

Economic Diplomacy as a Pillar of Bilateral Engagement between Kenya and Uganda from 1962-2024

Kenneth Kaunda Odulwa¹⁾, Kizito Muchanga Lusambili²⁾, Josephat Nairutia Kemei³⁾

^{1,2,3)} Masinde Muliro University of Science and Technology

*Corresponding Author

Email: odulwakenneth@yahoo.com , kmuchanga@mmust.ac.ke , josephatkemei@gmail.com

Abstract

This article underscored the economic diplomacy as a pillar of bilateral engagement between Kenya and Uganda from 1962-2024. This is due to the fact that, since the Kenya's attainment of independence in 1963, and Uganda in 1962, a relationship that is not limited to cooperation, competition and mutual dependency has been going on. This article reviewed related literature and gaps identified. It adopted historical research design which enabled the study to relate the past events with the current. Administrative directors, diplomats, immigration agents, security guards, traders, and certain homeowners with land near the border were among the groups targeted. Since the study was qualitative in nature, it adopted purposive and snowballing techniques. The research found out that; both countries have utilized economic and peace diplomacy to strengthen ties, particularly in areas such as infrastructure development and cross-border trade. Notably, Uganda is Kenya's second-largest export destination, accounting for 9.5% of Kenya's total exports in 2023. Conversely, Kenya is a significant export partner for Uganda, representing 16.88% of Uganda's total exports. It also emerged that; In light of the fact that Uganda is a landlocked country and Kenya is dependent on the Ugandan market for the export of its produce, the diplomatic relations between Kenya and Uganda are of great significance. Additionally, the research recommends that; ultimately, a comprehensive approach that combines empirical data and interpretive insights is crucial for maximizing the benefits of economic diplomacy.

Keywords: *Bilateral, dependency, diplomacy, economic diplomacy and engagement*

INTRODUCTION

Since Kenya and Uganda gained independence in 1963 and 1962 respectively, the two East African nations have maintained a complex but evolving relationship, characterized by cooperation, competition, and mutual dependency (Kiganka, 2018). Central to this relationship is the practice of economic diplomacy, a strategic tool that both nations have increasingly relied upon to manage their shared economic interests, foster trade, and strengthen political ties (Cerere, 2015). As globalization intensifies and regional integration efforts deepen, the role of economic diplomacy in bilateral relations has grown in significance.

The history of Kenya-Uganda relations reveals how economic diplomacy has been used to navigate challenges such as trade disputes, resource sharing, and cross-border infrastructure development (Kiprotich and Onyango, 2023). Both nations recognize the mutual benefits of economic cooperation, and the leadership on both sides has sought to use diplomacy to mitigate tensions and maximize opportunities, particularly in sectors such as agriculture, energy, and trade.

The need to critically examine economic diplomacy between Kenya and Uganda arises from the strategic importance of these two nations in the East African region. Their bilateral relationship not only affects regional stability and economic growth but also offers lessons on how developing nations can leverage diplomacy for mutual development. By analyzing the role of economic diplomacy from 1962 to 2024, this article sought to explore the evolution of this strategy, its successes and challenges, and its potential future impact on both nations' political

and economic landscapes. Understanding these dynamics is crucial for policymakers, scholars, and stakeholders interested in regional diplomacy, trade, and sustainable development.

Furthermore, since Kenya and Uganda gained independence in 1963 and 1962 respectively, their relationship has been characterized by a balance of cooperation, competition, and mutual dependency (Otieno, 2016). Economic diplomacy has been a key mechanism for fostering trade, managing shared interests, and strengthening political ties (Mwangi, 2017). The importance of this strategy has increased with the pressures of globalization and regional integration.

Therefore, the historical trajectory of Kenya-Uganda relations illustrates how economic diplomacy has been leveraged to address challenges such as trade disputes, resource management, and cross-border infrastructure development (Obuya & Kibet, 2022). Research further underscores the mutual benefits of such cooperation, particularly in agriculture, energy, and trade (Kamau, 2020; Nyongesa, 2019). Despite these advancements, there remain critical gaps in understanding the impact of emerging challenges, such as climate change and digital trade, on bilateral relations. This study analyzes the evolution of economic diplomacy between 1962 and 2024, exploring its successes, challenges, and implications for regional development.

RESEARCH METHODS

The study adopted historical research design. This is so that the data can be used to understand and explain past, present, and/or future anticipated events. Historical research design is a plan or strategy in which a researcher gathers data systematically and evaluates it by relating it to past occurrences in order to establish the causes, effects, or trends of those occurrences (Leedy and Jeanne, 2001). In the historical research design, the writings are basically descriptive. They begin with a narration of events in a time sequence, and the analysis addresses the questions of explanation, relationship, and consequences of events (Hans, 2001). Giving a thorough account of what participants reported and saw in answer to the research questions was the primary goal here. The study region is near Lake Victoria, the border with Busia, Malaba, Mount Elgon, and the boundary between Kenya and Uganda. Administrative directors, diplomats, immigration agents, security guards, traders, and certain homeowners with land near the border were among the groups targeted. Since the study was qualitative in nature, it used the purposive and snowballing techniques to contact its respondents. Both primary and secondary data collection techniques were used in this study (Ngozwana, 2018). Observations, questionnaires, oral interviews, focus groups, and archival sources were the key instruments used in the primary data collection process. The researcher used books, scholarly publications, the internet, reports, and newspapers to gather secondary data. Focus groups, interviews, and open-ended questionnaires were used to gather the data. The study analysed the collected data primarily using content analysis. This is true because content analysis is a research method used to find specific terms, topics, or ideas in texts that make up a given set of qualitative data.

RESULT AND DISCUSSION

Economic Diplomacy as a Strategy of Bilateral Relations between Kenya and Uganda

There had been diplomatic ties between Kenya and Uganda since before the country gained its independence. These ties were strengthened after independence, with both countries signaling towards future cooperation with the incorporation of the East African Community, which involved a triple agreement between the three countries that are immediately adjacent to

each other in East Africa (Ong'oyi, 2021). In light of the fact that Uganda is a landlocked country and Kenya is dependent on the Ugandan market for the export of its produce, the diplomatic relations between Kenya and Uganda are of great significance (Waweru, 2019).

In order to manage the relationship between the two countries, Kaminchia expressed the opinion that Kenya had utilized a combination of economic diplomacy and peace diplomacy (Kaminchia, 2020). It was reported by Kaminchia that cooperative arrangements were utilised in order to enhance the development of infrastructure and reduce the levels of trade costs between the two countries (Kaminchia, 2020). According to Tubman Uganda and Kenya have also considered the possibility of utilising cooperative diplomatic units such as; the Beach Management Unit, in order to manage conflicts that arise at border points regarding sources of income (Tubman, 2019). Concerns regarding the demarcation of borders, terrorist attacks, refugees and piracy are among the most significant threats to the territorial integrity of Kenya, according to Achieng, who conducted an investigation into Kenya's approaches and reported on the findings (Achieng, 2021).

Diplomatic relations had not been successful in managing the maritime dispute with Somalia, as well as the disputes over Migingo Island with Uganda and the Illemi Triangle dispute with South Sudan. Additionally, diplomatic relations had failed to manage each of these disputes. Mwinyi, Okoth, and Maloba observe that the transboundary disputes that exist between Kenya and Uganda are of a territorial nature (Mwinyi *et al.*, 2022). They also assert that Kenya and Uganda have the ability to engage in economic diplomacy by formulating and implementing a transboundary resource policy. This policy would harmonise policies, legislative acts, management, and development of shared water resources.

Njeri *et al.*, assert that Kenya and Uganda have employed a variety of strategies, including cultural, military, and economic approaches, in order to combat ethnic conflicts that have occurred across the border between the two countries (Njeri *et al.*, 2020). In addition to being one of Kenya's most important trading partners, Uganda is also home to a sizeable number of Kenya's expatriates and is responsible for a sizeable portion of the country's trading with other countries (Iain *et al.*, 2018). The relationship between Kenya and Uganda has been deteriorating in recent years, and this is reflected in the decreased volume of imports and exports between the two states (Siggel and Ssemogerere, 2004). This is despite the fact that the two countries have a long history of engaging in cultural and commercial exchanges. Multiple unresolved disputes between Kenya and Uganda have been cited as the cause of the deterioration of relations between the two countries. These disputes have had an impact on trade in commodities such as milk, sugar, and poultry products.

As a result, Asiedu asserts that both nations accuse one another of engaging in exploitative business practices in order to advance their own personal interests (Asiedu *et al.*, 2021). As a form of retaliation, both nations reinstated excise duties on a variety of different goods (Bowles and Gintis, 1993). As a result of allegations of price inflation on the Kenyan side, Uganda threatened to abandon the Mombasa Uganda railway project (Achieng, 2021). This is just one example of how the feuds have spread into investment decisions. According to Anami, these feuds have had an impact on trade between the two states (Iwase *et al.*, 2022). Since then, Tanzania has surpassed Uganda as Kenya's most important export market, with the value of trade exceeding one billion dollars. According to Muutambo, despite the fact that authorities from both countries have attempted to repair this relationship through diplomatic meetings, there has been very little success (Kirui, 2022). In many cases, agreements are not adhered to, and efforts are not centralised.

According to Business Daily, the efforts have not resulted in an improvement of the economic situation, and the volume of trade that occurs between the two states is still lower than it was in previous years (Business Daily, 2021). According to Victor *et al.*, it is of the utmost

importance for Kenya to cultivate a robust, constructive, and enduring relationship with Uganda, which is its most important trading partner (Konrad and Szary, 2022).

The pursuit of diplomatic relations not only improves the efficiency of bilateral relationships but is also essential to the maintenance of development. Accordingly, Sekika is adamant that diplomatic relations facilitate integration and improve access within a wider region (Chirisa, 2015). Therefore, based on the review of the contextual aspects of the research, the primary focus of this study was on the ways in which economic diplomacy affects the bilateral relations between Kenya and Uganda. On the level of bilateral relations between the two countries, the research investigated the role that labour movement, goods and services movement, and foreign direct investments played in the relationship between the two countries (Chirisa, 2015).

It is essential to acknowledge that economic diplomacy is the primary factor that determines the state of relations between Uganda and Kenya. In spite of the fact that Uganda offers Kenya a ready market, Uganda's objective has been, for a considerable amount of time, to lessen, if not completely eliminate, its position as Kenya's "economic backyard." The value of goods exported from Kenya to Uganda in 2013 amounted to Ksh. 67 billion, which is equivalent to EUR, 632 million. This made Uganda the second largest export destination after the European Union. On the other hand, Uganda sent goods to Kenya that was valued at Ksh. 15 billion, which is equivalent to EUR 144 million. According to Kangethe, Uganda is Kenya's seventh largest trading partner (Kangethe, 2015). The value of bilateral trade was Ksh. 82.3 billion, which is equivalent to an amount of 776 million Euros.

A number of Kenyan businesses, including some of the largest banks in Kenya, such as Equity Bank and Kenya Commercial Bank, have established long-standing business operations in Uganda. These businesses include equity bank and Kenya Commercial Bank. The year 2014 witnessed the construction of an interconnected standard gauge railway that is intended to connect the landlocked country of Uganda to the port of Mombasa. There are also plans to expand the route to include an express highway. In spite of this, Uganda has been looking into other expansion possibilities ever since the diplomatic talks they were having broke down (Mahlatse *et al.*, 2019). According to Sekika, the economic significance of the standard gauge railway as a means of connecting Uganda to the rest of the world cannot be overstated (Hubery, 2019). This highlights the significance of having diplomatic relations that are in good working order between the two countries.

It was in 2014 when Kenya's Ministry of Foreign Affairs formulated the country's foreign policy, which was based on the principles of peace, economic development, diaspora diplomacy, environmental conservation, and cultural preservation and exchange (Ministry of Finance, 2015). The economic philosophy of Kenya, as articulated in Vision 2030, is incorporated into the practice of economic diplomacy. Even though Kenya has a robust trade base, the country is not performing as well as it should be going forward. As a result, Kenya has acknowledged that the East African Community serves as a primary foundation for economic development.

In addition, Kenya is interested in exploring emerging economies by strategically positioning itself to take advantage of the resources that are already available with investors in those countries. According to a Kenya Sessional paper published in 2012, economic diplomacy has a positive impact on Kenya's Balance of Payments in terms of increased exports, substitutes for imports, and capital investments (Kenya Sessional paper, 2012).

According to the East African Community, countries that are participating in economic diplomacy are required to make a legally binding commitment to revise the customs duty rates that they impose on goods that are imported (East African Community, 2017). When certain conditions are met, these nations that are participating in economic diplomacy are required to have zero tariffs on certain goods. Because of this, developing countries are able to gain access

to better and more affordable imports from developed countries. As a result, they are able to export their goods and services at a significant price, which shields them from the possibility of being exploited by larger markets. The purpose of this study was to determine whether or not Kenya has taken advantage of this opportunity to strengthen the economic diplomacy ties that are currently in place with Uganda (East African Community, 2017).

When two countries acknowledge their sovereignty and the potential benefits that could be gained from forming a bilateral relationship, they are able to make progress towards establishing bilateral relationships. It has been reported by Arel-Bundock that once diplomatic relations have been established, the states that are involved in the process exchange diplomatic agents known as ambassadors (Bundock, 2017). The ambassadors' primary responsibility is to facilitate dialogue. The terms "free trade agreements" and "foreign direct investment" are examples of bilateral agreements that are recognised for their international significance.

As a result of the fact that bilateral deals are specifically tailored according to the requirements of the nations that are participating, there is no established principle of how to apply bilateral relations. As a result, it is of the utmost importance that participants understand the differences that relate to the specific circumstances. Through the use of bilateralism, participants are able to investigate different ways to develop individualised agreements that would be to the advantage of the states that are contracting (Trauma, 2013). From the archival data, it emerged that: With records dating back to 544 BC, before the birth of Buddha, India and Nepal are among the oldest states to establish bilateral relations. This makes them among the oldest states internationally. Due to the fact that the India-Nepal friendship treaty was officially declared official in July of 1950, these relations are now documented in the historical records of both governments. Both countries experienced significant economic and political developments as a direct consequence of these events. The Bilateral Investment Promotion and Protection Agreement was signed by the two countries in 2011, which brought about a revolutionary change in the manner in which individuals from both countries were able to conduct business. Through the establishment of free border crossing, the treaty made it possible for either nation to engage in free trade, free living, and free investment.

According to Victor, the Gurkhas were included in the Indian Army as a result of the treaty, despite the fact that Nepalis have been living in India for hundreds of years on end. Bayne (2007) acknowledge that economic diplomacy is a comprehensive process that can be achieved in four main areas: a bilateral level, a regional level, a multilateral level, and a plurilateral level. These four levels correspond to the four main levels of economic diplomacy. In addition to the utilisation of economic policies as negotiating tools, these multi-level negotiations have the potential to generate a key instrument for the advancement of foreign policy objectives between nations (Bergeijk, 2011).

This provided an explanation of how economic diplomacy is affected by bilateral relations. In their 2011 study, Yakop and van Bergeijk highlighted the significance of diplomatic relations in the expansion of developing economies. They emphasised the importance of promoting trade between South and South, as opposed to trade between North and North. As opposed to bilateral relations, the focus of this study was on regional trade between states that are at a similar level of development. When conducting their meta-analysis, Moons and van Bergeijk made the observation that the effectiveness of diplomatic relations is directly proportional to the nature and development scores of the trading partners (Afesorgbor, 2018).

It has also been noted that diplomatic representations in developing countries have been used as a strategic policy tool that can be used to drive the integration and movement of citizens and security forces within member states. This is something that the researchers have observed. Neither the study nor its findings provided any indication of how diplomatic missions improve economic relations in the region (Afesorgbor, 2018). Furthermore, the research did not involve

any relations between Kenya or Uganda, which leads to the conclusion that its findings are not appropriate for the scope of the current study. According to Woolcock, increased bilateral relations encourage economic diplomacy, which in turn leads to a reduction in the percentage of the participating states' attention that is focused on internal diplomacy (Woolcock, 2010). Van Bergeijk provides evidence in support of this assertion, stating that an increase in bilateral activities leads to a reduction in the amount of effort put forth to promote trade and investment because the deals facilitate economic diplomacy (Bergeijk, 2011).

On the other hand, the researchers do not make any acknowledgment of the significance of economic diplomacy in relation to regional integration. According to Tarrosy, the establishment of regional groups on the African continent has been a goal for the politicians in the region even before the region gained its independence (Tarrosy, 2005). A study conducted by Okute looked into the East African Community in order to determine the non-trade barriers that exist in the region related to trade (Okute and Enah, 2019). In the study, an explanatory research design was utilised and descriptive and correlation analysis were utilised. The findings of the study revealed that excessive bureaucracy, different working hours, and technical differences were all factors that were hindering the effectiveness of trade.

Diplomatic missions are a method that can enhance the harmonisation of standards and lessen the severity of the identified barriers. The purpose of this study was to investigate the obstacles that stand in the way of trade, rather than the methods that are used to overcome these obstacles, as the current study notes (Okute and Enah, 2019). In his investigation of trade disputes between Kenya and Tanzania, Ogutu found that the imposition of non-tariff barriers, a lack of political goodwill, a mismatch in the implementation of protocols, and nationalistic ambitions were all factors that were hindering trade (Ogutu and Qaim, 2019). This, in turn, contributed to a slowdown in economic growth and a decline in the strategic value of the East African Community. In the study, it was suggested that economic diplomacy should be implemented by embracing fair play and recognising single customs territories. Additionally, the study recommended making consistent efforts to promote EAC markets to private businesses. Conflicts at the border between Tanzania and Kenya were the subject of this study.

Kenya and Uganda's bilateral relations have long been intertwined, marked by cooperation and conflict. Economic diplomacy, intertwined with peace diplomacy, shapes their interactions. Both countries utilize cooperative arrangements to bolster infrastructure and reduce trade costs, yet disputes persist, including over maritime territories like Migingo Island (Ogutu and Qaim, 2019). Despite efforts to repair relations, trade has declined, impacting commodities like milk and poultry. Accusations of exploitative practices exacerbate tensions, leading to retaliatory measures and stalled projects like the Mombasa-Uganda railway. Amidst these challenges, fostering a robust relationship remains crucial for economic growth and regional integration, emphasizing the pivotal role of effective diplomatic strategies in navigating complex bilateral dynamics (Ogutu and Qaim, 2019).

Impact of Economic Diplomacy

In a number of studies conducted on a global scale, including the one conducted by Afman *et al.*, it was demonstrated that the consolidation of trade missions between states resulted in positive coefficients (Afman and Maurel, 2010). When considering the possibility of working together, it is also important to take into account a well-planned economic strategy. One factor that contributes to the potential partnerships of a country is its visibility in other countries. According to Afman and Maurel, embassies will have a greater impact on trade than consulates due to their greater presence (Afman and Maurel, 2010). This is because,

The understanding that countries seek to engage in economic diplomacy in order to move up from the status of countries that are considered to be less developed is the foundation upon which the principle of economic diplomacy is built. It is necessary for these nations to investigate

a variety of alternatives in order to supplement the amount of capital that they receive (Keren Oliwa, O. I in Kamuria, 13/10/2023).

Therefore, engaging in trade partnerships, relying on foreign and development aid, and integrating regional economies are some of the options that are utilized (Kenya Sessional Paper, 2012). Accordingly, The term "foreign direct investment" refers to the flow of capital into a nation from investors who are citizens of another nation. The term "foreign direct investment" is used to describe the process by which Kenya obtains significant investments from multinational corporations. This process is considered to be on the verge of economic diplomacy (Kenya Sessional Paper, 2012).

Furthermore, according to the findings of a global study on export promotion agencies and investment promotion that was carried out by the World Bank, the impact of investment advancement agencies and the contribution of export promotion agencies showed that there was a 7.5% increase in the flow of Foreign Direct Investment for every 10% expansion in the investment promotion financial plan. This finding provides a justification for the reliance of developing countries on (Kenya Sessional Paper, 2012).

Creusen and Lejour conducted an investigation into the impact that economic diplomacy has on international trade and how it affects decisions regarding foreign direct investment (Creusen and Lejour, 2013). The presence of government support offices in middle-income and low-income countries, as well as government trade missions, has been shown to increase the likelihood that foreign investors will invest in these markets, according to the findings of an analysis.

This study focused on the decisions that Dutch companies made regarding their entry into middle-income countries. Didier conducted research to determine how the "one-China policy" influences the amounts of trade that occurs between China and Taiwan on a bilateral basis (Cortina *et al.*, 2018). Regardless of the nature of China's trading partners, the study found that diplomatic relations with China lead to a trade-promoting effect for China. This was discovered through the utilisation of a structural gravity model that was based on worldwide panel data. Furthermore, the study ascertained that the Chinese government employs retaliatory measures in order to compel trading partners to respect the foreign policy doctrine of the Chinese government. In contrast to the current study, which focused on bilateral relations in which neither party seeks to dominate the other and both parties recognise each other's independence, the previous study investigated China-Taiwan relations, which are more concerned with territorial dominance.

Dizaji utilised the standard gravity model in order to investigate the impact that sanctions have had on Iran's economic diplomacy orientation (Dizaji *et al.*, 2018). Iran's total trade, exports, and imports were all significantly reduced as a result of sanctions, according to the findings of your study. In response, the nation had established diplomatic relations with partners in East Asia and the Middle East and North Africa, demonstrating that economic policy has the potential to mitigate the significant effects that multilateral sanctions have on the country's trade flows.

The purpose of this study was to investigate the impact that sanctions have on diplomatic orientation and trade; however, the current study did not investigate sanctions as diplomatic tools. After conducting an analysis of the impact that economic diplomacy has on relations in the contemporary setting, Kukharyk and Nubling came to the conclusion that economic diplomacy has a positive correlation with the growth of Ukraine's gross domestic product and the growth of foreign trade turnover (Kukharyk and Nubling, 2021).

Accordingly, the impact of various bilateral arrangements on GDP growth was analysed. The focus of the current was on trade between two states operating bilaterally. A study conducted by Maame Esi identified the protocols and frameworks of integration in order to conduct an analysis of the detrimental effects that regional economic integration has had on the economic development of Ghana (Coleman, 2018). After conducting an analysis, it was determined that

Ghana experienced a negative impact as a result of the slow implementation of ECOWAS protocols on free movement and the harmonisation of economic and fiscal policies. The elimination of differentiated regulatory schemes and trade standards, the improvement of regional industrial policy and infrastructure, and the establishment of robust regional institutions were all recommendations. The integration capacity of multiple countries in Ghana's development was evaluated.

Through his research on Turkey-Kenya relations, Cannon came to the conclusion that the primary source of bilateral relations between the two countries was the fact that they shared interests in the areas of diplomacy, trade, and security (Deeks *et al.*, 2016). It has contended that in order for the relationship to continue to be sustainable, the two states still need to develop a greater understanding of one another and find a way to compromise in areas such as tariffs and export quotas. The economic diplomacy between a state with a middle income and a state with a low income was the primary focus of this study. The same topic was investigated in two states with low incomes (Deeks *et al.*, 2016).

Regarding the bilateral relations, there was a general agreement among the participants that there were common ethnic communities along both sides of the border that shared similar cultural practices (Deeks *et al.*, 2016). It is possible to use these factors to strengthen the relationships that exist between the two countries. To add insult to injury, the intense cultural relations that exist between the citizens of both countries allow them to freely move to either country or make investments. The expansion of bilateral relations between the two countries can be accomplished through the following means: "Enhanced trade, cooperation in migration and security sector, the stronger trade relationship between the two countries, and the promotion of joint verification missions and bilateral meetings" (Deeks *et al.*, 2016).

In addition to this, it was of utmost importance for the countries to broaden their relations in other areas, such as "environmental relations, social integration, broadening areas of bilateral cooperation, enhancing opportunities of educational scholarship, and fostering cooperation in the sharing of natural resources" (Deeks *et al.*, 2016).

According to Camilla, who pointed out that Kenya, as the regional hub in East Africa, has experienced robust cultural, social, and trade relations with neighbouring countries, the results are in agreement with her findings (Elenius, 2016). The nation has been able to cultivate long-term sustainable growth and relations by engaging in interaction within the framework of bilateral arrangements. In line with this, the Kenya Trade Policy acknowledges the necessity for the nation to place a greater emphasis on bilateral relations as a means of establishing and enhancing partnerships (Kenya Trade Policy, 2014). A similar viewpoint is held by Sekika, who believes that both developing and developed economies have established bilateral engagements as an essential component in the process of fostering security and developing stronger relations (Sapochak Jr., 2015).

In addition, there are increased bilateral interests between the countries, which was further supported by the findings, which showed that there is a strong agreement that there are healthier social relations between the countries. According to the findings, there was a consensus among the participants that there were only a few instances of security incidents between the countries, and that citizens are able to freely move between the countries. Enhanced trade, cooperation in the migration and security sector, the stronger trade relationship between the two countries, and the promotion of joint verification missions and bilateral meetings were all demonstrated by the findings (Sapochak Jr., 2015).

Both nations have been able to maintain better social relations, have experienced minimal security escalations, have witnessed increased bilateral interests, and have witnessed individuals moving freely between the two countries. In terms of the labour movement, the study demonstrated that the labour laws between the two countries have contributed to the development

of social cohesion. This is because the labour movement is subject to only a minimal amount of restrictions. According to the findings of the study, the labour movement has also contributed to an increase in the availability of skilled labour. Based on the findings, it was evident that the labour movement had a significant impact on the improvement of bilateral relations between Kenya and Uganda (Eckhard and Ssemogerere, 2004).

When it comes to the movement of goods and services, the findings indicated that there was an increase in social welfare between the two countries as a result of the movement of their respective goods. A further benefit of the free movement of goods between the two countries is that it eliminates the fear of dominance and contributes to the development of bilateral engagement. Furthermore, the trade policies that both countries have implemented have been utilised to advance the state of relations in the region.

According to the findings of the study, the bilateral relations between Kenya and Uganda have resulted in significant improvements in the movement of goods and services (Eckhard and Ssemogerere, 2004). The two countries have been engaging in mutual investments, which have contributed to the expansion of social development. To add insult to injury, the establishment of an atmosphere that is favourable to investment has been an essential tool for the development of bilateral relations. Additionally, it was found that there is a positive correlation between bilateral relations and foreign direct investment (Eckhard and Ssemogerere, 2004).

Through a track one and a half diplomacy approach, insights from Max Weber's interpretivism philosophy illuminate the complex dynamics of economic diplomacy between Kenya and Uganda. Studies show positive outcomes from consolidated trade missions, highlighting the importance of strategic economic strategies. Economic diplomacy, epitomized by bilateral trade partnerships and foreign direct investment, fosters growth and regional integration. These findings underscore the significance of understanding cultural ties and promoting social cohesion to strengthen bilateral relations. Enhanced trade, labor movement, and investment contribute to mutual development, emphasizing the role of economic policies in shaping diplomatic engagements. Thus, a nuanced approach, blending empirical data with interpretive insights, unveils the intricacies of economic diplomacy in fostering bilateral cooperation.

CONCLUSION

In sum, the bilateral relations between Kenya and Uganda have been shaped by a blend of cooperation and challenges, with economic diplomacy serving as a critical tool in managing these dynamics. Both countries have utilized economic and peace diplomacy to strengthen ties, particularly in areas such as infrastructure development and cross-border trade. However, persistent disputes, including territorial disagreements and accusations of exploitative trade practices, have hindered progress. The deterioration of trade relations, reflected in declining exports and stalled investment projects, underscores the importance of diplomatic efforts to resolve conflicts and rebuild trust.

Despite these setbacks, economic diplomacy continues to play a pivotal role in fostering trade, investment, and regional integration between the two nations. Research by Afman *et al.* and Creusen and Lejour demonstrates the significance of consolidating trade missions and government support offices to attract foreign direct investment. Bilateral partnerships enhance social cohesion, improve labor mobility, and encourage mutual development. Kenya's position as a regional hub, supported by its active economic diplomacy, highlights the importance of strategic economic planning and cultural ties in shaping diplomatic engagements.

Ultimately, a comprehensive approach that combines empirical data and interpretive insights is crucial for maximizing the benefits of economic diplomacy. Such efforts will promote international cooperation, address ongoing disputes, and secure long-term stability and growth for both Kenya and Uganda, ensuring their continued role as key players in regional integration and economic development.

REFERENCES

- Adar, K. G., & Kararach, G. (2020). *Diplomacy, development and security in the Horn of Africa*. Cham: Palgrave Macmillan.
- Afesorgbor, M. K. (2018). Economic diplomacy in Africa: The impact of regional integration versus bilateral diplomacy on bilateral trade. In E. Elgar (Ed.), *Research handbook on economic diplomacy* (pp. 326–346). Edward Elgar Publishing.
- Afman, E. R., & Maurel, M. (2010). Diplomatic relations and trade reorientation in transition countries. In E. Elgar (Ed.), *The gravity model in international trade* (p. 278). Edward Elgar Publishing.
- Alexander, J. C. (2013). *Trauma: A social theory*. John Wiley & Sons.
- Arel-Bundock, V. (2017). The unintended consequences of bilateralism: Treaty shopping and international tax policy. *International Organization*, 71(2), 349–371.
- Asiedu, M., Yeboah, E. N., & Boakye, D. O. (2021). Natural resources and the economic growth of West African economies. *Applied Economics and Finance*, 8(2), 20–32.
- Bayne, B. L. (2017). *Biology of oysters*. Academic press.
- Bayne, N., & Woolcock, S. (2017). What is economic diplomacy? In *The new economic diplomacy* (pp. 17–34). Routledge.
- Benjamin-Britton, T., Bolton, M. B., & Njeri, S. (2020). The humanitarian disarmament movement: An assessment and review. *Global Activism and Humanitarian Disarmament*, 1–24.
- Blossfeld, H. P. (2001). *Techniques of event history modeling: New approaches to causal analysis*. Psychology Press.
- Bowles, S., & Gintis, H. (1993). The revenge of Homo Economicus: Contested exchange and the revival of political economy. *Journal of Economic Perspectives*, 7(1), 83–102.
- Business Daily, (2021).
- Cerere, G. (2015). The role of economic diplomacy in advancing Kenya's development interests: The case of the 'Look East Policy' 1963–2013 (Doctoral dissertation, University of Nairobi).
- Chirisa, N. (2015). European Union and democratization of Africa: The case of Ghana, Uganda, Zimbabwe, and Morocco (1990–2010) (Doctoral dissertation, University of the Witwatersrand).
- Coleman, M. E. A. (2018). A qualitative examination of experiences of acculturation, acculturative stress, and coping among Black international students (Doctoral dissertation, Southern Illinois University at Carbondale).
- Cortina, J. J., Didier, T., & Schmukler, S. L. (2018). Corporate debt maturity in developing countries: Sources of long and short-termism. *The World Economy*, 41(12), 3288–3316.
- Creusen, H., & Lejour, A. (2013). Market entry and economic diplomacy. *Applied Economics Letters*, 20(5), 504–507.
- Dizaji, H. S., Hu, E. J., & Chen, L. (2018). A comprehensive review of the Maisotsenko-cycle based air conditioning systems. *Energy*, 156, 725–749.
- East African Community. (2017).

- Elenius, L., Allard, C., & Sandström, C. (Eds.). (2016). *Indigenous rights in modern landscapes: Nordic conservation regimes in global context*. Taylor & Francis.
- Hubery, S. (2019). What are the impacts of Buddhism on the Japanese performance style of Noh theatre? (Doctoral dissertation, University of Huddersfield).
- Iwase, H., *et al.* (2022). Relationship between age-related changes in skeletal muscle mass and physical function: A cross-sectional study of an elderly Japanese population. *Cureus*, 14(4).
- Kagwanja, P. (2021). *The struggle for economic diplomacy in Africa: Power, agency, and regional institutions*. Pretoria: Africa Institute of South Africa.
- Kamau, R. (2020). *Regional trade and diplomacy: Insights from Kenya-Uganda relations*. *Journal of African Economic Studies*, 8(3), 45–62.
- Kaminchia, S. (2020). Effect of transit road quality on trade costs in East Africa. *African Development Review*, 32(3), 316–326.
- Kangethe, W. (2015). Effects of outreach on loan default amongst microfinance institutions in Kenya (Doctoral dissertation, University of Nairobi).
- Kenya Sessional Paper, (2012).
- Kenya Trade Policy, (2014).
- Kiganka, S. M. (2018). Critical analysis of bilateral relations between Kenya and Britain from 1963 to 2017 (Doctoral dissertation, University of Nairobi).
- Kiprotich, J., & Onyango, E. O. (2023). The implications of bilateral diplomatic relations between Kenya and Uganda on East Africa regional cooperation. *Journal of African Interdisciplinary Studies*, 7, 10–16.
- Kirui, M. C. (2022). Economic diplomacy as a strategy of bilateral relations between Kenya and Uganda (2010–2020) (Doctoral dissertation, Kenyatta University).
- KNA/ACW/29/66/A, 44/236/01.
- Konrad, V., & Amilhat Szary, A.-L. (2022). *Border culture: Theory, imagination, geopolitics*. Routledge.
- Krapohl, S., & Fink, S. (2013). Different paths of regional integration: Trade networks and regional institution-building in Europe, Southeast Asia, and Southern Africa. *JCMS: Journal of Common Market Studies*, 51(3), 472–488.
- Kukharyk, V. V., & Nubling, T. (2021). The role of economic diplomacy in the system of modern international economic relations. *Scientific Bulletin of Mukachevo State University. Series: Economics*, 8(2).
- Leedy, P. D., & Ormrod, J. E. (2001). *Practical research: Planning and designing*. New Jersey: Merritt Prentice Hall.
- Lewela, M. M. (2009). Political regimes, public opinion, and diplomatic relations: A case study of Kenya and Uganda's bilateral relations (1986–2002).
- Mathieson, I., *et al.* (2018). The genomic history of Southeastern Europe. *Nature*, 555(7695), 197–203.
- Ministry of Finance, (2015).
- Mogale, P. M. M., Raimondo, D. C., & Van Wyk, B.-E. (2019). The ethnobotany of Central Sekhukhuneland, South Africa. *South African Journal of Botany*, 122, 90–119.
- Msimango, N. (2016). China's changing foreign policy and resource diplomacy towards Africa: The role of China in the socio-economic development of Nigeria (Doctoral dissertation, University of South Africa).
- Musau, A. N. (2015). Economic diplomacy and economic integration: The role of Kenyan diplomatic missions (Doctoral dissertation, University of Nairobi).
- Musoke, S. (2020). *Cross-border trade and economic diplomacy: The case of Kenya and Uganda*. Kampala: Makerere University Press.

- Mwangi, O. G. (2019). *Africa's economic integration: Lessons from East African cooperation*. Nairobi: University of Nairobi Press.
- Mwangi, T. (2017). *The role of economic diplomacy in East African political stability*. African Journal of Policy and Development, 14(2), 21–38.
- Mwinyi, M., Okoth, P. G., & Maloba, E. W. (2022). The nature of Lake Victoria transboundary disputes and economic security management between Kenya and Uganda. *Open Journal of Political Science*, 12(4), 510–533.
- Ngozwana, N. (2018). Ethical dilemmas in qualitative research methodology: Researcher's reflections. *International Journal of Educational Methodology*, 4(1), 19–28.
- Nyongesa, L. (2019). *Economic cooperation in the East African Community: A focus on agriculture and trade*. East African Development Review, 10(4), 33–49.
- Obuya, C., & Kibet, D. (2022). *Navigating resource sharing and cross-border disputes: A case of Kenya and Uganda*. African Policy Journal, 15(1), 78–93.
- Ogutu, S. O., & Qaim, M. (2019). Commercialization of the small farm sector and multidimensional poverty. *World Development*, 114, 281–293.
- Okute, A. L., & Enah, I. S. (2019). Auditing and fraud control in tertiary institutions in Cross River State, Nigeria. *International Journal of Research & Review*, 6(9), 142–152.
- Omondi, M. (2017). *Kenya-Uganda relations: Economic diplomacy and security cooperation*. Nairobi: Strathmore University Press.
- Ong'oyi, M. K. O. (2021). The influence of national interest on regional integration: The case of Kenya in the East African Community (Doctoral dissertation, University of Nairobi).
- Otieno, A. (2016). *Historical perspectives on Kenya-Uganda relations since independence*. African Historical Studies, 9(2), 12–30.
- Sapochak, H. E. Jr. (2015). *Rising sun over Namsan* (Doctoral dissertation, Duke University).
- Seaman, J. (2008). Adopting a grounded theory approach to cultural-historical research: Conflicting methodologies or complementary methods? *International Journal of Qualitative Methods*, 7(1), 1–17.
- Siggel, E., & Ssemogerere, G. (2004). Uganda's policy reforms, industry competitiveness and regional integration: A comparison with Kenya. *The Journal of International Trade & Economic Development*, 13(3), 325–357.
- Tarrósy, I. (2005). *Past fears–future hopes: An example for regional co-operation outside Europe*. London: Sage Publishers
- Tubman, L. C. (2019). *Assessment of the influence of beach management units on fisheries governance in Migingo Island, Kenya* (Doctoral dissertation, University of Nairobi).
- Van Bergeijk, P. A. G., Yakop, M., & de Groot, H. L. F. (2011). The economic effectiveness of diplomatic representation: An economic analysis of its contribution to bilateral trade. *The Hague Journal of Diplomacy*, 6(1–2), 101–120.
- Victor, P. (2010). Questioning economic growth. *Nature*, 468(7322), 370–371.
- Wanjugu, T. B. (2019). *The effect of East Africa Community trade block on economic growth in Kenya* (Doctoral dissertation, University of Nairobi).
- Wanyama, L. (2013). *The economic diplomacy of Kenya's regional interests*. South African Institute of International Affairs.
- Waweru, J. (2019). *The role of Kenya's diplomatic missions in economic development: Case of Uganda* (Doctoral dissertation, University of Nairobi).
- Woolcock, M. (2010). The rise and routinization of social capital, 1988–2008. *Annual Review of Political Science*, 13, 469–487.