. Numerous individuals particularly in the focal area were distraught that he had supplanted their 'top choice' Yusuf Lule as President.

Furthermore, there was additionally inward sharpness against his administration. In an offer to attempt to declare his own control, he sent the amazing Major General David Oyite Ojok to Algeria as representative. He additionally attempted to present his own arrangement of administration which he called the 'Umbrella' (Minvuli) under which those representing political office would do as such without essentially having a place with any ideological group. He lost the Presidency in May 1980 following 11 months as President (Bwengye, 1985). Binaisa was ousted in a bloodless upset. His cabinet broke down and he was put under house capture and the commission proceeded to organize general decisions (Gakwandi, 1995).

Milton Obote again won the 1980 Presidential Elections and made history of returning to the Presidency after his removal from power in a coup in 1971. From 1980 -1985, government troops were frequently merciless and were answerable for various deaths among the regular folks. In general, in any case, the image that arose was one of an administration overpowered by the monstrosity of the social, monetary, political and military difficulties it confronted (Maiso, 1994).

Obote genuinely seemed to want to help his country; he embraced a careful reassessment of Uganda's monetary recuperation program. In this, he got the help of the World Bank just as the International Monetary Fund for a portion of his fairly revolutionary financial arrangements. These incorporated the novel yet intense choice to 'drift' the Ugandan money, the pushing, in the system's fight against expansion. The public authority zeroed in broadly on rustic turn of events, including such territories as water gracefully and the renewed introduction of money crop cultivating. Given the multifaceted nature of the nation's bunch issues and Obote's own nine years' nonappearance from the nation, notwithstanding, he was unmistakably unequipped to discover the answers for these troubles. In July 1985, the military put his administration in a safe spot and finished his political vocation (UKNA, CO/536/148/6).

The Obote II regime started what it termed as the reconstruction programme under which it embarked on what was termed as the anti-*magendo* campaign. In this exercise, people were arrested and their property confiscated. Over-zealous

UPC officials caused mayhem, terrorizing producers salesmen and people who brought food and other essentials for the markets just because they had fixed their own commodity prices (Maiso, 1994).

In 1985, internal conflicts between the Acholi and Lang'o brought General Tito Okello to power and escalated ethnic violence. This was the first time in Uganda's history that the Acholi controlled the supreme military and political positions. The National Resistance Army (NRA) continued fighting against the new administration. However, Okello invited all opposing groups and political parties to join a new national army. The NRA did not join but agreed to peace negotiations initiated by Okello and sponsored by Kenya. In December of 1985, the Nairobi Agreement was signed though it was never implemented because two weeks later the parties accused each other of violating the agreement. Fighting broke out and on January 26, 1986, Museveni's NRA captured Kampala.

### **3.12 The Rise of Informal Cross-Border Trade in Uganda: The state Yoweri Museveni State 1986-2005**

The triumph of the National Resistance Movement (NRM) in 1986 after 5 years of a costly bush war was a popular revolutionary triumph. But to restore the country – a virtual miracle – a second independence had to take place. Therefore, the NRM had to initiate reform measures to restore democratic governance. President Museveni pledged that his administration would bring about

fundamental change in the country. He did not elaborate this statement but it was generally interpreted to mean a promise to break the existing cycle of violence and bring about regeneration or restructuring of state institutions. This directing structure of the government's program was set down in the Ten Point Program which was a sort of declaration that he and his lieutenants arranged in the last long periods of the shrubbery war (Gakwandi, 1999).

In his Ten Point Programme the NRM gave a hint on what democracy should mean in the context of its government. For majority rule government to be significant and not a joke, it must contain three components: parliamentary vote based system, famous vote based system and a good living for each Ugandan (Dungu and Wabwire, 1991). The NRM came to power claiming to pursue a scientific model of political and economic development deriving from Museveni's intellectual upbringing in political economy and socialism acquired in the course of his studies at the University of Dar es Salaam.

Apart from dismissing parties in Uganda on the grounds that they rested on narrow and exclusionist religious and ethnic foundations, which prevented the possibility of the creation of a harmonious multi-ethnic political order, they were likewise blamed for not having obviously characterized mainstream philosophical political positions or stages. Along these lines, they really wanted to keep on speaking to troublesome parochial loyalties that drew out the most noticeably awful in Ugandans. The NRM additionally blamed the gatherings for

being overwhelmed without anyone else serving metropolitan elites with practically zero port among the provincial larger part (Ssenkumba, 1998).

Unlike the 1966 – 1971 Obote system which was a fascism that prohibited individuals' cooperation in legislative issues aside from a couple of Uganda Peoples Congress (UPC) elites who sponsored by the military; and the 1971 - 1979 Amin's system which was bare facist military government; the NRM government varied from past governments as in it tried to build up establishments that would mirror the qualities and yearnings of the individuals of Uganda. Its declaration accentuated six regions of change (Gakwandi, 1999).

First, was ideological reform, which stressed the need for evolving political, administrative and economic models of development that would be based on the unique character and experience of Uganda. Second was the notion of economic independence, then there was the question of popular democracy based on the RC model and the National Resistance Council (NRC). Fourth, there was need to uphold human rights in Uganda and then decentralization of government and transfer of specialized political and administrative power from the central government to local authorities. Lastly, there was need to review the constitution (Gakwandi, 1999).

Soon after, Museveni's monopoly of power under the Movement no-party system turned Uganda into a one-man show. This contradicts the participatory

concept of Local Councils (LC) in which leadership seemed to demonstrate an awareness of its inability to create positive changes in people's lives without the effective participation of the people themselves (Ekonomi, 1999). The NRM regime has devised mechanisms of ensuring the durability of its incumbents in power. This includes the discrediting of the opposition, the conjuring up and managing of popular support, and also the manipulation of the military (Ssenkumba, 1999).

Just like the previous regimes which emphasized on the state being in control of economic and political power and institutions, Museveni's state did the same. He began being intolerant to the opposition and practicing ethnicity. President Museveni is a poor corporatist practitioner who uses state authority to fulfill his own interests.

An observer stated that:

*Uganda during Museveni years is one of the most intriguing instances of the contradictions embedded in the broad but uneven African trend toward political and economic liberalization. On one hand is economic improvement and on the other, total intolerance to no-party system and ethnicization of the state (Anonymous, O.I., 2014).*

In Uganda's no-party system, Museveni is the only choice. He has revived Uganda's feudal kingdoms forgetting that, as he says, democracy cannot grow on feudal soil. Democratic transformation has lagged behind economic growth under Museveni. And yet he emphasizes that you cannot have pre-industrial

society practicing democracy (Cobb, 1998). Museveni seems not set to allow a legal opposition in his country and yet he is hailed in the West as the forerunner of a new, enlightened type of a leader that could turn Africa into a force to be reckoned with. The manner in which the national leader ignored the people's concerns and specifically the trans-border communities like the Basamia, Bateso, Bagisu and Basebei relations and their activities has continued to overlook and undermine the operations of the Ugandan state. In fact these communities transact business with each other as if the formal borders do not exist since the state seems to consider them insignificant yet it lacks the capacity to control them.

In his international strategy, Museveni frequently created debate by supporting revolutionaries in other African nations. He upheld Laurent Kabila, who removed Mobutu Sese Seko in neighboring Zaire (presently the Democratic Republic of the Congo) in 1997, the Tutsi banishes who were battling against the public authority of Rwanda, and a gathering, headed by one of his previous classmates, doing combating the Islamic fundamentalist leaders of Sudan. Museveni advocated his help of agitators by expressing that his objective was to accomplish local coordination in both governmental issues and financial aspects and that the ruin of degenerate systems was important to achieve quite an association (Aseka, 2005).

Amusingly, debasement was additionally an issue in Uganda under Museveni. Throughout the long term, unfamiliar and homegrown help for Museveni faded

in certain quarters, with debasement being referred to as one of the issues; Museveni's developing bigotry with contradicting sees was another generally referred to analysis. He likewise experienced harsh criticism for his absence of achievement with taking out the Lord's Resistance Army (LRA), a state army drove by Joseph Kony that threatened northern Uganda for quite a long time. In spite of the fact that the LRA was generally constrained out of the nation, the gathering kept on perpetrating monstrosities in neighboring nations (Uganda Protectorate, "Report on Kampala conflict", dated March 1992, enclosed in Gov. Gowers to Colonial Office, 7 October 1992.).

Perhaps out of political expedience, Museveni has revived feudal kingdoms. He seems not set to allow a legal opposition in his country and yet he is hailed in the West as the forerunner of a new, enlightened type of leader that could turn Africa into a force to be reckoned with. For fifteen years, Museveni who had organized rebels into regiments and battalions expected and obtained unconditional obedience. Dissent was punished and insubordination court martialled. He is a tactician who sets up the rules so that he cannot lose. He operates on the basis of a Movement system that he controls.

### **3.13 Conclusion**

In this chapter, we have examined how the independent Kenyan and Ugandan states have been responsible for the rise of informal trade within and across their borders specifically among the Basamia, Bateso, Bagishu and Basebei between



1962 -2005. The subject of leadership and community politics in the light of several individual shortcomings and selfish leadership was highlighted. At the centre of the African leadership problem and Kenya and Uganda being case studies, are quite a number of critical questions, including ideology in leadership. Self-preservative Machiavellian instincts of acquisition, control and retention of power caricature electoral processes were noted.

Key political actors are identified in terms of their leadership failures to manage democratic and undemocratic transitions in these countries and their failure to devise economic and political programmes as well as development policies that can truly reflect the interests of the people while resisting the rotten leadership currently in place. While this was happening, a vibrant informal economy specifically Informal Cross-border Trade was evolving within the Basamia, Bateso, Bagishu and Basebei borderland and challenging the static restrictions at the economic level.

## **CHAPTER FOUR**

### **4.0 THE IMPACT OF INFORMAL CROSS-BORDER TRADE ON THE LEGITIMACY OF THE KENYAN AND UGANDAN STATES**

#### **4.1 Introduction**

The chapter discusses the socio-economic impact of informal cross-border trade on the legitimacy of the Kenyan and Ugandan states. The study first analyses the history of the two countries' social and economic integration, then a discussion on the benefits and negative impact of Informal Cross-border Trade.

#### **4.2 History of Kenya and Uganda Socio-Economic Integration**

Borders were arbitrarily drawn by the colonialists irrespective of tribal, cultural or social considerations. Casual border exchange is, in this way an appearance of the indistinguishable monetary connection of the networks living along the borders. In regard to the specific relations among the Basamia, Bateso, Bagisu and Basebei peoples, who occupy both Kenya and Uganda have enjoyed a corporate past whose history transcends the current common Kenya/Uganda border Makila (1978).

Territorial boundaries of almost all African countries were arbitrarily drawn by the colonialists, and, thus, misleadingly apportioned national financial, socio-economic, and ethnic connections that existed between communities. Before drawing the borders, the Kenyan and Ugandan people group moved unreservedly, touching their creatures and trading or exchanging products to

satisfy their requirements without the hindrances we are presently seeing because of borders. Around then, the expression, "casual" or "illicit" exchange was not in any of our vocabularies. This is plainly an ongoing marvel that has arisen because of fringes, and has gotten considerably more articulated with the accomplishment of autonomy (KNA ref. KY/3/6).

Wafula (2000) observes that although the majority of the Babukusu and Bagisu are found in Western Kenya and Eastern Uganda respectively, substantial numbers of both groups straddle the common border thus not only enhancing its fluidity but equally emphasizing its meaninglessness in the daily activities of the two peoples. This observation represents the general feeling among the Basamia, Bateso and Basebei on both sides of the Kenya and Uganda border. As an international line delineating the two communities and nation-states, therefore, the Kenya-Uganda border has stimulated the development of various forms of co-existence and interdependence arising from the peoples' common origins but also by the historical process of encounter and change occasioned by the realities surrounding the colonial delineation and transformation of activities around their common border.

Fundamentally, the East African Community (EAC) Partner States have a rich history of cross- border exchange; a huge extent of this exchange is directed casually. The expression "casual cross- border exchange" (ICBT) as utilized in this exploration alludes to imports and exports of truly created trade and

ventures (i.e., legitimate products and enterprises), which straightforwardly or in a roundabout way escape from the administrative structure set by the public authority, and dodge certain assessments and administrative measures, henceforth go unrecorded or mistakenly recorded into authentic public insights of the bringing in or trading nations. ICBT thusly, is an exceptional segment of the casual economy; the general casual economy comprises a gigantic extent of Gross Domestic Product (GDP) of EAC economies Ackello-Ogutu (1997).

Traditionally, Informal Cross Border-Trade was considered a 'survivalist attempt' worldwide and, thus, it was constantly viewed as uneconomic for such traders to follow the official documentation conventions Ndlela (2006) in East Africa, explicitly, un-till now, physical and monetary limitations being looked by the custom workplaces and border control focuses don't take into account proficient observing. ICBT can't be disregarded all together on the grounds that it actually stays a significant movement for lease looking for customs authorities just as cops to the degree that these officials view themselves as lucky to be posted at outskirts control focuses; some go further to 'encourage' their approach to work at the border stations.

Dissimilar to it was generally seen, today ICBT includes both casual and formal firms OECD (2009) – little and enormous in size; their exchange includes little just as large transfers passed across legitimate borders crossing focuses Peberdy (2002). The type of ICBT rehearsed by formal firms generally includes enormous transfers; little volumes that are much of the time passed over the

fringes by casual firms and people additionally comprise huge amounts when added together; consequently it is essential to consider the effect that ICBT may have on the economies of East Africa.

Diverse Informal Cross-Border Trade activities had been stated to be carried out via border communities best separated by way of nationality but engage with every different very regularly for activities like exchange. Trading in agricultural and synthetic items across the border became said to be the primary Informal Cross-Border Trade hobby. This is specially performed during wee hours of the morning and at night. However, the peak instances differed among border posts and individual traders (FDG participant, Busia).

Financial specialists said utilization of casual routes because of guidelines on the border factors concerning sure contraptions. This was explicitly concerning beans, milk, eggs and charcoal which got exceptional yields and pulled in numerous clients. Most of the Informal Cross-Border Trade speculators worried in food stock likewise are occupied with little scope horticultural assembling.

The bearing and structure of substitute each attest the not surprising perspective that Kenya, with respect to her neighbors, has a near increase in engineered and handled things. Uganda casually has been trading to Kenya an imagined 84,000 metric huge loads of maize worth about \$12.4 million. Rashid S (2014) declares that Kenya produces around 200,000 metric huge loads of beans every year, except this falls snappy of utilization necessities.<sup>124</sup> Part of the additional interest is met through imports from Uganda and Tanzania. Kenya has been

trading a foreseen 9,300 metric huge loads of beans that had not been enlisted by utilizing the traditions officials. These imports have been esteemed at near \$5 million, the utilization of a middle charge of \$520 in accordance with met. Around 13,000 MT of sorghum, simsim, choroko, millet, groundnuts, and rice, with an all out cost of \$five million, were furthermore imported from Uganda. What's more, Kenya imported bananas and diverse outcome esteemed at more noteworthy than \$0.5 million and roots/tubers anticipated at roughly \$2 million (Uganda Bureau of Statistics, 2009) .

#### **4.3 Positive implications**

Informal Cross-Border Trade adds to the economies of East Africa Countries (EAC) and all the more explicitly, Kenya and Uganda differently. It empowers small- scale business visionaries to get away from neediness and to meet the schooling, lodging and other essential requirements; Informal Cross-Border Trade merchants utilize individuals in their nations of origin and in the nations where they source their merchandise; and, it is additionally an advantageous wellspring of family pay to individuals who are under- employed and a wellspring of work to certain individuals who were saved after monetary rebuilding that was occasioned by Structural Adjustment Programs (SAPs) (Ogalo, 2010).

Based on the month to month estimations of pay that merchants acknowledge from Informal Cross-Border Trade, it is clear that most of Informal Cross-

Border Trade members get by on more than US\$2 per day which some of them couldn't have ever accomplished under conventional business, particularly considering the contracting economies of East African Countries. The case of Uganda where Informal Cross-Border Trade represented 33.8 percent and 24.6 percent of complete fares exchange 2009 and 2010 separately gives exact proof and exhibits how useful Informal Cross-Border Trade can be (Ajumbo, 2012).

The number of individuals enjoying Informal Cross-Border Trade having degree- level education is on the rise. From one's viewpoint, this is a pointer that cross- border exchange is progressively getting more modern, requiring better education for one to have the option to cooperate and exchange easily across the border, notwithstanding, it additionally affirms that most college graduates these days are without jobs or beginning capital to seek after conventional business. Along these lines, an expanding number of them resort to informal organizations including Informal Cross-Border Trade as a type of work and methods for money generation.

The investigation has indicated that cross- border exchange is progressively turning out to be more intricate and more individuals have finished their auxiliary instruction contrasted with twenty years prior and the Basamia, Bateso, Bagishu and Basebei communities have embraced education too. One female FGD participant noted that:

*...as for me I feed my children dress them and educate them. some of them have joined me in business because of lack of formal employment. (Female FGD participant, Malaba, 2014)*

They went from proficient experts, (for example, legal advisors, specialists, bookkeepers and architects), to products of the soil sellers, public vehicle administrators, food booths, stylists/hairdressers, jua kali makers of a wide range of merchandise including craftsmans like tinsmiths, iron mongers and metal forgers; shoe shiners, miraa vendors, outdoors picture takers, peddlers of a wide range of products, painters, etchers, illustrations and originators, craftsmen, rub parlors, salons and sand gatherers. Consequently, casual area investment has not exclusively been connected with junior public and private area workers – looking for extra pay to their pay rates, yet in addition with corporate chiefs; henceforth, it has created as a methods for expansion of formal organizations Peberdy (2002).

Simultaneously, there are huge conventional firms which want to stay little however keep a few parts of a similar business (enlisted under various names and possession) so they can cover up in the casual economy. They realize that it is monetarily useless for the taxman to track and capture independent companies given the human asset and monetary imperatives of duty specialists; when, truth be told, their goal is just to avoid certain tax assessment measures



and guidelines implied for large conventional organizations – their essential point is to boost supernormal benefits.

Ackello-Ogutu (1996) observes that majority of the Informal Cross-Border Exchange members are between the age of 30 and 40 years. This is the age at which numerous individuals in Kenya and Uganda have hitched and have more obligations to deal with, yet absence of formal kinds of revenue pushes them to search for other casual ways, incorporating taking part in Informal Cross-Border Trade, to meet their family duties, given the real factors of our contracting economies. From a customer's point of view, Informal Cross-Border Trade brings the advantage of lower costs of the casually imported items since they dodge a great deal of exchange costs.

Wafula (2008) underscores that the relations between the border communities mitigated within the inhibitive and restrictive tendencies of the two states. The crossing of the boundary by these people blurred three kinds of boundaries; the territorial borders of the states, the political boundaries of citizenship and the cultural boundaries of national communities. As already observed, before 1967, there was some relative calm and political stability in both Kenya and Uganda as the leaders in the two states struggled to align their national priorities and consolidate power. The trends of cross-border relations between the Basamia, Bateso, Bagishu and Basebei were equally smooth.

Informal cross-border trade enhances monetary participation. borders were subjectively drawn by the colonialists regardless of ancestral, social, or social contemplations. Casual fringe exchange is, consequently, an appearance of the indistinguishable monetary connection of the networks living along the borders.

Casual border exchange, similar to formal exchange, depicts monetary powers of gracefully and request, prompting an ideal utilization of assets and the acknowledgment of near favorable position. This transaction likewise guarantees value adjustment as products are moved to where there is shortage. Casual fringe exchange, similar to formal exchange, is a powerful promoting action which guarantees food security by profiting markets for farming items. Huge business sectors are acceptable motivating forces to ranchers to create more. Casual cross-outskirt exchange involves individuals' time, particularly that of the adolescent who might somehow be repetitive (Ackello-Ogutu, 1996).

#### **4.4 Negative implications**

According to Ackello-Ogutu (1996) the way that such significant information as on ICBT misses from national statistics suggests what has consistently been expressed as Gross Domestic Product of EAC economies is regularly horribly belittled. The outcomes may really not be right discernment about the genuine exchange offsets of these economies with one another, the exchange benefits accumulating to them from provincial incorporation and it may keep on giving an off-base impression about the degree of the presentation and heading of

development of local exchange EAC since just conventional exchange insights are utilized to make such decisions.

It is conceivable that because of the missing information on ICBT, EAC has been taking part in wrong arrangement solutions which may have prompted some unintended negative effects or superfluous redirection of assets from other significant tasks, subsequently sway contrarily on the local exchange joining and improvement of EAC. In opposition to the apparent advantages/points of interest of ICBT, it is likewise evident that conventional firms are more profitable than casual ones, because of scale and degree economies, admittance to capital and innovation and further developed strategies for creation and appropriation. This recommends that critical profitability gains would be accomplished in our economies by moving creation from low- productivity casual firms to more beneficial conventional firms or by encouraging the formalization of casual firms. All things considered, hence, the unreasonable rivalry from Informal Cross-Border Trade players may have the long- run impact of lessening rivalry and as such may keep the more profitable proper firms from entering or growing on the lookout.

Along these lines, as a result of the advantages related with formalization of organizations, formal firms may offer even lower costs over the long haul if casualness in business was disposed of. Along these lines, while surveying the advantages or mischief to rivalry from Informal Cross-Border Trade, specialists

ought to consider whether to zero in their investigation on short- run or long- run rivalry worries of Informal Cross-Border Trade. A huge casual area could likewise deny administrations of required assessment income, (for example, VAT) which might have been reinvested into energy and framework improvement, which are a portion of the basic needs of EAC.

Traders involved in Informal Cross-Border Trade face several challenges starting from infrastructure, legal and administrative framework which regularly results in exorbitant prices and market distortion. The cost of goods coming into Uganda will become luxurious thereby decreasing earnings margins extensively (Ugandan Bureau of Statistics, 2009) Profit margins remain small leaving phytosanitary and technical boundaries to trade 'Économie International,' confined finances for reinvestment; as a result investors have a tendency to stay bad.

The Informal Cross-Border Traders recognized absence of admission to monetary organizations as a basic problem to incite or even expand their gatherings. They can't get to funds from banks and can't request money from other formal financial institutions as they might be mulled over to be stressed in exorbitant possibility offices. Henceforth they store their exercises from their own monetary reserve funds or by means of backstreet moneylenders, cheerful cross-rounds, amigos and friends and family. A couple are equipped for improved money from banks or investment funds and FICO rating foundations.

The tough measures requested via banks compound the circumstance for this mostly evolved zone. The unnecessary pastime costs associated with advances from monetary foundations have uncommonly influenced ladies' abilities to set aside and re-spend cash on associations.

Ogutu (2010) sees that the vacillation of progress costs now and again impacts into misfortunes particularly when the products should be offered in Uganda at costs decline than what could be compared to the cost inside the Kenya. The money change catalyzed by loss of a typical unfamiliar cash in the EAC and financial arrangement. Appropriation of a typical cash and harmonization of monetary guidelines might need to empower Informal Cross-Border Traders to hold out trade without trouble and without causing a lot of misfortune and developing pointless interest for hard monetary forms. These merchants are approached to offer weighty results and incentives when gotten with things from neighboring nations and hence affecting contrarily on the blast in their enterprises.

Wafula (2008) clarifies that the way where the national Kenyan and Ugandan interests overlooked the trans-outskirt network relations and the exercises they created was answerable for the development of different assorted casual reactions to the borders limitations. These responses, which took place beyond the formally recognized institutions under which the border and its management was conceived by the states, continued to define the nature of its evolution and transformation over time.

As Nugent (2002) argues, borders are molded as much by the regular exercises of ordinary individuals, in manners that occasionally undergird however at different occasions may sidestep the conventional structures of legislative issues. The nature of response generated by the Basamia, Bateso, Bagishu and Basebei through their regular interaction across the border on the one hand worked against the logic of national integration and tended to reinforce a sense of commonality between them that was supranational in nature. On the other hand, the communities sought to take advantage of their unique location as border peoples to participate in the daily cross-border activities that challenged the national restrictions espoused by the leadership in place. The emergence of the informal economy along the border and the increasing participation of the Basamia, Bateso, Bagishu and Basebei in it during the period 1967 to 1980 is a threat to the sovereignty of the Kenyan and Ugandan states.

The proliferation of the informal economy, which some scholars have called variously as ‘unrecorded trade’, ‘underground’, ‘smuggling’ or within the context of East Africa ‘magendo’ is due to cross-border interactions which have their own distinctive features but which Bach (1999) observes, combine elements of inter-state and trans-national regionalism. Although the informal economy generally, and informal trade specifically comes in different forms or known by different names, it is characterized by not being entered in national accounts. Since it operates outside the official national networks, it challenges the restrictions and tax policy frameworks put in place as its participants are

viewed in opposition to established norms. Even if the activities within the cross border informal economy may not be interpreted as acts of overt opposition, they may still be seen as acts of what James Scott called ‘everyday forms of peasant resistance’ comprising part of the hidden transcript of power relations Scott (1985).

According to Scott (1990) the official transcript of power relations seldom elicits explicit challenges from subordinated groups, except during moments of systemic crisis when the mask will finally be permitted to drop. At other times, when the structures of power are secure, the response of the subordinate is to circulate their own knowing and hidden transcript among themselves, traces of which may seep into the public arena and thus destabilize the official transcript.

If the above observation by Scott is correct, it is not enough to look at just open acts of resistance but also keep an eye on the alternative constructions of reality embedded in the words and the deeds of the ordinary people. The informal cross-border trade among the Basami, Bateso, Bagishu and Basebei can be seen as constituting their violations of the official structures that the border laid on their daily interactions and which continued to hamper their age-old dealings that obviously go beyond the colonial institution of the border. The existence of the informal cross-border trade unmasks the constant reality of the ordinary peoples’ struggle to make a living outside the formal state defined economic networks.

Casual Cross-Border Trade for the most part benefits shoppers by expanding the accessibility of products at moderate costs. Nonetheless, utilization of tradable products not exposed to customs leeway and other fringe conventions may sometimes prompt loss of shopper government assistance. Most staple and different wares exchanged casually are not dependent upon Sanitary and Phytosanitary (SPS) quantifies in this manner making utilization more dangerous. Inability to expose products to norms assessment opens customers to wellbeing, security and ecological dangers (Ackello-Ogutu, 1996).

The examination additionally followed a portion of the Informal Cross-Border Trade work on including a few stores in Kenya and, by and large, huge sellers of for the most part hardware and media transmission gargets over the area. For example, there were situations where these endeavors would import hardware and wrongly announce them as shoes; and, for certain brokers while they would accurately pronounce the idea of products, it included under- declaration of the amounts. These practices lead to enormous tax avoidance and out of line rivalry with other contender brokers who have made good on assessments; it additionally denies the EAC economies tremendous incomes subsequently open door for expanding government use that is a critical segment for monetary development.

The other negative impact of Informal Cross-Border Trade in EAC is that its simple presence breeds a culture of defilement among policy implementation



authorities, including traffic and outskirt police power and Customs authorities, who are looking for monetary rents from it. Mshomba (2010) adds that it might create the impression that there is a likelihood that administration authorities at the outskirt intersections are quietly subverting the convention for their narrow minded increase from defilement. The trick may incorporate security staff, neighborhood gathering authorities and organization work force who remain to lose cash and additionally impact if the convention is actualized in full.

Further, Informal Cross-Border Trade may prevent further interests in nearby (formal) SMEs; these may incorporate newborn child businesses vulnerable to Informal Cross-Border Trade rivalry, which establish larger part of the private area in EAC and are key drivers of provincial turn of events. Furthermore, the motivator to develop and contribute (without viable licensed innovation system) could likewise be essentially diminished in a casual exchanging climate. The individuals who grow new items in the district are probably going to pick up from exchanging their items over the locale through proper channels; in any case, casual brokers may destroy odds of such trend-setters actually recovering their interests in the development (Uganda Bureau of Statistics, 2007).

#### **4.5 Conclusion**

The part has extensively examined the financial effect of Informal Cross-border Trade at the Kenya/Uganda verge on the authenticity of the Kenyan and Ugandan states from 1962 to 2005. It has been urged that the volume of Informal Cross-Border Trade is tremendous, and assumes an incredibly fundamental job, yet with no official acknowledgment in the economies of the two nations. The most intricate of the informal transactions between the Basamia, Bateso, Bagishu and Basebei was the fact that, in whichever direction the products moved, there was an overwhelming consideration of the risk of border crossing and the added advantages of accessing additional scarce items and enhancing kin relations with the respective areas visited.

Informal Cross-border Trade was set up to have been prodded by a few elements, including inflexible, tedious administrative methods. However, Informal Cross-Border Trade likewise restores the broad deal of products and relocation of the individuals that were a component of financial and public activity even before colonization.

## **CHAPTER FIVE**

### **5.0 SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This study explored the African State and the Informal Border Trade and endeavoured to analyse the Kenya/Uganda experience with regard to cross-border communities between 1962-2005. The objectives of the study were to determine the main features of a contemporary modern state in Africa, to establish ways in which the Kenyan state has necessitated the rise of Informal Cross-border Trade within and without its territory and to demonstrate the extent to which the Uganda modern state has been responsible for the rise of Informal Cross-border Trade within and across its borders. The study finally analyzed the socio-economic impact of Informal Cross-border Trade on the legitimacy of the Kenyan/Ugandan states. The study employed a duo theoretical scheme to analyze its data. It combined the Marxian theory of the state with the corporatist of the state to argue that the African state faces a big dilemma. It reviewed other theories like realism, dependence/interdependence and modernization which were used in other related works but could not sufficiently serve this study.

#### **5.2 Summary and Key Findings**

The first chapter discussed the challenges the modern state faces especially its inability to unify its inhabitants around shared aspirations and desires. An analysis was done over the emergence and practice of Informal Cross Border Trade between the nation-states of Kenya and Uganda. It explored the causes of

informal cross border trade and the creation of new meanings of nationalism and international relations with regard to cross border communities between 1962-2005. The chapter too gave direction in finding out if the states of Kenya and Uganda seem to be losing their dominance in controlling trade across their borders to communities like the Basamia, Bateso, Babukusu, Bagishu and Basebei.

Chapter two discussed the main features of a Contemporary Modern state in Africa. The discussion was based on the origin of the modern state, that is, how the state was formed then evaluated its features like corruption both in African states and at the country level especially in Kenya and Uganda. This chapter also analyzed Africa's responses to the challenge of ethnicity, and the models of ethnic configuration. It was established that the state is a parasitic institution with its officials being far from representing the common interest of the civil society. The state plays very little or no essential role in economic production or reproduction. The modern state is an expression of the irreconcilable conflicts rooted in the egoism of civil society.

Chapter three analyzed the extent in which the Kenyan and Ugandan states have necessitated the rise of informal trade within and without their territories. First, this chapter discussed the economic history of Kenya and Uganda and then the rise of Informal Cross-Border Trade under presidents Jomo Kenyatta, Daniel arap Moi and Mwai Kibaki in Kenya and rich literature was also harnessed from

the Sessional Paper No. 10 of 1965. It analyzed the extent to which the Ugandan modern state has been responsible for the rise of Informal Cross Border Trade within and across its borders. An evaluation of the economic history of Uganda is done under different presidents especially Milton Obote, Idi Amin and Yoweri Museveni and then looked into possible ways in which informal cross border trade has risen in the country. The states have an obligation to make it possible at all times for each and every citizen to participate in the production of wealth to an extent sufficient for earning a viable income.

Through the discussion, it was realized that informal cross border trade thrives at the Kenya/Uganda border because of lack of consistency in government policy addressing the informal sector.

Chapter four examined the socio-economic impact of the Informal Cross-border Trade on the legitimacy of the Kenyan and Ugandan states. First, this chapter evaluated the history of the Kenya/Uganda socio-economic integration from 1963-2013. Through the discussion, it was established that the informal trade has both positive and negative implications and that the Basamia, Bateso, Bagishu and Basebei communities mostly ignore the boundaries and transact their businesses with relative ease. The nature of the state is seen as insignificant to the economic empowerment of its citizens as such and is regarded as a factor that shapes and limits their potential.

### **5.3 Conclusion**

The study has endeavoured to examine the Kenyan and Ugandan states context within the broader African state. Considerations were made involving the border communities, thus, Basamia, Bateso, Bagisu and Basebei that live along the Kenya/Uganda borders. The study has proved that the Informal Cross Border Trade between Kenya and Uganda is a reflection of a failed modern African state in the sense that it has failed at some of the basic conditions and responsibilities of a sovereign government. There is proof of failure of the Kenyan and Ugandan states to meet the aspirations of the people since the state is a parasitic institution with its officials being far from representing the common interest of civil society. The state seem to play very little role in economic production or reproduction.

The modern state is also an expression of the irreconcilable conflicts rooted in the egoism of civil society – yet it is supposed to be characterized by a genuine unity of state and people. The nature of the state is seen as irrelevant to the economic empowerment of its citizens as such and is regarded as a factor that shapes and limits their potential.

From the study, it was also concluded that informal trade practices across Kenya and Uganda are designed to promote ethnic nationalism. The states of Kenya and Uganda are often treated simply as a subject comparable to a firm or household, or as a set of neutral policy instruments applicable to various economic goals, or

as the private property of rational, maximizing self-interested political actors whose actions largely hinder economic performance.

The people engage in these informal trading and socializing activities because the modern state in Africa that is, the European state in Africa appears to have failed to offer desired services to its people. So informal cross border trade is a daring expression of localized Bagisu, Bateso, Basamia, Basebei nationalism. The communities are eager to violate and dissolve boundaries which endanger their unity.

#### **5.4 Recommendation**

The study helped to point out that the main issue facing the Kenyan and Ugandan states is lack of consistency in implementing government policy addressing informal sector, and the Informal Cross-Border Traders in particular. Many Informal Cross-Border Traders are well aware of various general provisions of the Custom Union including most of the regulatory requirements. The following are important recommendations:

The Kenyan and Ugandan states should undertake aggressive publicity and dissemination of the EAC Treaty, the Custom Union Protocol, the community's policies and other applicable laws and principles as provided for under Article 39 of the Protocol.

There is need to educate government agencies on protocol including attitude change among customs officials and other border officials and monitor compliance including to requirements of international law or treaties and conventions.

Involve non state actors in formulation and implementation form design since Informal Cross-Border Trade is a worldwide reality and requires official recognition including revising EAC Common Market to recognize it and provide it apt environment.



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## **APPENDIX 1**

### **OUTLINE OF CHAPTERS**

- Chapter 1: Histographic Background of the Study
- Chapter 2: Main features of the Modern state in Africa; Focusing on Kenya and Uganda
- Chapter 3: The Failure of the Kenyan and Ugandan States to manage the relations at the border and the rise of Informal Cross-Border Trade.
- Chapter 4: The Impact of Informal Cross-Border Trade on the legitimacy of the Kenyan and Ugandan States.
- Chapter 5: Summary, Conclusion and Recommendations

## **APPENDIX 2**

### **TIMELINES**

Proposal presentation:	May 2013
Field work:	June – August 2013
Library Research:	September – October 2013
Data Analysis:	November 2013
First draft:	December 2013 – January 2014
Second draft:	October 2014

### APPENDIX 3

#### BUDGET

ITEM	DESCRIPTION	AMOUNT (Kshs.)
Internet and library	Library	10,000
sourcing: Modem cost	modems	5,000
Airtime		10,000
Laptop, Printer, Printing	Purchasing	
ink, Printing papers		150,000
Travel costs	Field Transport and research transport	30,000
Subsistence	Researchers and token for respondents	40,000
Stationery	Field note books, pens, papers	8,000
Other costs	Publication costs	20,000
	Data analysis costs	20,000
Total		293,000

## **APPENDIX 4: QUESTIONNAIRE**

Dear Sir/Madam,

I am Lilian Achieng Mukani, a student pursuing a Masters Degree in International Relations & Diplomacy at Kenyatta University of. As part of my course requirements, I am undertaking a survey research on the African state and the informal cross border trade; an analysis of the Kenya/Uganda experience, 1963-2013.

Please do assist me by filling this questionnaire

### **SECTION A**

#### General Background Information

Please answer the questions by ticking appropriately

In which category do you fall

Trader in clothes & shoes

Trader in foodstuffs

Trader in spare parts

Trader in petroleum products

Gender

Male

Female

In which age bracket do you fall?

Below 15 years

16 – 20 years

21 – 30 years

31 – 40 years

41 – 50 years

51 and above

Where do you reside? \_\_\_\_\_



What is your highest level of education?

None

Primary

Secondary

College

University

If Others specify \_\_\_\_\_

**SECTION B:** Features of the modern state.

Are you a citizen of your country of residence?

State which one \_\_\_\_\_

Is your citizenship by:

Birth

Marriage

Trade

Do you have national identification documents? Yes/No

If No, explain your answer \_\_\_\_\_

\_\_\_\_\_

Do you pay some fee to sell your goods at the market?

Yes

No

Explain why and how

---

Does your state provide for all your needs and aspirations?

---

---

Do you think that your state has contributed to the rise of Informal Cross-Border Trade?

In which ways? \_\_\_\_\_

Does the border affect your operations in any way? Yes/No If Yes, how \_\_\_\_\_

Where do you access healthcare services?

Kenya

Uganda

Do you prefer the services offered in Kenya/Uganda?

Explain why \_\_\_\_\_

Do you have children in formal private or public schools? Give reasons for your choice.

---

How do you get their school fees?

Explain \_\_\_\_\_

Is it affordable and of good quality?

Explain

---

Is your community represented in the government?

---

If yes, through elective positions or appointments?

Explain \_\_\_\_\_

Have you ever experienced any calamities in your country?

Give details \_\_\_\_\_

Given a choice, would you rather be identified as Kenyan/Uganda or by Samia,

Teso, Bukusu,

Gishu or Sebei communities?

Explain your answer \_\_\_\_\_

\_\_\_\_\_

How long have you stayed here?

Do you have any intentions of shifting to another town? Yes/No

Explain your answer \_\_\_\_\_

\_\_\_\_\_

**SECTION C. The Informal Trade**

Business category of respondent

Retail

Wholesaler

Retail / wholesaler

Hawker

Other – specify \_\_\_\_\_

What goods do you trade in? mention them

\_\_\_\_\_

Why do you trade in these goods?

Explain \_\_\_\_\_

Are there any other goods involved in informal trade?

Yes

No

Mention some \_\_\_\_\_

What is the economic value of the goods you trade in?

Specify \_\_\_\_\_

Where do you store your goods?

Own store

Rental store

Other

Specify \_\_\_\_\_

Why do you engage in informal cross border trade?

Why don't you practice the formal trade?

Are there some untold stories about trade along the border? Explain some \_\_\_\_\_

Are there any benefits of informal cross border trade to you and your community?

Do you pay Exercise Duty to the state?

Explain \_\_\_\_\_

Which part of informal trade have you witnessed or participated in?

Chepkube coffee smuggling 1977

Arms trade

Foodstuffs

Spare parts

Cigarettes

Give details \_\_\_\_\_

xii. Who are your trade partners?

xiii. Do you demand for any security or identification documents before entrusting goods with your trade partners?

\_\_\_\_\_  
\_\_\_\_\_

ivx. How do you unofficially resolve trade conflicts if any?

\_\_\_\_\_  
\_\_\_\_\_