

## ECONOMIC AND SECURITY POLICY BRIEF

### Beyond Coronavirus and Mask Diplomacy: East African Community Must Get Economic Security Right

**Ssemanda Allawi**

Of course, risks will always be there! This coronavirus global pandemic is a perfect example of how global and regional blocs supply chains can turn upside down in the blink of an eye. A closer and most applicable example is countries' dependency on imported medical supplies and or medical tourism. The dependency on imported medical supplies or poor medical or health services at home gives a perfect example of human health risks which may be extended to states whenever there is uncertainty thus interrupting supply. For EAC partner states, the 'coronavirus crisis' should be an eye-opener for the EAC to forge a clear, and working new economic approach meant to manage dependencies and make EAC work for all citizens of Partner States if the bloc is to make sense for citizens of member states.

Without doubt, the novel coronavirus pandemic, and the lacklustre East African Community (EAC) should give EAC member countries a clear example of vulnerability of economic interdependence and for the need the EAC to swiftly establish a real and functioning integration that makes citizens proud of it.

In this context, interdependence is a form of power struggle and should not be seen as a mutual aid community or society. If intended benefits of Regional groupings or communities are to overshadow likely risks, there is need for such groupings to build strong and resilient policies.

This pandemic offers EAC an opportunity to devise means and forge a meaningful economic, social and public services approach for member countries to smartly manage their interdependencies in all strategic sectors.

Arguably, the most common asked question from African authorities is will we be able to recover from losses and patch up wounds caused by Covid-19?

While the question is good to reflect on and forge a way on how best we can move on after Covid-19 pandemic, a more appropriate question should be how can we as a Regional Block (EAC) seize the best Globalization and Regional Organizations

offers and turn them to better way of managing risks.

Of course, risks will always be there! This Coronavirus Global pandemic is a perfect example of how Global and Regional blocs supply chains can turn upside down in the blink of an eye. A closer and most applicable example is countries' dependency on imported medical supplies and or medical tourism. The dependency of imported medical supplies or poor medical or health services at home give a perfect example of human health risks which may be extended to states whenever there is uncertainty thus interrupting supply. For EAC partner states, the Coronavirus Crisis should be an eye-opener for the community to forge a clear, and working new economic approach meant to manage dependencies and make EAC work for all citizens of member countries if the Bloc is to make sense for citizens in partner states.

With Covid-19 global pandemic, not any single EAC country could survive supply disruption which resulted into fear and consequently, [sharp rise in prices](#) of essential commodities like food and medical supplies. This resulted in political [agitation in some African countries](#) and generated questions including

EAC scepticism wondering the role of EAC and its solidarity especially when it comes to addressing challenges its citizens are facing.

The other countries outside Africa where most African leaders would go for treatment and other services became inaccessible as the world enforced a lockdown, their medical supplies restricted to first supply home needs raising questions on the future of globalization and or

regional blocks as [Henry Farrell and Abraham Newman](#) observed “...creates extraordinary efficiencies but also extraordinary vulnerabilities.”

### **The Cobweb of Politics of Interdependence.**

One of major lessons covid-19 pandemic taught us is the shock that states can face in times of unforeseen risks – an interdependent regional and or global economy where singularly or individual dependencies have capacity to cause discomfort and serious disruptions whenever there are interruptions. In this case, it is not only pandemics that can cause serious disruptions but powers too in region or global settings can choose to use dependencies to cause interruption especially if it in anyway helps them in terms of political calculations. In this case, any poorly thought decision can leave any country in a regional block or global power in a situation that may see them weaponizing their dependences in their political interests and in the long run affect entire region or global supply including sometimes [disrupting supply of life saving drugs and equipment](#). For example, at the height of Coronavirus pandemic, the U.S [president Donald Trump banned exportation of surgical masks and other important medical supplies](#) useful in containing the pandemic arguing they should be reserved for American people. In the EU, member countries chose to fold arms and decided to [abandon Italy and Spain](#) which raised questions of importance of EU to its member countries.

In the East African community, rules and protocols which are meant to ensure tranquillity, peaceful co-existence and free movement of goods and services of East African people have also not been spared during this pandemic. EAC Secretariate and

heads of states in the community who the community would expect to provide leadership role and make EAC work – or to de-politicise EAC and move in spirit of community rather than promote single country's interests, settle state and trade misunderstandings through mutual agreements not power all seem to be in a health coma.

Indeed, when covid-19 reached EAC, despite having a functioning assembly and secretariate, there was no immediate meeting or assembly to discuss how EAC would contain and slow spreading of covid-19. All EAC member countries introduced different measures with Tanzanian president John Magufli urging Tanzanians to gather in Churches and mosques to delegate the [fight against Covid-19 to God](#) and later [dismissed Covid-19 testing kits as faulty](#) contending that they gave positive results on samples taken from a goat and a pawpaw. In [Kenya, at least 12 people were shot](#) by security agencies for failing to honour curfew meant to slow the spread of the virus, with over 400 confirmed deaths as of 18<sup>th</sup> August 2020, while in Uganda, similar complaints of people being [shot for defying curfew](#) orders are also common with Human Rights Watch complaining of [human rights violations](#) in the enforcement of measures to counter covid-19.

While most of EAC countries introduced strict lockdowns, Tanzania did to contrary raising fears among some EAC member states fearing lack of strict measures in Tanzania would result into spreading of the virus as Tanzanians under EAC movement agreements would easily cross into other EAC countries and hence, possibility of spreading the virus further. Kenya raised concerns

over Tanzania's response to covid-19 and it resulted in a [diplomatic complaint](#) as Tanzania later banned Kenyan airways from flying to Tanzania after Nairobi lifted the travel ban. Intra trade in the EAC region was disrupted with countries like Uganda and Rwanda which depend on Kenya and Tanzania's ports being the most affected as a result of strict travel movements, [intra trade volumes in the EAC have dropped](#) to between 30 and 40 per cent in the past months.

Even with such impacts on EAC economy, some EAC went ahead to restrict movement of goods and services from member states. Despite existing protocols that allow movement of goods and services in EAC region, [Tanzania banned Kenyan trucks as covid-19 diplomatic row](#) escalated in EAC member states.

As professor Simon Evenett noted, in our interconnected world, whenever a global crisis occurs governments must decide whether discriminating against foreign suppliers is part of the solution, or whether foreign knowhow and resources can be tapped for mutual advantage. Decisions to sacrifice open borders on the altar of some other goals are typically influenced by the steps – real or perceived – taken by other governments. At such times, written and unwritten international rules are tested, with consequences that can last well after the crisis dominated headlines. The coronavirus pandemic is no exception. Sadly, EAC seem not to be aware of how the interconnected world should confront challenges such as Coronavirus pandemic.

This way, questions like; will Covid-19 crisis inspire EAC to engage in real integration and build a meaningful EAC with visible importance to its

people? Or will this crisis further expose EAC and encourage the opposite; further encouraging confrontation, fragmentation and lack of cohesion in the block?

### **EAC's Shame in Repatriating Stranded Citizens from Abroad.**

The other issue questioning importance of EAC block towards citizens of member countries is the block's inept and shameless response and largely failure to repatriate its stranded citizens after the outbreak of Covid-19. As a result of lockdown measures in different countries world over, many people especially students and business men and women found themselves stranded abroad as airlines suspended flights and several countries closed their borders. While countries in other Regional organizations such as Southern African Development Community ([SADC](#)) quickly aided repatriation of their citizens as early as March 2020, EAC countries were very [reluctant to repatriate](#) their stranded citizens [despite calls](#) to do so.

As [calls for repatriation](#) of stranded citizens gained momentum, there was no coordinated arrangement and all countries in East Africa worked individually to repatriate their citizens while many to date remain stranded in foreign countries. For example, in May 2020, [Kenya repatriated about 100](#) of its citizens with their national carrier KQ with capacity of 220 passengers. Arguably, one may reason that it would have been cheap and wise KQ to bring onboard other stranded citizens of EAC member country like Uganda since it would then be easier for them to cross to their country. Sadly, EAC legislators who should have pushed for such agenda, many of them are only advancing

issues in their individual interests like [Uganda's representatives](#) who were deeply involved in calling for suspension of some of major tenets of democracy such as elections other than raising the now neglected issue of helping stranded EAC citizens return home. Consequently, countries such as; [Rwanda](#), [Tanzania](#) and Uganda also later made their arrangements separately to repatriate some of their stranded citizens.

This makes one wonder, of what use is EAC to citizens of its member countries? Is it of any help to citizens our individual countries to subscribe to EAC? Should one be happy to associate him/herself with EAC? Why should one even be carrying an EAC passport if it cannot help them as we see in other Regional groupings such as [SADC](#) and [EU](#)?

This in all means show lack of cohesion, coordination in EAC and hence, one may ask several questions;

Does this signal likelihood of collapse of EAC or the end of Interdependence and globalization? Arguably, one may conclude that global economic interdependence is not about to collapse and is here to stay. However, what is clear is that Covid-19 Global crisis is another catalyzer for the question where the balance lies between on the one hand the vast economic benefits of interdependence, and on the other hand states' feeling of incapacity to defend the health of citizens – or other security interest it may have. This way, one may wonder, what happens when states fail to help citizens in hard times like the current situations? Can pandemics instigate or

cause revolution? We have already seen how the poor handling of Covid-19 in the U.S has affected political establishment with Democrats accusing president [Donald Trump of failing to contain Coronavirus](#) and failing to cushion the country's economy causing unprecedented numbers of unemployment. In Africa, we have seen [Zimbabweans](#) protesting against the regime's response in containing Covid-19, in [Kenya, protesters took to street condemning alleged corruption and stealing of funds](#) meant to help fight Covid-19 branding some officials “*Covid billionaires*” with allegations that some officials are using Covid-19 to steal and amass wealth. There have also been similar allegations in other EAC countries like [Uganda](#).

Questioning states' failure to protect and safeguard interests of citizens and their health is arguably not new. In his book [Wealth of Nations](#), Adam Smith argues that “defense [...] of much more importance than opulence.” The defense of citizens' health may be a more obvious reason for states to intervene in global markets. Today, few politicians would disagree that we should minimize the risks of an interdependent economy for essential supplies like medicines, given their significant national security implications, even if such a policy means increased costs. But do our politicians mind about the well-being of citizens during crisis like Covid-19?

This strategic value, which eclipses mercantilist or protectionist logics, makes states less willing to expose themselves to the potential risks of over-dependence on regional or even global networks – or rival governments. For example, the US-China competition is chiefly played out the technology

domain. But they are not the only governments to translate the politics of interdependence into questions of economic security and national security.

### **Superiority and Power Struggle.**

There is no way you can discuss interdependence without pointing at power struggle. However, in situations where struggles are controlled say through rules based on global governance or regional groupings and provisions in treaties of such groupings, interdependence can help us realise mutually beneficial outcomes. Indeed, despite a few challenges such as some EAC member countries going against free trade in the region and banning some goods from other countries as we have seen with [Kenya banning importation](#) of some goods from Uganda and [Tanzania banning importation](#) of some goods from Kenya, arguably, following EAC treaty and rules, we have to a certain extent realised benefits of Integration and interdependence.

On Global front, today's challenges to regional or even international compromise are an open secret. On international level for example, neither China nor United States of America seem ready to give an example of compromise. This is exactly what is happening in East Africa where despite the said EAC integration, the battle for supremacy seems to be glaring. Diplomatic row between Uganda and Rwanda saw closing of the border of the two neighbouring countries; [costing both sides lives and billions of dollars](#) as the two EAC member countries fail to resolve their animosity now for two plus years. Kenya, though at first seemed willing, has not been lucky to bring the two warring neighbours to negotiating table and the

[two preferred Angola](#) – a non EAC to host their attempt to address their egos raising more questions on EAC’s capacity to address a serious crisis amongst their member countries.

Owing to the above, one may wonder if EAC’s integration is largely applicable on paper and if so, should we say it is failing and therefore be abandoned? Arguably, in no way does EAC’s weakness mean the bloc has hit a dead-end in its quest for a meaningful regional integration. With Covid-19 pandemic, one expects EAC not to behave like a fish which fail to realise the expansion and sometimes narrowing of a lake it is swimming in. As a bloc, East African Countries are yet to seize swimming under waves and where it deems it necessary sail on them!

In this context, the analogy of sailing calls for strategic positioning of the ship and assessing well and knowing the waters it will be traversing. Put differently, it means EAC coming up with a body of experts or independent to handle or address any challenge that threatens progress of EAC such as the current diplomatic row between Uganda and Rwanda which resulted into border tension and hence, Rwanda closing its borders with Uganda now for years as EAC looked on, to extent of the two countries seeking [a neutral team outside EAC](#) to help them address their misunderstandings which has greatly affected movement of goods and people across the two countries common border.

On a global front, it means EAC to present itself as a well-organized bloc and position itself amidst globe’s rivalling powers as a vibrant and independent player able to independently forge its relations with other global players. Put differently, EAC needs to employ the so-called triangulation

strategy – where you engage one power without creating an open doubt and disengaging the other and the reverse is true. This may not necessarily mean equidistance amongst Beijing, Brussels and Washington perse, but EAC being clear on what they expect and broadly spelling out their foreign policy towards the major powers which EAC enforce as a block when there’s need. Yes, if organized, with its close to 200 million people and [skyrocketing economic growth of its member countries by 2030](#), EAC can be listened to on international stage if the bloc demands so.

However, the coronavirus pandemic revealed that as a bloc, EAC still has a long way to go and despite the bloc’s potential, it is still insignificant in world affairs. Yes, [EU countries](#) may have recognized EAC bloc with assistance to counter Covid-19, but still EAC remains dwarf. While [Beijing](#) and other [western powers](#) amplified their ‘[mask diplomacy](#)’ throughout EAC countries, many largely came to individual states and the name EAC was hardly mentioned. Though this assistance was timely, it is important to note that for great powers that often-donated medical supplies, arguably, theirs was never health crisis but rather the pandemic presented another platform for geopolitical jousting and public diplomacy.

While great powers support is appreciated, it should not cover the fact that it is the same support great powers use to gain leverage economic dependence for their selfish political gains. A case in point is when the [U.S broke ties with Rwanda](#) and suspended the landlocked country from selling their clothes to the U.S duty free accusing Rwanda of banning American used clothes in Rwanda

which Rwanda argued was done to support local factories and create jobs at home. Such developments in many ways threaten EAC and broadly African countries' independent decision-making on issues of their countries. While it may be argued that it is not easy to be fully independent in an interdependent world, this fact shouldn't be used by EAC governments to ignore taking necessary risk mitigations like the one Rwanda took if it is for the good of their countries and bloc. Arguably, the decision by other EAC countries – namely; Uganda, Tanzania, and Kenya to rescind the [bloc's 2016 decision of banning second hand clothes from the U.S](#) which came as a result of [U.S sanctions threats on the bloc](#) leaving Rwanda alone meant that EAC is not united and lacks cohesion on important decisions.

While the U.S continue to support EAC countries through various USAID programs with millions of dollars, EAC should take a broad stand and enforce banning of second hand clothes to protect their home industries. For example, different studies blame importation of used clothes from the U.S for the [sharp drop in textile closing jobs in Africa and the collapse of textile industries](#) while supporting U.S' second-hand clothes industry with about [67% of East African Community population using U.S second hand clothes](#) exported to EAC instead of supporting home industries.

It is time for EAC to take a wise strategy to interface with great powers' politics of interdependence. Even when we ignore for example the USAID's aid generosity and their second hand clothes diplomacy or indeed any other lever Washington may see working for them, it all risks EAC's ship on what is now rocky shores of

interdependence. While it is true that second hand clothes from the U.S are cheap, we should not be blind of the fact that it kills home industries while building outside as was observed in a petition to US Trade Representative which stressing that EAC 2016 ban on used clothes would impose a “[significant economic hardship](#)” on America's used clothing industry.

### **The Need for a New Economic Security Strategy.**

One of major lessons we should take from the Coronavirus crisis is that EAC more than ever should devise means and ways of reducing the bloc's vulnerabilities from interdependence of the world's great power. Though this seems like a high hill to climb, it is achievable if EAC develops a new approach to economic security which is based on merit not politics and capable of sending signals to the bloc's policy makers about possible geopolitical security risks the bloc faces other than EAC member countries only concentrating on invading armies. EAC now faces more serious risks such as economic interdependence especially in strategic sectors and goods.

It is a fact that risks are varied. Take an example of the disruption in supply chain, disruption in production on side of great powers, or even coercion especially by great powers where EAC may choose to make a decision in their interest against great powers' interests. Most of these risks are not only tied to technological perspectives or economic concerns but may also have spill over into EAC's long-term capacity to respond and defend bloc's interests. In this case, by all accounts economic security of EAC becomes a major insurance policy that cannot be swept under carpet.

To achieve this, EA countries must find out what are the community's strategic goods and sectors. Though this may not be an easy task, it will help the community not to suffer greater shocks in case of crisis like the covid-19 crisis we are in. One way of realising this is EAC to embrace protectionist approach and where possible shelter what the community sees as vested national interests of community member states. While this may affect welfare and consumer benefits as we prioritize security, geopolitical and security concerns – health concern seems to be darkening. Therefore, in today's geoeconomic era, as a bloc, EAC member countries should strive hard to strike a practical and working new balance between security and economic concerns that work for all.

Coronavirus which has [shut down the world](#) should be a warning to EAC partner states that supplies such as medical cannot and should not be left to global markets and or even governments which may end up [weaponizing](#) their supply for their own interests as we saw one of major [global medical supplies – the U.S ban their exportation](#) to first supply domestic needs. Africa produces [less than 2% of medicines consumed](#) by African countries, and over 70% is imported. With 'coronacrisis', India, which is one of major sources of medical supplies for Africa announced a [ban on exportation of at least 26 pharmaceutical ingredients](#) useful in production of essential drugs like paracetamol and antibiotics. Though the ban was later removed, exporting of such drugs remains tightly [controlled with one requiring special licences](#) to so. This coupled with disruption in transportation of goods especially airline grounding services, the demand for cargo air transporting [pharmaceuticals increased to over 100%](#)

causing supply disruption of essential medicines and East African countries in many ways suffered the consequences.

EAC partner state, Kenya is the largest producer of pharmaceutical products in COMESA region, an indication that if EAC countries design a policy to create an environment that can help Kenya produce more essential medical supplies, this can help EAC countries to have enough and survive dependence on Global powers supply which can in blink of an eye be stopped to favour home market in case of an outbreak. On platform of COMESA, Kenya is one of member countries with export restrictions on some medical supplies such as masks, ventilators and hand sanitisers. Hence, if other EAC countries can join Kenya and work as one bloc, they can allow a member state to produce more to supply EAC market and restrict importation of the same products. This will in long run create jobs, and reduce EAC's dependence on Global power supply. In same way, the policy can look at ensuring quality while producing such medical supplies and stamp out counterfeit products. Such a measure – fighting counterfeit products can also result into confidence in African products which seem to be common on African market. Indeed, shortly after outbreak of coronavirus, [fake medicines claimed to cure covid-19 such as counterfeit chloroquine](#) were found on African markets specifically in Cameroon.

Though EAC countries such as [Rwanda](#), [Uganda](#), [Kenya](#) and [Tanzania](#) quickly improvised and started manufacturing of much needed medical supplies such as masks which were needed to slow the spreading of the virus at a time when global supply almost came to stand still, EAC member

countries worked on this project in their individual capacity not as a community which left other member countries like South Sudan and Burundi that have limited capacity in dire need. The speed EAC member countries used to start production of such medical supplies means if the community plans well and come up with something like an EAC health policy or a pharmaceutical strategy, it can help the community to reduce global interdependence especially in medical or health sector.

Other than health policy concerns, EAC should look at needs that drive an economy and devise means of producing such needs at home other than depending on international supply which we have seen that in cases of global disruption such as outbreaks and pandemic can cause huge disruption to economy and wider services. For example, Uganda and [Kenya](#) both EAC countries produce crude oil and Kenya has already started exporting it. EAC would not be affected by risks in oil supply if the bloc for example invests in refining this oil within EAC to supply the community and export supply. Of course, there is a market within the community itself and the continent since most of African oil producing countries end at crude production. Though this maybe an expensive venture which may also be met with opposition from some major global powers for selfish interests, it is one of major risks the community should consider taking.

Such diversification by the community can help member states to become less dependent on global supplies and hence less geopolitical risks to EAC's dependency which in the end helps the community to manage vulnerabilities that come along global

supply disruptions, thus helping member states survive during shocks.

### **Impact on Trade in EAC & Debt Sustainability.**

The impact of Covid-19 on trade and economic growth of EAC member countries is very huge as different countries announced different measures to stop or slow down spreading of the virus. All EAC countries land borders are closed. On the continent, [38 out of Africa's 54 countries](#) announced closure of borders, 17 closed maritime borders with several other announcing ban on local and international flights (some countries have since August relaxed such measures.) These measures definitely were meant to curb movement of people. Though movement of essential goods and services were not banned, announced standard operating procedures (SOPs) in many ways made travel difficult and hence, affected delivery of goods and services. As a result of concerns that truck drivers were spreading the virus in EAC, member states announced [several border measures](#) which disrupted trade as [truck drivers protested](#) delays and days of long queues due to these restrictions.

Agriculture which is key in EAC member states, economy also was not spared. Almost in entire EAC, many farmers made [countless losses](#) since many could not access markets for their produce both local and across the borders due to lockdown measures. In EAC, food that crosses borders often end up in partner states' cities which many now faced with shortage of supply with [prices skyrocketing](#). In Kenya's Nairobi for example, prices of maize in April 2020 increased compared with April of 2019, while in Uganda's capital –

Kampala, rice price also increased despite government's efforts to [regulate prices](#).

A working paper entitled "[Africa trade and Covid-19: The supply chain dimension](#)" released by The Africa Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (ECA) and UK-based Overseas Development Institute (ODI) observed that covid-19 occasioned unprecedented Fall in trade volume especially cross-border trade, investment and commodity prices and hence, negatively impacted the forecast for Africa's economic growth. This crisis means that for the first time in 25 years, Africa's gross domestic product (GDP) is projected to contract.

From the said paper, it is evident that African countries which heavily depend on imports of medical supplies and other essential goods are vulnerable to crisis and outbreaks like the coronavirus pandemic since such outbreaks affects trade and movement of goods. Lockdown measures meant to control the spread of the virus especially in China and later Europe left Africa's roots of supply shut. More than 82% and 96% respectively of Africa's food items, medicine and pharmaceutical goods all are imported. Therefore, the lockdown on China which accounts to over 11% of African countries exports in many ways disrupted markets and supply, while prolonged lockdown in Europe – the home to 33% and 32 % of African countries [exports and imports](#) respectively was significantly disrupted.

Trade – one of major hit activity by coronavirus has resulted into reduction in the continent's trade volumes with exports and imports projected to decline by 8% and 16% respectively – for the year

2020 if compared with pre-covid-19 years. Consequently, 17% of world's Covid-induced poverty will be in Africa with the continent being the [world's biggest concentration of the poor at 20%](#).

This revelation points a picture on the likely gloomy future for African countries economic muscle [rolling back some of achievements](#) in regard to Sustainable Development Goals initiative. Other projections point at between 40-59 million Africans sliding back to [extreme poverty](#).

Jobs have also not been spared. The UN Economic Commission for Africa (UNECA) projects that close to 19 million jobs could be lost though this will depend on Africa's individual country's level of trade openness and diversity of exports. EAC patterner states such as [Kenya and Rwanda](#) are some of countries vulnerable to pandemics due to their high-level of exposure, according to a vulnerability index published by ODI.

While nowcast for East African Community partner states' economic performance after covid-19 is clear, the forecast is very uncertain for the remaining months of 2020 and early months of 2021. Basing on available predictions, several EAC economies will struggle to pick up which even casts doubt in their ability to pay their huge debt.

In [Uganda](#) for example, in 2019 the country's GDP averaged at 5.9% and had been projected to grow at about 5.3%. With Covid-19 crisis, the figures have been revised to 3.5% while [Kenya](#) which registered 5.4% GDP growth in 2019 and had been

projected to grow at 5.7% in 2020, with Covid-19 impact, projected figures fell to 1.0%, the lowest since 2009. [Tanzania's GDP](#) which grew at 6.3% in 2019 and was projected to grow at 5.3% in 2020 is projected to decline to 2% in 2020. In [Rwanda, economic growth](#) has also been affected by covid-19 with hotels and restaurant sector projected to contract by under a third, agriculture decline from 2019's 5% to 3%, industry from 17% to 4% while service sector will decline from 8% registered in 2019 to 1% in 2020.

Different countries have come up with various measures and introduced different fiscal and monetary interventions all meant to cushion their economies. Some of measures taken have seen the scale of indebtedness in the bloc raising. All this raises questions like if these countries will sustain their debts. Indeed, Uganda's president Yoweri Museveni already urged [creditors to cancel Africa's debts](#) citing coronavirus as a problem. On 6<sup>th</sup> August 2020, [Uganda Debt Network](#) (UDN), a national policy advocacy organisation, called on international creditors to consider a total debt cancellation for Uganda as opposed to debt service suspension and also allow a 10-year action of no-interest on new debts, arguing this will help the country survive effects of Covid-19.

Uganda has one of largest debt loads in Sub-Saharan Africa, raising concerns of among [Finance ministry officials](#) and at IMF about the country's ability to repay. The country's debt stands at estimated \$13.11 billion and public debt is about [46% of its GDP](#). On the other hand, Kenya which is EAC's biggest economy has already exceeded the recommended limits for debt - servicing costs. While IFM recommended threshold is 30% of a country's revenue, by 2017, [Kenya's was at 42.7%](#) raising fears that this could bring the country closer to debt distress.

Among other lessons and challenge EAC should learn from 'coronacrisis' is that it has shown us cross-border trade is very important and no state can live on its own alone, and interdependence is here to stay. Upon this background, EAC should and other African states should join hands and ensure quick implementation of African Continental Free Trade Area (AFCFTA) to ensure that in case of future outbreaks, member states suffer minimal shocks especially movement of essential goods and services such as medical supplies.

### **EAC's Economic Security in Post Covid-19.**

Arguably, one can conclude that the stage is set. However, even with EAC countries' quick response to improvise and produce essential medical supplies such as masks, personal protective equipment and some ventilators to counter covid-19, there exist several gaps the community must confront after this crisis. Indeed, if there are lessons to pick from the coronavirus pandemic, EAC member states working as a bloc can do well if they embrace a systematic approach in facing interdependence, and this approach must be able to safeguard most of already registered benefits while striving to minimise any possible risks.

Though coronavirus crisis arose EAC's economic security as member states such as [Uganda](#), [Rwanda](#) and [Kenya](#) announced stimulus packages to help cushion economy from the impact of the new coronavirus all EAC member countries don't have in place clear mechanisms to help them vet foreign investors leaving EAC at risk of taking in any investors which may leave local business unable to thrive. In all EAC member countries,

non-came up with a bailout fund to temporarily support their struggling companies and firms after covid-19 turbulent leaving others at [risk of closing](#).

Despite economic stimulus announced across EAC member countries, this does not necessarily mean local firms and business will easily stand again after this long covid-19 induced great lockdown. To get economic security on right track, it needs serious thinking and not just shooting from the hip. Individually or as a bloc, EAC needs a methodology clearly assess involved risks, examine likely advantages discuss possible defensive options.

This to be done, states must have thinkers in key decisions and borrow best practices that are working and where applicable apply them home. EAC countries can for example help local firms by offering them subsidies so as to limit their dependency on foreign powers such as China. [This policy](#) is already working well in Japan.

Covid-19 pandemic should inspire us to come up with a clear and systematic EAC approach and examine dependencies as community or individual countries we are willing to risk during emergencies like the one we are faced with, or the era of great power supremacy contest. What is clear is that interdependence is not here for a short time, our important task now is how as a community or countries we are ready to manage it.

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**Ssemanda Allawi** is Research fellow at Development Watch Centre.

Email [allawissemanda@dwcug.org](mailto:allawissemanda@dwcug.org),  
twitter [@SsemandaAllawi](#).

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