

# Journal of Public Policy & Governance



## **Diplomatic Missions Policies and Economic Integration in East Africa: A Case of Rwanda and Kenya**

**Mr. Aaron Bugingo & Dr. Eugenia Nkechi Irechukwu (PhD)**

**ISSN: 2616-8413**

# Diplomatic Missions Policies and Economic Integration in East Africa: A Case of Rwanda and Kenya

Mr. Aaron Bugingo<sup>1</sup> & Dr. Eugenia Nkechi Irechukwu<sup>2</sup>(PhD)

<sup>1</sup> School of Social Sciences, Master of Art in International Relations and Diplomacy,  
Mount Kenya University, Kigali, Rwanda

<sup>2</sup>Mount Kenya University, Kigali, Rwanda

*How to cite this article:* Bugingo A. & Irechukwu E., N. (2023). Diplomatic Missions Policies and Economic Integration in East Africa: A Case of Rwanda and Kenya. *Journal of Public Policy & Governance*. Vol 7(3) pp. 23-37 <https://doi.org/10.53819/81018102t2223>

## Abstract

The purpose of this research was to examine the Diplomatic Missions Policies and Economic Integration in East Africa, a case study of Rwanda-Kenya. The study was guided with three specific objectives which are to examine the influence of embassies on economic integration, to assess the effect of professionalizing economic diplomacy on economic integration, and to analyze the relationship between diplomatic mission's policies and economic integration in East Africa, Rwanda-Kenya. The descriptive research design with a mixed qualitative and quantitative approaches was applied. Findings were collected using the questionnaire. The target population was 62 employees of Ministry of Foreign Affairs and International Cooperation (MINAFFET) in department of diplomatic missions and Kenya Embassy in Kigali, Rwanda. The census method was used where all population was considered as sample size. The collected findings were analyzed using descriptive statistical analysis with using of Statistical Package for Social Science (SPSS) version 26.0. The inferential statistics were presented for presenting the relationship between variables. The results were presented in tables using the frequencies, means, and standard deviation. The findings were analyzed, presented, and interpreted. On the influence of embassies on economic integration, The overall means of results was 4.482 that was between agree (4) and strongly agree (5), it presented that the embassies was significantly influenced economic integration. On the effect of professionalizing economic diplomacy on economic integration, the overall means of results was 4.472 that was between agree (4) and strongly agree (5), it presented that there was significantly effect of professionalizing economic diplomacy on economic integration. The findings analysis resulted that the relationship between (influence of embassies and effect of professionalizing economic diplomacy) and economic integration was .905\*\* and .790\*\* respectively. It was indicated that there was a statistically significant relationship between the diplomatic mission's policies and economic integration. The results presented that the variables were statistically significant with regression mean square of 8.669 and residual mean square was 0.064 while  $F=136.045$  and  $P\text{-value} = .000$ , it confirmed that there

<https://doi.org/10.53819/81018102t2223>

was a significant relationship between the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya. Researcher recommended that government administrations (MINAFFET) should continue to develop and promote the economic diplomacy, social interests and core values in collaboration of international business, and the citizens should look for the investments developing their business based on the diplomatic missions' policies.

**Keywords:** *Diplomatic Missions Policies, Economic Integration, East Africa, Rwanda*

## 1. Introduction

In the last two presidential regimes, there has been clear shift of Rwanda's shift from the political to economic diplomacy. Despite the efforts by the government to entrench the economic aspect of diplomacy the concept has not yet been well articulated and fully realized. The government has merged the Ministry of Foreign Affairs and Trade and has also entrenched the pillars of economic diplomacy in its foreign policy. In spite of these changes the country remains in direct need of a centralized foreign policy approach and especially as far as the pursuit and promotion of external trade is concerned (Barston, 2016).

Thus, professionalizing and innovating economic diplomacy is very important in this study and should be considered as an investment rather than as a cost for the Rwandan diplomatic missions all over the world. A well-functioning foreign service with a business focus is of great value to its sending state. Several studies have shown that the resources spent on economic and economic diplomacy are well spent in terms of returns on investment. In the case of Rwanda, there is low economic diplomacy activities, and though on the rise in the past two regimes, economic opportunities have not been fully realized. The study embarks on finding out if the Rwandan diplomatic missions are professionalized and if economic diplomacy competences and structures are competing enough to match with those of their counterparts from Africa, Europe, US and Asia.

The study notes that several trade engagements between Rwanda and other states tend to bring the balance of trade not in favor of Rwanda but its partners. Thus the study will examine if the roles Rwandan diplomatic missions play in economic diplomacy are competent and professional enough to comprehensively bring more trade agreements, investments and international business which are the basis for sustainable growth and development. The research project analyses existing research and develops a framework, which integrates the topics examined so far and provides the reader with a future research agenda on economic diplomacy. While the economic aspect seems to be increasingly important in diplomatic practice, the body of literature on the subject is still rather limited. The purpose of this paper is therefore to systematically review the existing literature and identify future research opportunities that will enhance our understanding of the topic. Out of the findings, the study will recommend foreign policies with economic diplomacy high on the agenda and with economic diplomacy competences and structures that can compete with a competitive world (Sylvanus, 2019).

## 1.2 Objectives of the Study

### 1.2.1 General objectives

The general objective of the study is to assess the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya.

### 1.2.2 The Specific Objectives

- i. To examine the influence of embassies on economic Integration in East Africa, Rwanda-Kenya
- ii. To assess the effect of professionalizing economic diplomacy on economic integration in East Africa, Rwanda-Kenya
- iii. To analyze the relationship between diplomatic mission's policies and economic integration in East Africa, Rwanda-Kenya

### 1.3 Research Questions

- i. What is the influence of embassies on economic integration in East Africa, Rwanda-Kenya?
- ii. What is the effect of professionalizing economic diplomacy on economic integration in East Africa, Rwanda-Kenya?
- iii. What is the relationship between diplomatic mission's policies and economic integration in East Africa, Rwanda-Kenya?

## 2.1 Empirical Literature Review

### 2.1.1 Influence of Embassies on Economic Integration

After establishing the meaning of economic diplomacy and its role for a country's foreign policy the next logical step is to evaluate its success. However, this brings about a new range of questions, because how do you measure success? In what way and terms should ED be successful? Success can be measured by analyzing the effects and effectiveness but also by doing an efficiency (cost-benefit) analysis (Okano-Heijmans, 2018). This study focuses on the effectiveness because this is the measurement that focusses on the benefit and necessity for economic diplomacy. It analyses the ED of the Netherlands as executed by an embassy. This chapter will thus focus on defining effectiveness, the goals of ED, its instruments and activities used to obtain those goals and the extent to which the defined goals are Kenya by using these tools and instruments. An analysis of the efficiency thus falls outside the scope of this thesis.

Van Bergeijk (2016) describes effectiveness as 'a necessary per-condition' for economic diplomacy. This study also adopts this viewpoint on effectiveness. How effective a strategy or policy is determining the need for strategy in the first place and says something about its usefulness. Effectiveness is defined here as the extent to which the goals of ED are achieved (Ruël & Zuidema, 2012). Following this definition, it is crucial to determine the goals, or objectives of ED. Firstly, this paragraph looks at the research area and the different studies that focus on effectiveness of ED in order to develop a better understanding on effectiveness in ED and how to measure it.

### 2.1.2 Effect of Professionalizing Economic Diplomacy on Economic Integration

The imperative for countries to actively stimulate international trade, encourage investment, and bolster exports arises from various critical considerations. Ricardo's theory of comparative advantage underscores the inherent benefits of trade for nations. Export activities not only yield economic gains but also foster the generation of higher value by firms compared to domestic sales, enabling increased reinvestment in research and development (R&D). Engaging in international markets not only provides access to greater financial resources but also facilitates valuable learning experiences, fostering innovation and



knowledge transfer, which ultimately contribute to overall economic growth (Alexander & Warwick, 2017).

While the neoclassical view emphasizes the self-sufficiency of companies in entering new markets, the government's role in the promotion of exports and the provision of subsidies or other forms of assistance is considered a deviation from the principles of a free market. However, proponents argue that such government intervention serves to address market failures and distributional objectives, justifying the necessity of economic diplomacy (Van Bergeijk, 2016). The government's unique access to non-commercial information and its ability to provide crucial knowledge through embassy networks and other diplomatic channels offer valuable insights not readily accessible to private entities. These networks often function as public goods, mitigating the risks associated with entering foreign markets and enhancing the overall competitiveness of businesses (Harris & Li, 2015).

Additionally, economic diplomacy serves the crucial functions of signaling and access, particularly in cases where the involvement of public entities is necessary, such as in transactions involving infrastructure or military goods. Government intervention can also serve to ensure a level playing field, addressing instances of unequal treatment of home businesses by host countries. Furthermore, public assistance can facilitate the entry of exporters into otherwise inaccessible markets, fostering a more conducive environment for international trade (Alexander & Warwick, 2019).

### **2.1.3 Relationship Between Diplomacy Mission's Policies and Economic Integration**

The integration of diplomacy within the sphere of international business has emerged as a critical component for success in the contemporary global business landscape. While diplomacy is not a new concept, its application within international business has gained prominence, playing a pivotal role in various strategic endeavors, including gaining foreign market access, facilitating foreign investments, and managing interactions within foreign market environments. This increasing recognition of diplomacy as a key driver for international business success has led to a call for the professionalization and innovation of commercial and business diplomacy at the international, national, and sub-national levels, signifying a growing acknowledgment of its instrumental role in navigating the dynamic and evolving international business environment (Sylvanus, 2016).

Economic diplomacy, primarily steered by governments, leverages diplomatic channels and networks to advance the interests of national businesses abroad. In contrast, the concept of business diplomacy, a relatively contemporary term, entails an approach driven by international businesses themselves to foster positive relationships with foreign government representatives and other non-government stakeholders. With a focus on 'economic diplomacy,' this study underscores the significance of understanding and effectively managing the interconnected nature of the global economy and international relations within the context of international business and diplomacy, highlighting their intrinsic interdependence (Lee & Ruel, 2015).

The imperative for public and private entities to collaborate in leading economic diplomacy in new and unfamiliar markets is underscored by several key factors. Diplomatic networks serve as crucial conduits for generating valuable economic intelligence, thereby enhancing decision-making processes. Moreover, the heightened visibility of diplomatic activities in the media serves as a cost-effective marketing tool, while their access to high-level contacts proves particularly advantageous, especially for small and medium-sized businesses seeking to expand internationally. Furthermore, the significant 'trust factor' associated with diplomatic

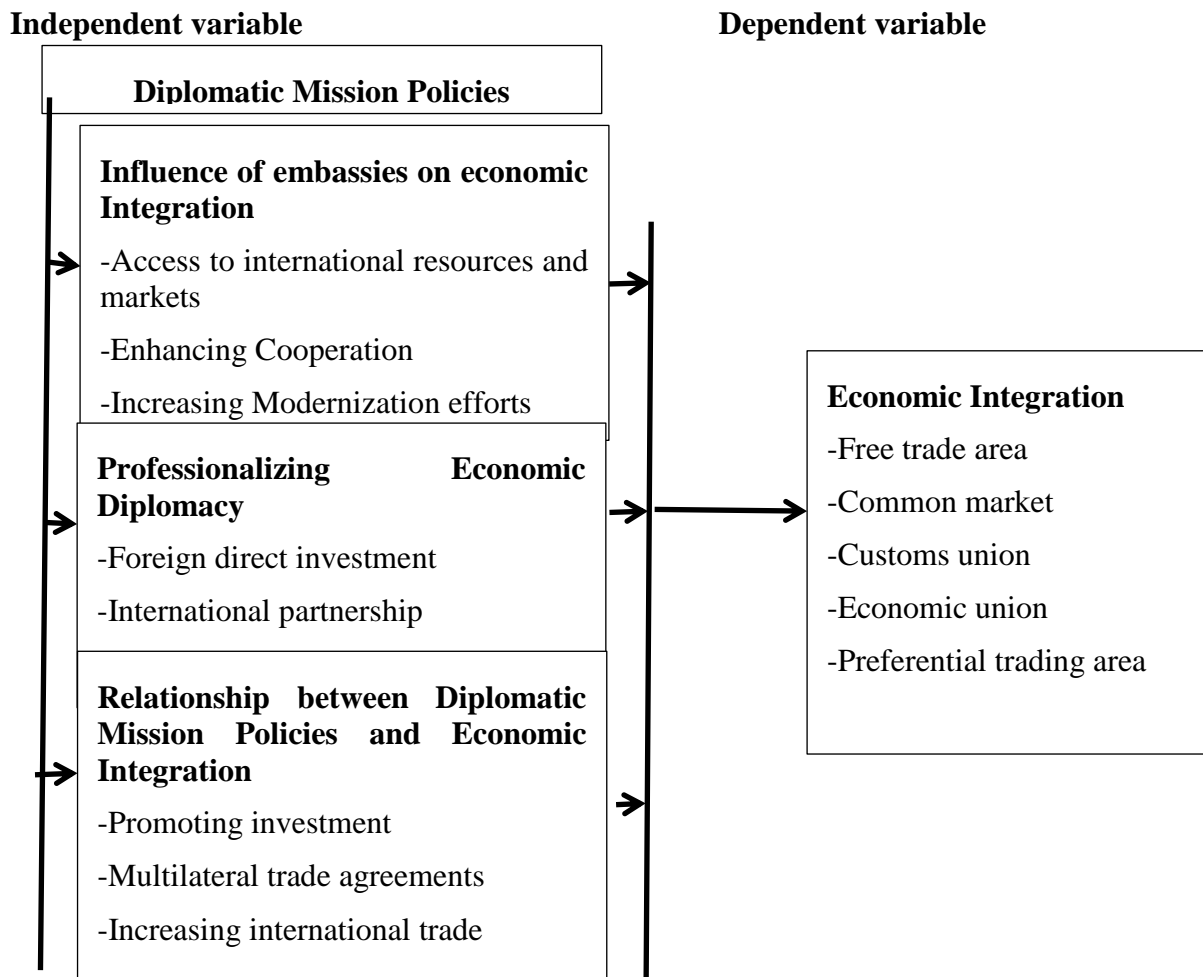
networks facilitates the attraction of foreign direct investment, while the centralized intelligence garnered by foreign missions and diplomatic networks contributes to operational efficiencies, mitigating the complexities and challenges associated with the increasingly global and intricate international trade environment (Bayne & Woolcock, 2017).

## 2.2 Research gap

In some cases, ED has failed to promote foreign trade relations. For example, the reliance of commodities from foreign nations created difficulties in times of war when the country was cut off by enemy actions. In the 2007-08 Post Election violence in Kenya, Uganda and Rwanda which heavily relied on Mombasa port had their supply routes disrupted (Kenya, 2014). Additionally, overreliance on other economies erodes and sacrifices national sovereignty and pride at the altar of foreign trade relations. Similarly, most of the available empirical studies (see Potter, 2004; Kara, 2008) focused on cross country studies which involved multiple countries. Under such circumstances the results produced are mixed with some producing positive results against ED and international trade relations while other positive results. This study seeks to concentrate on Rwanda alone in determining how ED has affected her international trade relations in the Kenya region. Similarly, some other studies on ED and international trade relations have greatly focused on foreign countries in Europe, Asia and elsewhere (Wyszomirski, Burgess and Peila, 2022) giving limited academic attention to Africa and, East African region and Rwanda. Except for a study by the Ministry of the East African Community (2016), there is no other available local study within the empirical literature to examine the impact of ED on foreign trade relations between Rwanda and her partner state in the Kenya region. This will limit the researcher in generating adequate data for correlating Rwanda's trade and co-operation with neighbors. However, it is important to note that data from other countries are available that can play the same role.

## 2.3 Conceptual Framework

A conceptual framework refers to the diagram that demonstrates the relationship between the independent and dependent variables of the study. Independent variables including influence of embassies, professionalizing economic diplomacy, and relationship between diplomatic mission policies and economic integration. The economic integration presents dependent variable including free trade area, common market, customs union, economic union, and preferential trading area. The connection of all variables is illustrated in figure 1.



**Figure 1: Conceptual Framework**

**Source: Researcher (2023)**

Figure 1 illustrates the relationship between the independent and dependent variables. The independent variable for this study is diplomatic mission policies (influence of embassies, professionalizing economic diplomacy, and relationship between diplomatic mission policies and economic integration), and dependent variable was an economic integration (free trade area, common market, customs union, economic union, and preferential trading area). It presents the summary on influence of diplomatic mission’s policies on economic Integration. As noted variable elements are effective and efficient, international trade relations can be improved in terms of facilitating export and imports, adoption of favorable tariff policies as well as institutional competitiveness which improves the administration of cross border trade.

### 3. Materials and Methods

This research study adopted a descriptive survey design, aiming to provide a comprehensive framework for investigating the research questions. Employing both quantitative and qualitative methods, the study utilized a structured questionnaire as the primary data collection instrument, catering to a target population of 62 employees. The census method was employed, with a stratified sampling technique used to gather representative elements from both the Ministry of Foreign Affairs and International Cooperation (MINAFFET) and

Kenya Embassy in Kigali, Rwanda. The survey was conducted following ethical guidelines, ensuring voluntary participation and maintaining the anonymity of respondents (Dalton & Todor, 2012; Donald & Schindler, 2013).

To ensure the reliability and validity of the instruments, a pre-test was conducted, confirming the high reliability of the questionnaire with a score of 0.903. The questionnaire was designed with both open-ended and closed-ended questions, facilitating a comprehensive understanding of the respondents' perspectives. Validity checks were also carried out through expert reviews and assessments to ensure that the questions aligned with the study objectives (Amin, 2015; Goode & Hatt, 2017).

Data analysis was conducted using the Statistical Package for Social Sciences (SPSS) software version 26.0, employing both descriptive and inferential statistical methods, including correlation and regression analyses. The findings were presented through the use of frequency distributions, percentages, and tables, ensuring a comprehensive and systematic analysis of the data in line with the research objectives. The comprehensive data analysis helped draw conclusive insights from the study and establish relationships between different variables (Mugenda, 2013; Goode & Hatt, 2018).

Moreover, ethical considerations were carefully observed throughout the research process. The respondents were provided with detailed information about the study's objectives, and strict confidentiality was maintained, ensuring that no private information was disclosed. The researchers abided by guidelines that prohibited the use of sexist language in the questions, and the data collection process did not require the participants' names, thus upholding the principle of anonymity (Eyisi, 2016). This commitment to ethical standards fostered an environment of trust and confidentiality, ensuring the ethical integrity of the study.

#### **4. Presentation of research findings**

##### **4.1 Influence of Embassies on Economic Integration**

The first objective examined the influence of embassies on economic integration in East Africa, Rwanda-Kenya. The results are presented and interpreted as follow:



**Table 1: Influence of Embassies on Economic Integration**

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N	%		
Countries' diplomacy create a viable & profitable environment for investment cooperation to each other	0	0	0	0	0	0	27	43.5	35	56.5	62	4.56	0.500	
Corporate Governance Practices build the trust in investment where investors satisfied	0	0	0	0	7	11.3	33	53.2	22	35.5	62	4.24	0.645	
Diplomacy influence governance to modernize the infrastructure that open for import/export trade	0	0	0	0	0	0	34	54.8	28	45.2	62	4.45	0.502	
Diplomatic Policies facilitate the investors to the import and export trade	0	0	0	0	0	0	23	37.1	39	62.9	62	4.63	0.487	
The open trade and competitive market accelerate the economic development of countries because of good diplomacy	0	0	0	0	0	0	29	46.8	33	53.2	62	4.53	0.503	
<b>Overall Mean</b>												<b>4.482</b>		

**Source: Primary data, (2023)**

*1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree*

Table 1 presents the results of the first objective of this study of examining the influence of embassies on economic integration in east Africa, Rwanda-Kenya. The data was analyzed, out of 62 respondents, on countries' diplomacy create a viable & profitable environment for investment cooperation to each other, the 43.5% agreed and 56.5% strongly agreed that countries' diplomacy create a viable & profitable environment. On the corporate governance practices build the trust in investment where investors satisfied, the 11.3% were not sure, 53.2% agreed, and 35.5% strongly agreed. On that diplomacy influence governance to modernize the infrastructure that open for import/export trade, the 54.8%% agreed, and 45.2% strongly agreed.

On that diplomatic policies facilitate the investors to the import and export trade, the 37.1% agreed, and 62.9% strongly agreed. On the open trade and competitive market accelerate the economic development of countries because of good diplomacy, the 46.8% agreed, and 53.2% strongly agreed. The overall means of results was 4.482 that was between agree (4) and strongly agree (5), it presented that the embassies was significantly influenced economic integration in East Africa, Rwanda-Kenya.

### 4.2 Effect of Professionalizing Economic Diplomacy on Economic Integration

The second objective was to assess the effect of professionalizing economic diplomacy on economic integration in East Africa, Rwanda-Kenya. The results were presented and interpreted as follow:

**Table 2: Effect of Professionalizing Economic Diplomacy on Economic Integration**

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N	%		
Economic diplomacy develop the nations' economic	0	0	0	0	12	19.4	26	41.9	24	38.7	62	4.19	0.743	
The investors ensure market access for their properties	0	0	0	0	0	0	25	40.3	37	59.7	62	4.60	0.495	
Economic diplomacy protects sales and profits for investors which enhancing their values and security in investment	0	0	0	0	0	0	19	30.6	43	69.4	62	4.69	0.465	
Economic diplomacy promotes citizens to collaborate with external investors	0	0	0	0	0	0	17	27.4	45	72.6	62	4.73	0.450	
Economic diplomacy build the trustfulness in investment where external investors satisfied	0	0	0	0	8	12.9	37	59.7	17	27.4	62	4.15	6.23	
<b>Overall Mean</b>												<b>4.472</b>		

Source: Primary data, (2023)

1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

Table 2 presents the results of the second objective of this study of assessing the effect of professionalizing economic diplomacy on economic integration in East Africa, Rwanda-Kenya. The data was analyzed, out of 62 respondents, on economic diplomacy develop the nations' economic, the 19.5% were not sure, the 41.9% agreed and 38.7% strongly agreed that economic diplomacy develop the nations' economic. On the investors ensure market access for their properties, the 40.3% agreed, and 59.7% strongly agreed. On that economic diplomacy protects sales and profits for investors which enhancing their values and security in investment, the 30.6% agreed, and 69.4% strongly agreed.

On that economic diplomacy promotes citizens to collaborate with external investors, the 27.4% agreed, and 72.6% strongly agreed. On that economic diplomacy build the trustfulness in investment where external investors satisfied, the 12.9% were not sure, the 59.7% agreed, and 27.4% strongly agreed. The overall means of results was 4.472 that was between agree (4) and strongly agree (5), it presented that there was significantly effect of professionalizing economic diplomacy on economic integration in East Africa, Rwanda-Kenya.

### 4.3 Results related to the Economic Integration

Researcher analyzed the variables of dependent variable of economic integration. The results are presented as follow:

**Table 3: Results Related to the Economic Integration**

Statement	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total		Mean	Sd
	N	%	N	%	N	%	N	%	N	%	N	%		
Diplomacy promotes the free trade area to investors	0	0	0	0	0	0	27	43.5	35	56.5	62	4.56	0.500	
Diplomacy creates the common market for all citizens	0	0	0	0	0	0	15	24.2	47	75.8	62	4.76	0.432	
Diplomacy mission policies develop the customs union for promoting investors	0	0	0	0	0	0	36	58.1	26	41.9	62	4.42	0.497	
Diplomacy enables the investors to access on foreign exchange	0	0	0	0	0	0	31	50.0	31	50.0	62	4.50	0.504	
Diplomacy mission policies promote countries' citizens to access to trade and investment consultants	0	0	0	0	5	8.1	22	35.5	35	56.5	62	4.48	0.646	
<b>Overall Mean</b>												<b>4.544</b>		

**Source: Primary data, (2023)**

*1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree*

Table 3 presents the results of dependent variable of economic integration in east Africa, Rwanda-Kenya. The data was analyzed, out of 62 respondents, on that diplomacy promotes the free trade area to investors, the 43.5% agreed and 56.5% strongly agreed that diplomacy promotes the free trade area for investors. On that diplomacy creates the common market for all citizens, the 24.2% agreed, and 75.8% strongly agreed. On that diplomacy mission policies develop the customs union for promoting investors, the 58.1% agreed, and 41.9% strongly agreed.

On that diplomacy enables the investors to access on foreign exchange, the 50.0% agreed, and 50.0% strongly agreed. On that diplomacy mission policies promote countries' citizens to access to trade and investment consultants, the 8.1% were not sure, the 35.5% agreed, and 56.4% strongly agreed. The overall means of results was 4.544 that was between agree (4) and strongly agree (5), it presented that there was significantly economic integration in East Africa, Rwanda-Kenya.

### 4.4 Relationship Between Diplomatic Mission's Policies and Economic Integration

The third objective was to analyze the relationship between diplomatic mission's policies and economic integration in East Africa, Rwanda-Kenya. The results were presented and interpreted as follow:

**Table 4: Correlations Between Diplomatic Mission’s Policies and Economic Integration**

		Influence of Embassies	Effect of Professionalizing Economic Diplomacy	Economic Integration
Influence of Embassies	Pearson Correlation	1	.846**	.905**
	Sig. (2-tailed)		.000	.000
	N	62	62	62
Effect of Professionalizing Economic Diplomacy	Pearson Correlation	.846**	1	.790**
	Sig. (2-tailed)	.000		.000
	N	62	62	62
Economic Integration	Pearson Correlation	.905**	.790**	1
	Sig. (2-tailed)	.000	.000	
	N	62	62	62

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Primary data, (2023)**

Table 4 presents the relationship between the diplomatic Missions Policies and Economic Integration in East Africa, Rwanda-Kenya. The aspects of the diplomatic Missions Policies taken were; embassies and professionalizing economic diplomacy. The Statistical Package for Social Sciences (SPSS) software version 26.0 was used to determine the Pearson coefficients. The Pearson coefficients relationship are between -1 to 1 whereby -1 to 0 indicates negative relationship and 0 to 1 indicates positive relationship. From -1 to -0.5 marks high negative & from -0.5 to 0 marks low negative relationship, and from 0 to 0.5 presents low positive & from 0.5 to 1 presents high positive relationship. The findings analysis resulted that the relationship between (influence of embassies and effect of professionalizing economic diplomacy) and economic integration was .905\*\* and .790\*\* respectively. It was indicated that there was a statistically significant relationship between the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya.

**Table 5: Model Summary of Diplomatic Mission’s Policies and Economic Integration**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907 <sup>a</sup>	.822	.816	.252

a. Predictors: (Constant), Effect of Professionalizing Economic Diplomacy, Influence of Embassies

**Source: Primary data, (2023)**

Table 5 presents the results on the overall model's significance of he diplomatic missions policies and economic integration, the results indicated that the R Square=.822. It was clear that the 82.2% of all variables of economic integration can be explained by one’s of all variables of diplomatic missions policies in East Africa, Rwanda-Kenya. The standard error of coefficients was 0.252 which was low.

**Table 6: Analysis of Variance (ANOVA<sup>a</sup>) of Diplomatic Mission's Policies and Economic Integration**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.337	2	8.669	136.045	.000 <sup>b</sup>
	Residual	3.759	59	.064		
	Total	21.097	61			

a. Dependent Variable: Economic Integration

b. Predictors: (Constant), Effect of Professionalizing Economic Diplomacy, Influence of Embassies

**Source: Primary data, (2023)**

Table 6 presents the analysis of variance of diplomatic missions policies and economic integration. The results presented that the variables were statistically significant with regression mean square of 8.669 and residual mean square was 0.064 while  $F=136.045$  and  $P\text{-value} = .000^b$ , it confirmed that there was a significant relationship between the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya. Mean square residual presents the mean squared differences within embassies and it is a components of  $F$  used to test for differences between variables or is the estimate of the variance of the errors help to assess the variation in the data that is not accounted for by the diplomatic missions policies in the model.

**Table 7: Coefficients<sup>a</sup> of Diplomatic Mission's Policies and Economic Integration**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Lower Bound	Upper Bound
		1	(Constant)	.869	.227		3.821	.000
	Influence of Embassies	.758	.094	.834	8.083	.000	.570	.946
	Effect of Professionalizing Economic Diplomacy	.069	.084	.085	.824	.413	-.099	.238

a. Dependent Variable: Economic Integration

**Source: Primary data, (2023)**

Table 7 presents the constant coefficients of independent variables of diplomatic missions policies and economic integration. The overall constant results with  $P\text{ value} = .000$  showed that there was a significant relationship between diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya. For the detail, it was statistically significant since  $P\text{-value}$  was less than 0.05. The results indicated that influence of embassies was statistically significant with  $P\text{-value} = .000$  and the effect of professionalizing economic diplomacy was not statistically significant with  $P\text{-value} = .413$ .

**4.4 Discussion**

Economic diplomacy as an instrument of foreign policies demands a comprehensive approach when conducted by the Ministry of Foreign Affairs. Economic diplomacy is all about promoting the economic interests of a country (Amolo, 2019). This study assessed the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya. On



that diplomatic policies facilitate the investors to the import and export trade, the 62.9% strongly agreed that diplomatic policies facilitate the investors to the import and export trade. On the corporate governance practices build the trust in investment where investors satisfied, the 53.2% agreed. The emerging market enterprises enter developed economies as well as other emerging markets. Governments and businesses in developed economies are observing this with mixed feelings (Bayne, & Woolcock, 2017).

Diplomacy may be a key word and the additional explanation for international business success or failure (Sylvanus, 2016). In this study, data was analyzed, on that economic diplomacy promotes citizens to collaborate with external investors, the 72.6% strongly agreed and on that economic diplomacy build the trustfulness in investment where external investors satisfied, the 59.7% agreed. According to economic nationalist, countries that offer economic carrots, such as foreign aid and favorable trade policies, or that use economic sticks, such as sanctions, to promote states national interest are practicing economic nationalism (Rourke, 2017). The data analysis of this study resulted that the relationship between professionalizing economic diplomacy and economic integration was .790\*\* which indicated that there was a statistically significant relationship between the professionalizing economic diplomacy and economic integration.

## 5.1 Conclusion

The professionalizing and innovating economic diplomacy is very important in this study and should be considered as an investment rather than as a cost for the Rwandan diplomatic missions all over the world (Sylvanus, 2019). The study assessed the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya. The conclusions given based on the results from data analysis. On the influence of embassies on economic integration, about that diplomatic policies facilitate the investors to the import and export trade, the 62.9% strongly agreed. The overall means of results was 4.482 that was between agree (4) and strongly agree (5), which concluded that the embassies was significantly influenced economic integration. The data analysis resulted that the relationship between influence of embassies and economic integration was .905\*\* which concluded that there was a statistically significant relationship between the embassies and economic integration in East Africa, Rwanda-Kenya.

On the effect of professionalizing economic diplomacy on economic integration, on that economic diplomacy promotes citizens to collaborate with external investors, the 72.6% strongly agreed. The overall means of results was 4.472 that was between agree (4) and strongly agree (5), which concluded that there was significantly effect of professionalizing economic diplomacy on economic integration. The results presented that the variables were statistically significant with P-value =.000b which concluded that there was a significant relationship between the diplomatic missions policies and economic integration in East Africa, Rwanda-Kenya.

## 5.2 Recommendations

Basing on the results of the study, researcher suggested the following recommendations: The government administrations (MINAFFET) should continue to develop and promote the economic diplomacy, social interests and core values in collaboration of international business. The government administrations should make the diplomatic missions policies facilitating the foreign investors to invest in countries. The citizens should look for the investments developing their business based on the diplomatic missions policies.

### 5.3 Acknowledgement

First of all, I would like to thank God for guiding and protecting not only during this study but in all my life. My much appreciation goes to my research supervisor Dr. Eugenia Nkechi Irechukwu for all advises and guidance given to me during this study. Thanks, should all go to Mount Kenya University and Kenya staffs that made my environment conducive while my classes especially my Lecturers.

### References

- Coolsaet, R. (2004). Trade and Diplomacy: The Belgian Case. *International Studies Perspectives*, 5(1), 61-65.
- David, L. (2009). Economic internationalism, free trade and international government, *International Theory of J. A Habson*, 121-143
- Eyakuze A & Gitau, M. J. (2012). Economic Policy and Performance in East Africa: A survey of Tanzania, Kenya, Uganda and Rwanda', in East African Scenarios Project, Research Compendium, SID, Nairobi 2007; pp. 177–223
- Gesink, T. (2012). Embassy websites and international business support: a comparative online services analysis. Master thesis. *University of Twente*.
- Gore, C. (2013). The New Development Cooperation Landscape: Actors, Approaches, Architecture, in: *Journal of International Development*, 769-786.
- Guillon, M. F., & Garcia-Canal, E. (2009). The American Model of the Multinational Firm and the “New” Multinationals from Emerging Economies. *The Academy of Management Perspectives*, 23(2): 23-35
- Hamilton, K & Langhorne, R. (1994). *The Practice of Diplomacy. The Art of Diplomacy*, (Lanham, MD, 1994).
- Hanson, S. (2008). Understanding Kenya's Politics', CFR (Council on Foreign Relations), New York, [http://www.cfr.org/publication/15322/understanding\\_kenya\\_politics.html](http://www.cfr.org/publication/15322/understanding_kenya_politics.html).
- Hessels, S. J. A. (2008). *International Entrepreneurship: Value Creation across National Borders*. (Erasmus University Rotterdam, 2008)
- Hill, C. (2010) *International Business: Competing in the Global Marketplace*. (8th ed.). (McGraw-Hill Companies: New York, 2010)
- Hocking, B. (2015), 'Catalytic Diplomacy: Beyond Newness and Decline,' in Jan Mellissen (ed), *Innovation in diplomatic practice* (New York: Macmillan), pp. 21–42.
- Justinek, G., Sedej, T. (2012). Measuring Export Support Performance in Slovenia. *International Journal of Diplomacy and Economy*, 1(1): 80-94
- Keating, M. (1999). Regions and International Affairs: motives, Opportunities and Strategies. *Regional & Federal Studies*, 9(1):1-16
- Kenya, IEBC. (2012). Independent Electoral and Boundaries Commission, 'Home', <http://www.iebc.or.ke/index.php/Page-4.html>.
- Kenya, Ministry for Information and Communication, Kenya Year Book (2010). *A New Dawn for Kenya*. Nairobi: Kenya Year Book Editorial Board,
- Lee, D., & Ruel, H. (2012). Introduction: Commercial Diplomacy and International Business: Merging International Business and International Relations. *Advanced Series in Management*,

- Lee, D., and Hudson, L. (2004). The Old and the New Significance of Political Economy in Diplomacy. *Review of International Studies*, 30: 343-360
- London, M. (1999). Principled leadership and Business Diplomacy A practical, values-based direction for management development. *Journal of Management Development*, 18(2), 170-192.
- Mbirimi, I. (2016). Economic Diplomacy for Developing Countries', in Bayne N & S Woolcock (eds), *The New Economic Diplomacy – Decision making and Negotiations in International Economic Relations*. Farnham (UK)
- Mboya, T. (1970). Some Reflections on the Development of a Foreign Policy for an African State'. *The Challenges of Nationhood: A Collection of Speeches and Writings*, Westport (Connecticut): Praeger Publishers, pp. 234–236.
- Meyer, K. (2013). What Is, and to What Purpose Do We Study, International Business? *AIB Insights*, 13 (1), 10-13.