



Drivers and Barriers: Understanding Ugandan SMEs' Trade Preferences within the East African Community (EAC)

Saba Abraha TSEGAYE



EIMAS
EUROPEAN INTERDISCIPLINARY
MASTER AFRICAN STUDIES
Erasmus Mundus Joint Master Degree

Abstract

This study explores how Ugandan agricultural SMEs perceive East African Community (EAC) trade policies and how these perceptions shape their export decisions within the region. Despite being central to regional trade, SMEs' voices are often missing in policy discourse.

Research Problem

- low intra-regional trade
- Uganda trade deficit
- lack of research on the perception of SMEs of the EAC trade policies
- 20% Ugandans were unaware of EAC, 20 % unsure if the regional integration was beneficial to Uganda and 64% showed positive outlook (Male & Nakayima, 2025)

Methodology

Research Approach

- Qualitative Method

Data Collection

- Semi-structured interviews (March–April 2025)

Participants:

- 13 Agricultural SMEs (decision-makers)
- 11 Key Stakeholders (e.g., trade officials, support institutions)

Sampling Strategy:

- Phase 1: Purposive sampling via Uganda Export Promotion Board (UEPB)
- Phase 2: Snowball sampling

Interview Mode:

- In-person: Majority of interviews
- Online: 2 participants

Data Analysis

Qualitative content Analysis (Mayring, 2014)

Theoretical Perspective

- Uppsala Internationalization Model
- New Institutional Economics (NIE)

Acknowledgement

I am deeply grateful to everyone who has supported me along the way. Special thanks go to my supervisors, Prof. Dr. Alexander Stroh-Steckelberg and Dr. Isaac Abotebuno Akolgo, for their support and understanding. I also want to extend my appreciation to the EIMAS Consortium. A heartfelt thank you to Mirjam Straßer and Dr. Franz Kogelmann for their invaluable assistance. Finally, I am especially thankful to my family for their unwavering encouragement and support throughout this journey.

Introduction

The East African Community (EAC) is a regional integration with four main pillars:

Customs Union

- eliminate internal tariffs on goods traded among Partner states and establish a Common External Tariff (CET) on goods imported from outside the region, thereby creating a harmonized trading space

Common market

- free movement of goods, people, capital, and labor

Monetary union

- a single common currency among member states

Political federation

- a single, unified political entity

Results & Conclusion

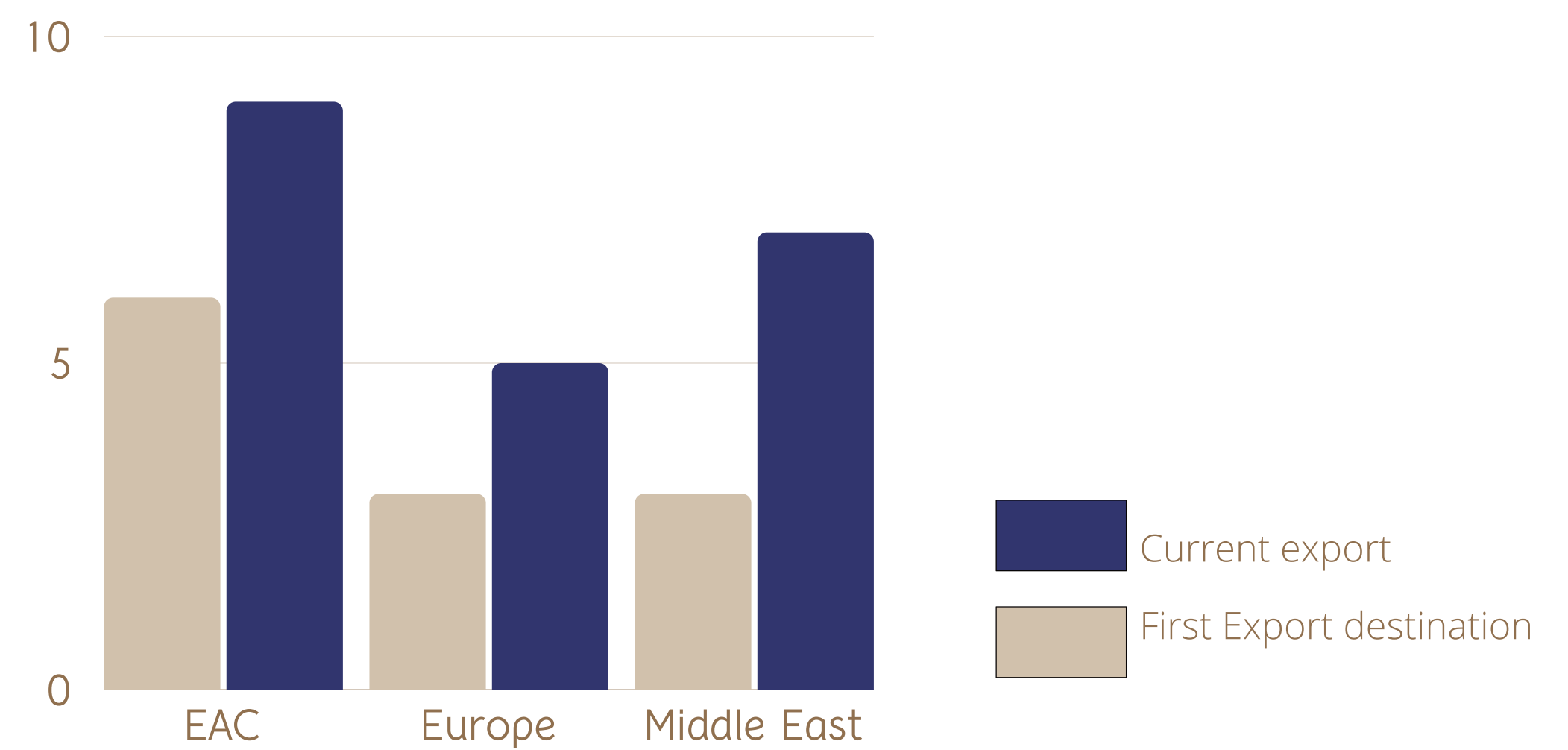


Figure showing export destinations of SMEs

SMEs Perceptions of EAC Trade Policies:

Positive perception: SMEs are attracted by the potential of a larger regional market.

Negative Perception: Intra-EAC trade is hindered by inconsistent policy implementation, non-tariff barriers (NTBs), and high transaction costs

Psychic Distance:

- SMEs report feeling greater institutional distance within the EAC than with more stable but geographically distant markets like the EU

Adaptive Strategies:

- Use of informal networks
- Advocacy for policy harmonization and infrastructure improvements

Reference

- Male, S. S., & Nakayima, R. (2025). Ugandans favour regional integration, appreciate China's influence.
- Mayring, P. (2014). Qualitative content analysis: theoretical foundation, basic procedures and software solution.
- North, D. C. (1986). The new institutional economics. *Journal of Institutional and Theoretical Economics* (jite)/Zeitschrift für die gesamte Staatswissenschaft, 142(1), 230–237.
- Sandelowski, M. (2010). What's in a name? Qualitative description revisited. *Research in nursing & health*, 33(1), 77–84.
- Sandelowski, M. (2000). Whatever happened to qualitative description?. *Research in nursing & health*, 23(4), 334–340.
- Stadelmann, D., & Frempong, R. B. (2018). Did the Customs Union of the East African Community Increase Overall Trade of Kenya, Tanzania and Uganda?. *The African Review*, 45(2), 348–361.
- Stebbins, R. A. (2001). *Exploratory research in the social sciences* (Vol. 48). Sage.
- Tharani, A. (2017). Harmonization in the EAC. *East African Community Law*, 486.

CONTACT

sabainaab@gmail.
com