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Article

Drivers and Barriers of Digital Market Integration in East Africa: A Case Study of Rwanda and Tanzania

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Abstract
Digital development has become a firm pillar in the national development strategies of many countries in the Global South. Although the geopolitical competition over ICTs leveraged their diplomatic and economic relevance in the international sphere, developing countries remain in a subordinate position in global power relations. However, while they could collectively improve their standing by uniting behind an integrated digital market, national governments in the East African Community are reluctant to implement a single digital market, leading us to inquire: What constrains digital market integration in East Africa? This article compares Rwanda and Tanzania, two relatively digitally mature but less developed countries in Sub-Saharan Africa, whereas one is a small landlocked country and the other a larger emerging economy. Following the classification of Hout and Salih, material, ideational, political, and external aspects affect a nation's enthusiasm for regional initiatives. By examining factors related to domestic politics and political economy, this article finds that material and political factors encourage digital regionalism in Rwanda but discourage it in Tanzania; ideational factors contribute to national rather than regional unity in both countries. Yet, external factors linked to EU foreign policy and developmental cooperation seem to lead current regional projects. Therefore, this article concludes that drivers of African regionalism may turn into barriers depending on the domestic political and economic circumstances while digital market integration is currently driven by foreign players. More generally, the study contributes to the debate on African agency in ICT for development and developing countries' capacity to overcome traditional dependency structures.

Keywords
African regionalism; digital development; digital market integration; ICT infrastructure; Rwanda; structural power; Tanzania

Issue
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1. Introduction

The crisis of multilateral order has not spared the technology sector which has seen telecommunication infrastructure caught up in a "tech cold war" between China and the West. In an increasingly data-driven world economy, digitalization underpins the fierce geopolitical competition over technological and political supremacy on the global stage (Starrs & Germann, 2021). In this context, developing countries with a young and growing population represent a fertile ground for technological leaders to foster their economic standing and to assert their influence in standard-setting and norms development (Schmidt & Sewerin, 2017; Wang et al., 2020). However, the digital progress of developing countries hinges on alliances and partnerships with international technology companies and leading economies, both for technological know-how and capital funding. This dependency position may induce developing countries to circumvent the current multilateral and globalized order in the field of digital transition and improve their relative power by building regional entities like a single digital market.

Driven by an international trend toward regionalization, the integration of digital markets beyond national frontiers seems increasingly fashionable. The expected merits range from economies of scale to a united and thus stronger voice in international standard-setting and norm definition procedures. Nevertheless, in East Africa, national efforts to build a region-wide digital market remain modest, leading one to inquire: What factors enable or constrain digital market integration in East Africa? This article argues that various factors related to domestic politics and the domestic political economy explain the differing levels of support for collective power exercise in East Africa. Following the analytical classification of Hout and Salih, this article examines to what extent material, ideational, political, and external factors drive digital market integration in Rwanda and Tanzania. While both are less developed countries in Sub-Saharan Africa, Rwanda is a small landlocked country whereas Tanzania is a larger emerging economy that recently achieved lower-middle-income status. Rwanda generally favors market integration but invests its integration efforts on continent-wide initiatives beyond the East African Community (EAC). In contrast, traditionally more isolationist Tanzania has remained a largely passive member of several regionalist projects. The key findings suggest that the material and political drivers work in opposite directions for the two countries, that ideational aspects play a secondary role in digital regionalism while external drivers are decisive in the push for regional market integration.

The envisioned single digital market for East Africa (World Bank Group & Analysys Mason, 2018) represents a particularly interesting example of a regional project in a highly strategic sector for countries in the Global South. EAC member states are among the most digitally mature on the continent and several countries embrace new technologies in their development strategies (Gagliardone & Golooba-Mutebi, 2016). Like other developing countries, however, they largely depend on foreign technology providers for their national ICT infrastructure and must navigate the escalating technological competition between China and the West from a subordinate political position in global power relations (Stopford, 1991). In this context, regional cooperation could not only boost the economy of East African states but also strengthen their geopolitical standing vis-à-vis leading world economies and their flagship companies (Krasner, 1985). It follows that African regionalism in the digital sector represents a niche but highly relevant area of study. On the one hand, digitalization and new technologies transcend traditional boundaries and are deeply integrated into global supply chains. As such, they inevitably affect Global North–South relations. On the other hand, digitalization has been praised for its role in the socio-economic development of the continent, but not without attracting criticism for potentially reinforcing the global power system. Since regional arrangements could promote the position of African countries on the international stage, this article nuances the idea of digital market integration to the special circumstances of the Global South.

The article proceeds as follows. Section 2 details how structural power dynamics in the global ICT infrastructure put developing countries in a subordinate position and how digital market integration could counteract some asymmetries. More specifically, four potential drivers of regionalism are presented. These are applied one by one to the Rwandan and Tanzanian cases in Section 3. Section 4 summarizes the findings.

2. Structural Power and Drivers of Regionalism in Africa

The concept of structural power by Susan Strange postulates that economic leaders, both state and non-state, set the overall policy stage within which weaker actors like developing countries can shape their strategies. As the global ICT infrastructure sector is gaining geopolitical relevance, leading world economies and private telecom corporations target less powerful developing countries to diffuse their technologies, harvest economic profits, and foster normative-diplomatic support in the international community. The unprecedented potential of ICTs affects all four aspects of structural power, namely control over security, control over production, control over credit, and control over knowledge, beliefs, and ideas (Strange, 2004). Strange recognized that in the modern world economy power sits with the "information-rich" rather than the "capital-rich." In the military, knowledge outcompetes both crude manpower and crude gunpower while states increasingly rely on market-developed technology for security and defense: "The rapid change in the knowledge structure is forcing radical change in the production structure" (Strange, 2004, p. 133); and in no sector have enterprises been faster to adopt state-of-the-art technology than in finance. Finally, the power of knowledge lies in the possession of knowledge, its storage, and the control over channels by which knowledge or information is communicated. This resulted in the current competition over global cyber governance and "Internet sovereignty," and the information imperialism of the 20th century (Drezner, 2019).

Existing efforts have focused on how digitalization and new technologies affect the position of the Global South in the changing multilateral order (Acharya, 2018; Eilstrup-Sangiovanni & Hofmann, 2020). Firstly, some scholars of international political economy have argued that digital advances in ICT leveraged the diplomatic and economic relevance of developing countries in the international community. Less developed economies attract significant attention due to their demographic profile and potential for economic growth, possibly affording them a larger autonomy when adopting and implementing domestic policies (van Klyton et al., 2019). From a diplomatic point of view, world powers may cater to developing countries because they could tip the vote in standard-setting and norm definition procedures (Beeson & Zeng, 2018; Hurrell, 2018). Economically, the rapid development of ICTs radically lowered the cost of moving ideas (Baldwin, 2016, p. 123; Strange, 1996, p. 102). By linking capital and technology in industrialized countries to low-cost labor in less developed countries, poorer regions gained a comparative advantage over high-income regions (Mansfield & Rudra, 2021). However, the increased relevance of developing countries also implies that they must balance domestic and foreign forces to bring technological progress to their own economies and to avoid undermining the local industry.

In fact, a second group of scholars has pointed at the potential risks arising from technological dependency which might reinforce rather than reduce existing power relations (Wade, 2002). Conforming to the concept of structural power, leading economies and their flagship companies set the direction and pace of technological innovation and inevitably subdue the policymaking space of developing countries. While the expansion of the service sector implies that African economies are leapfrogging manufacturing and industrialization, a large part of the service sector consists of low-technology and low-value activities with limited scope for technological learning (Taylor, 2016). As African countries have remained largely passive players in the world economy (Amin, 2014), their digital progress depends on partnerships with foreign technology providers. Therefore, developing countries face a critical decision in an increasingly polarizing oligopolistic sector, but may alleviate this pressure and improve their bargaining power by merging their digital markets into a single digital market.

Various scholarly contributions on African regionalism focused on the potential of regional integration for domestic development and emancipation from international power structures (Mason, 2016). The concept of "developmental regionalism" denotes "greater emphasis on the role of the private sector, going beyond the liberalization of trade, and including the promotion of foreign investment, the development of regional industries and the strengthening of regional infrastructure" (Hout & Salih, 2019, p. 4). Indeed, amid the persisting structural asymmetries in the international system, economic interdependence through regionalism within Africa could eventually "strengthen the competitiveness of African producers in the world market" (Hout & Salih, 2019, p. 4). For instance, regional initiatives in Africa may serve as a mechanism to pool and leverage financial resources, especially from major donors like OECD member states (Bruszt & Palestini, 2016, p. 21). Despite its potential advantages, regionalism in Africa is characterized by multiple shortcomings. Due to the highly similar production structures across African countries, they are concerned about the distribution of the benefits of integration, fearing regional asymmetries (Cadot et al., 1999). Consequently, many governments are reluctant to reform "behind-the-border" barriers or to transfer decision-making authority to regional bodies (Hout & Salih, 2019, p. 6). Moreover, there is a gap between the ambition of state-led regionalism and broader societal engagements within these projects (Hartmann, 2016, p. 3).

This article postulates that regionalist initiatives like a single digital market could counterbalance the primacy of economic world powers and technology companies. Amid the numerous interpretations of regionalism, this article understands regionalism as a formal, de jure form of regional cooperation which may involve regional interstate cooperation, state-promoted regional integration, and regional cohesion (Hout & Salih, 2019, p. 16; Hurrell, 1995). While recognizing that regionalization may also involve informal or de facto processes, the present analysis only focuses on institution-building aspects and the conclusion of formal agreements associated with a regional project or regional organization. In this context, the regional scope of the single digital market for East Africa is three-fold, encompassing a single connectivity market, a single data market, and a single online market. The single connectivity market should ensure the interconnection and interoperability of national backbone networks across the region on the wholesale level and extend the existing regional roaming initiatives on the retail level to those countries which are currently not part of it. A single data market is crucial as more and more critical infrastructure and new services will be heavily data-driven. Only strong data protection and privacy laws can allow for cross-border data transfers; regional cooperation and resource sharing will be needed to meet the increasing demand for enhanced cybersecurity tools. The final piece of the single digital market is a single online market with cross-border e-commerce and access to digitally-enabled services by removing trade and customs barriers for goods and services purchased online. These measures will trigger a positive feedback loop: "While connectivity is a prerequisite for the development of online services, as the online services market expands so will the demand for connectivity infrastructure, as access to the internet becomes more attractive to new users" (World Bank Group & Analysys Mason, 2018, p. 7).

According to the analytical classification by Hout and Salih (2019, p. 20), the underlying mechanism of regional integration in Africa rests on four broad types of drivers: material, ideational, political, and external. Material drivers allude to efficiency-enhancing effects of regionalism through the expansion of trade or the removal of "behind-the-border barriers" like regulatory frameworks and infrastructural facilities (Baldwin, 2011). Therefore, firms may exert pressure on governments to gain access to a larger market and to benefit from economies of scale. Regional integration could also provide a solution to collective action problems and reduce transaction costs (Mattli, 1999, p. 46). Moreover, neo-Marxist writers and world-systems theory emphasize how regionalism facilitates capital accumulation processes. Many constructivist authors have focused on ideational drivers, drawing on the concepts of identity and ideology which inspire integration based on the actors' identification with a regional entity or because of ideological convictions. African states have also employed regionalism as a political tool to establish or strengthen their sovereignty (Hout & Salih, 2019, p. 24). In a similar vein, African states tend to practice "virtual regionalism," meaning that they sign regional agreements but are reluctant to implement them for fear of ceding some of their sovereign power (Fanta, 2008). Finally, external drivers include the diffusion of institutional models and policies but may also refer to other sources of influence such as the external policy of the European Union.

Therefore, this article posits that regional initiatives like the creation of a single digital market afford the respective member states greater geopolitical autonomy by reinforcing developing countries' position in global power relations. While structural power may represent the underlying motivation to team up in a regional undertaking, theory suggests that the actual integration is driven by material, ideational, political, and external factors. The next section considers each of these aspects for Rwanda and Tanzania, two EAC member states with differing attitudes towards regionalism. A comparison of domestic political and economic factors in the two countries illustrates how the outlined drivers shape regional integration efforts and how this in turn affects the countries' standing in the international power structure in the digital sector. The analysis is based on an in-depth document review of national policies, development reports, local newspaper articles, and scholarly literature and supplemented with the findings from a series of unstructured interviews with local and international experts conducted in 2021 and 2022.

3. Drivers of Regionalism

3.1. Material Drivers

According to the analytical classification, material motives drive regionalism since it enables trade expansion, favors collective action, reduces transaction costs, and facilitates capital accumulation processes.

Firstly, in a regional context, market integration means that trade opportunities are expanded beyond national boundaries. The digital sector is particularly suited for regional integration because new technologies disregard national frontiers and thrive in a large market. This is true for both the supply and demand side of digitalization. On the supply side, a single digital market allows for coordinated infrastructure investments and facilitates regional backbone interconnection (World Bank Group & Analysys Mason, 2018, p. 12). On the demand side, access to a regional market may stimulate e-commerce, open new business opportunities to entrepreneurs, and benefit consumers with competitive offers. However, effective market integration beyond intensified levels of bilateral or multilateral trade requires removing "behind-the-border" barriers, too. This entails, for instance, mutually recognizing national digital IDs, ensuring full interoperability between mobile networks, or eliminating undue legal and regulatory restrictions on the free flow, storage, and processing of data across borders (World Bank Group & Analysys Mason, 2018, p. 12). In this respect, the One Network Area (ONA) is an example of a regional agreement in East Africa that harmonizes rate caps for cross-border traffic and eliminates roaming surcharges. Currently, ONA covers Kenya, Uganda, and Rwanda, but not Tanzania (Horvitz & Forge, 2016, p. 18).

For Rwanda, trade expansion through regional market integration bears several advantages (World Bank Group, 2020a, p. 31). The land-locked least developed country aspires to imitate the development paths of the Asian tigers (Lisimba & Parashar, 2020). In fact, the digital sector is the central component of the national development strategy which aims to achieve higher middle-income status by 2035 (World Bank Group, 2021, p. 8). However, with a population of about 13 million and a GDP per capita of barely 800 USD, both domestic and foreign investors would welcome market integration with the larger East African states like Kenya or Tanzania (employee of GIZ, interview, 14 January 2022; employee of World Bank, interview, 6 May 2021).

Tanzania is the largest and most populous member state of the EAC, with a population of roughly 60 million. Owing to its socialist past, the state still exerts widespread control over strategic sectors of the national economy. In the digital sector, the government has long protected and supported the state-owned Tanzania Telecommunications Corporation (TTCL) to the detriment of ICT infrastructure expansion and network accessibility and affordability (World Bank Group, 2020b, p. 43; employee of World Bank, interview, 6 May 2021). Consequently, the Tanzanian digital economy lags behind both Kenya and Rwanda in terms of mobile network coverage as well as internet usage rates. In particular, usage of Tanzania's international bandwidth is only a third of Kenya's (World Bank Group, 2020b, p. 6). Hence, Tanzania would comparatively gain the least from market integration. On the one hand, infrastructure investment is needed most at home; on the other hand, the domestic market has the greatest potential for market growth since it has the lowest portion of internet users. Since Tanzanian stakeholders might even fear losing market share to competitors from the more tech-savvy Kenyan or Rwandan counterparts, they are unlikely promoters of market integration.

Secondly, regionalism may also reduce transaction costs deriving from collective action problems. Collective action problems arise among groups of individuals or states when attempting to provide a public good because the single individual may have incentives to "free-ride" on the efforts of others (Olson, 1965). In this case, the public good refers to constraining the behavior of states and facilitating regional cooperation when, for instance, EAC member states enter negotiations with foreign ICT providers to expand the domestic ICT infrastructure.

Due to the prevailing global power relations, a concerted position among developing countries could enhance their bargaining power vis-à-vis dominating technology companies as well as those countries and organizations providing the necessary financing. At the same time, a common agreement would lower the transaction costs involved in negotiation efforts. Moreover, they could combine their efforts when advocating for technological interoperability to ensure lasting access to and affordability of foreign innovation.

In this sense, Rwanda not only recognized the need for concerted action but created a platform to foster collaboration between African countries—the SMART Africa initiative. However, SMART Africa is not a regional project as such but rather provides a series of blueprints to share lessons learned across the continent and to favor their implementation elsewhere. More importantly for land-locked Rwanda, regional organizations may help overcome transaction costs related to gaining access to the submarine cable network of its neighbor states. A regional framework could support negotiations with Kenya and Tanzania to connect Rwanda as well as land-locked Burundi and Uganda to SEACOM, a 17,000 km cable system linking Tanzania, South Africa, India, and France, among others (Qiu, 2018). Again, as opposed to Rwanda, Tanzania would not draw direct advantages from regionalized negotiations.

Finally, capital accumulation processes could motivate private telecom firms to persuade their governments to promote a single digital market. However, the digital sector in both Rwanda and Tanzania is dominated by foreign firms. Leading telecommunication companies include the South African Vodacom Group, the Indian-based Airtel, and the South Korean KT Corporation in Rwanda; the national backbone infrastructures are primarily powered by the Chinese Huawei, the Vietnamese Halotel in Tanzania (World Bank Group, 2020b, p. 43; employee of World Bank, interview, 6 May 2021), and the South Korean KT Corporation in Rwanda (Darracq & Neville, 2014). The governments in Kigali and Dodoma even granted preferential status to some of these providers: KT Corporation constructed Rwanda's 4G network under an exclusivity agreement (Darracq & Neville, 2014), while Huawei is the official ICT advisor of the Tanzanian government ("China's Huawei becomes ICT advisor to Tanzanian govt," 2015). Consequently, these companies are unlikely to push for stronger market integration.

To summarize, Rwanda generally favors digital market integration because as a small and landlocked country, it could take advantage of access to a larger market and reach solutions to collective action problems more easily and with lower transaction costs, especially with regard to access to the submarine cable network. These factors, however, act as drivers in the opposite direction for Tanzania. In fact, Tanzania already represents the largest market; the integration of its smaller landlocked neighbors promises limited benefits, while an aggregation with the more competitive Kenyan market could threaten domestic providers. Similarly, it is linked to a submarine cable system without having to negotiate the access. Finally, capital accumulation processes act as a moderate driver in both countries since their economies are dominated by foreign ICT companies prepared to establish subsidiaries in every member state.

3.2. Ideational Drivers

Constructivist scholars argue that regions are constructs whose formations are paralleled by the development of identities (Hout & Salih, 2019, p. 23). Accordingly, regionalism may arise from identification with a regional entity or ideological beliefs—so-called ideational drivers. In the African context, the most prominent ideology driving regionalism is pan-Africanism (Hout & Salih, 2019, p. 23). Having emerged as an anti-colonial movement, pan-Africanism subsequently inspired the foundation of the African Union (formerly Organization of the African Unity). It is worth noting, however, that the principles of the African Union promote the rights of states rather than individuals (Herbst, 2000, p. 106). As such, the regional organization became a tool to help weak states survive, abiding by the principles of non-interference and respecting national sovereignty independently of the effective power exercised over the territory. Indeed, many African states inherited external stability but internal instability from the colonial powers which created territorial states rather than nation-states. Keen to retain these national units as they were, post-colonial governments largely maintained the internal colonial apparatus, no matter how ill-fitted to the local reality (Herbst, 2000, p. 101). Instead of pursuing a regional or pan-African identity, they chose to focus on nation-building and constructing a national identity for their artificially created states—Rwanda and Tanzania are no exception.

Following the 1994 genocide, Rwanda has concentrated its efforts on building a collective identity of "Rwandanness" by promoting national unity and de-ethnicization (Buckley-Zistel, 2006). Rwandan society consists of three ethnic groups, Hutu, Tutsi, and Twa, which had assimilated over the centuries and even share the same language, Kinyarwanda, and whose ethnic differences were carved out by colonial occupiers (Hodgkin, 2006). While espousing "Rwandanness," over the years the government introduced several changes to its language policy, some of which are intimately related to the government's ambitions to become the IT hub of Africa. When English replaced French as the language of business, diplomacy, and language of instruction, the official argument was that English is the language of technology. Other reasons seemed to have played a role as well: Besides the historical tensions with Belgium and France, Rwanda's East African neighbors are Anglophone (Rosendal, 2010, p. 75). Finally, when Rwanda joined the EAC in 2017, it showed its commitment by adding Kiswahili, the region's lingua franca, as the fourth official language. Hence, Rwanda's language policies, even if top-down and of debatable efficiency, indicate the political will to resemble the East African region as well as the international technology community.

Tanzania's path to form a national identity was somewhat different. Being very poor, highly ethnically diverse, a former British colony, and not having fought an independence war, it is expected to have low national sentiment. Yet, Tanzania qualifies as one of the most nationalist states in Africa (Robinson, 2009, p. 13). The relatively successful nation-building process has been attributed to the Ujamaa state policy in the early post-independence era. As a prime example of African socialism, the one-party state implemented the nationwide use of Kiswahili as an official language, introduced nationalist content in primary school education, and promoted the equitable regional distribution of state resources (Robinson, 2009, p. 24). Hence, the Ujamaa policy fostered the nationalist spirit in three ways: "It cut across ethnic lines, it was unique for Tanzania, and it was attracting attention and recognition in the world community" (Lange, 1999, p. 42). To date, Kiswahili is also the main language used on social media platforms, in popular culture, and by the political elite. By way of comparison, Rwanda's top influencers as well as President Paul Kagame primarily communicate in English. Arguably, the different language usage suggests that local digital content is not aimed at a regional public but tailored to the national audience in the case of Tanzania and a broader international community in Rwanda. As virtual communication and online culture do not seem to stir a regional identity, ideational factors are secondary drivers for digital regionalism in East Africa.

Given the perceived distance between individuals and regional organizations, the EAC acknowledges the need for better communication to inform the public on their rights and opportunities for regional integration (EAC, n.d.; employee of GIZ, interview, 14 January 2022). So far, however, the cooperation appears rather episodic and mostly top-down. Despite several interregional educational programs (employee of Dar es Salaam Institute of Technology, interview, 30 April 2021) and the mutual recognition of certificates between EAC members, an employee of the National Council for Technical Education asserted that especially in the field of ICT more students pursue their academic qualifications in India or China than in neighboring East African states (employee of the National Council for Technical Education, interview, 15 April 2021). This suggests that ideational aspects play a limited role in driving digital market integration in East Africa.

3.3. Political Drivers

Some African leaders instrumentalized regionalism to boost national sovereignty. Participation in a regional framework implies mutual recognition among partner states and, by extension, illustrates the equality of African states. This is especially important for the recognition of weak states and the claim to authority of authoritarian governments. So, the adherence to regional schemes is often nominal since the underlying goal of African rulers is the maintenance of existing borders and the principle of non-intervention in domestic affairs. In the digital field, countries assert their sovereignty by ensuring their independence from foreign services like cloud services and infrastructures like broadband networks. Since even the most tech-savvy economies struggle to achieve complete independence, a viable alternative is to acknowledge the dependencies and use existing technologies to one's own advantage. While the participation in international organizations such as the International Telecommunications Union suggests mutual recognition and the equal standing of countries, regional organization strengthens the autonomy of member states vis-à-vis foreign companies in two ways: (a) the increased size of an integrated market improves the member states' bargaining power and (b) the respective economies would no longer compete against each other but join their forces to attract foreign investment. These drivers seem to reflect some of the dynamics at play in Rwanda, but less so in Tanzania.

According to the 2020 Democracy Index, Rwanda qualifies as an authoritarian state (Economist Intelligence Unit, 2021) and is therefore predicted to seek membership in regional organizations to strengthen its sovereignty. Indeed, Rwanda has joined five regional organizations with varying spheres and levels of regional cooperation: the African Union, the EAC, the Organisation Internationale de la Francophonie, the Common Market for Eastern and Southern Africa (COMESA), and the Economic Community of Central African States (ECCAS). However, despite its participation in numerous regional undertakings, Rwanda did not choose any of them as a platform to launch the so-called SMART Africa Initiative but rather formed a project of its own to promote inter-African cooperation in the digital sphere. By establishing it outside the existing regional communities, Rwanda put itself in a leadership position. In fact, it avoided challenging other regional hegemons such as Kenya in the EAC or South Africa in COMESA. Moreover, it caters to international sponsors eager to promote ICTs for development but also indulges the public at home where technology and innovation are the declared centerpiece of the national development strategy (Gagliardone & Golooba-Mutebi, 2016). On the initiative's website, Rwanda's president and chairman of the Board of SMART Africa, Paul Kagame, states the vision:

> The creation of Smart Africa is a testimony of our resolve to put in place the right policy and regulatory environment that will encourage partnerships, entrepreneurship, job creation and knowledge sharing. Our move towards an ICT and knowledge driven economy together intends to increase Africa's competitiveness in the global economy. ICTs have the

> ability to level the global playing field, unlock human capital and harness its full potential. (Kagame, n.d.)

This statement shows Rwanda's decisive commitment to digitalization and fervor to collaborate with other African countries. However, this collaboration takes the form of partnerships and knowledge sharing rather than institutionalized regionalism. As such, the project not only underpins the national sovereign status of the partner states but does so without setting up an intergovernmental body other than the Secretariat, effectively circumventing any power competition between national governments and regional institutions. Therefore, Rwanda's engagement in regional organizations arguably originates in sovereignty-boosting behavior especially on the international stage, while the push for genuine integration remains modest.

In contrast, Tanzania's commitment to regional organizations has been scant (Harris, 2021). Considered a hybrid regime with characteristics of a democracy and an authoritarian rule (Economist Intelligence Unit, 2021), it currently participates in the African Union, the EAC, and the Southern African Development Community, but withdrew from COMESA in 2000. In the digital sphere, it has not joined the ONA, as mentioned earlier. The general hesitance to engage in regional partnerships was underpinned by the isolationist stance of the late president John P. Magufuli (2015–2021) who made a total of nine foreign visits during his presidency, all of which were to Eastern or Southern African countries. By comparison, his Rwandan counterpart is considered one of the most traveled presidents worldwide (Himbara, 2018). Despite the seeming reluctance to take part in regionalism, Tanzania repeatedly engaged in bilateral cooperation with its neighboring states, including in the digital realm. For instance, in 2019 the local daily *Mwananchi* reported that Tanzania brought the internet to Burundi, following an agreement between the Tanzanian state-owned TTCL and the Burundian BBS ("Tanzania kupeleka intaneti Burundi," 2019). The comparative unconcern for comprehensive regional integration, however, does not appear to have tainted its sovereignty status nor the generous inflows of development aid. On the contrary, Tanzania seems to draw international recognition from its domestic stability and a relatively high degree of centralization (Acemoglu & Robinson, 2013, p. 476). Since regional integration could require ceding some authority to a supraregional body, Tanzania could stand to lose more than they could gain regarding sovereignty issues.

Even if for different political and economic reasons, both Rwanda and Tanzania are EAC member states, one of the more advanced regional organizations on the continent. First founded after independence, the community dissolved due to the Uganda–Tanzania War in 1979. Since it was reinstated in 2000, the intergovernmental organization progressively implemented a customs union and common market for goods among its member states. In the communications sector, the most recent budget speech underlined the Secretariat's efforts to harmonize policies and accomplish the full implementation of the EAC Roaming Framework (Nduhungirehe, 2019). A number of educational initiatives promote ICT training on a regional level: the Inter-University Council of East Africa, the East African Skills for Transformation Project, or the Regional Network of National Industrial Research and Development Organizations. However, what these undertakings have in common is not only their regional dimension but also an intrinsic link to foreign sponsors including the German development cooperation agency (GIZ), the Estonian government, and various universities in China and South Korea. Therefore, one may argue that these accomplishments do not fully reflect the domestic attitudes towards regionalism but are at least in part driven by international partnerships.

3.4. External Drivers

External drivers of regional cooperation acknowledge the existence of regional integration elsewhere and assume that they trigger similar processes in Africa. In this sense, European integration often serves as a point of reference for the diffusion, and a source of inspiration or even direct influence. Since digital market integration has not yet been achieved in East Africa, it is not possible to assess any diffusion structures between the European and East African models. Thus, the remainder of this section will focus on the promotion of regionalism as a foreign policy tool, especially by the European Union and its member states, but also consider the role of foreign ICT providers.

Many European Union programs aimed at spreading regionalism by offering a mixture of incentives, norm socialization, persuasion, and political dialogue (Hout & Salih, 2019, p. 26). For instance, African countries were nudged to establish economic partnership agreements in exchange for market access to the European Union, or to attract financial assistance under the European Development Fund. These affect both Rwanda and Tanzania, which receive large amounts of development assistance from OECD donor states. Moreover, some EU member states and their development cooperation agencies lend direct support to interregional projects on the ground—in the digital field, the above-mentioned Inter-University Council of East Africa and SMART Africa stand out. Similarly, the vision report of the single digital market for East Africa was coordinated by the World Bank, albeit under intensive consultation with national stakeholders (employee of Dar es Salaam Institute of Technology, interview, 30 April 2021). Hence, it appears that concrete regional initiatives rely on foreign impetus.

Another source of foreign input is technology, the basic prerequisite for digital development. All East African states rely on foreign providers to expand and upgrade the national ICT infrastructure. This dependency could drive regional cooperation as a tool to counterbalance power asymmetries between the developing countries and technological hegemons. However, so far, their choices of providers and types of agreements vary greatly, indicating the limited interstate coordination in the negotiation with technology companies. Rwanda entered an exclusivity agreement with KT Corporation which granted the South Korean provider KT Corporation the monopoly rights over the 4G network roll-out and administration for the decades to come (Darracq & Neville, 2014). So, the country achieved near-universal 4G coverage for its territory. However, most Rwandans opt for the more affordable "3.95G" offers by other telecom competitors, which are legally prohibited to upgrade their services to 4G standards. This compromise on behalf of the Rwandan government shows that the political elite was willing to surrender an entire national market to a foreign telecommunication company for the sake of domestic infrastructure development. In contrast, in Tanzania, a former socialist country and historical ally of the People's Republic of China, the provider of choice is the Chinese technology giant Huawei. In 2015, the long-standing partnership with Huawei culminated in the appointment of Huawei as the Tanzanian government's official ICT advisor ("China's Huawei becomes ICT advisor to Tanzanian govt," 2015). Although Huawei remains the traditional provider of ICT infrastructure in Tanzania, in recent years the Vietnamese provider Halotel significantly expanded the local ICT network (World Bank Group, 2020b, p. 45; employee of World Bank, interview, 6 May 2021).

To sum up, many regional projects in East Africa are actively supported by foreign actors like the European Union or the World Bank, while locally-driven regionalism remains the exception. This becomes especially clear when considering the lack of coordination between the member states when entering agreements with foreign ICT infrastructure providers.

4. Conclusion

The preceding analysis showed that, overall, Rwanda looks more favorably to digital market integration than Tanzania and that the different levels of commitment originate in factors related to domestic politics and domestic political economy. Among the four kinds of drivers considered, material and political ones determine the country's attitude towards regionalism. However, they work in opposite directions in the two countries—as drivers in Rwanda but barriers in Tanzania. If Rwanda gained access to a larger market, it could exploit economies of scale and become a regional IT hub for foreign investors. Politically, Rwanda pursues regional projects to strengthen national sovereignty at home and abroad, even if those projects emphasize partnership and knowledge sharing rather than creating regional institutions. On the contrary, Tanzania, the largest but least competitive digital market in the EAC, possibly stands to lose out from regionalism in the digital field. Given the significant growth potential of the domestic market, regional integration would pave the way for competitors from neighboring countries, especially Kenya, and thus disadvantage national incumbents. From a political perspective, the historical domestic stability and absence of violent conflict contributed to the international recognition of Tanzania's sovereignty. In addition, the highly centralized government is wary of sharing its power with a supra-national authority and consequently hesitates to engage in regional initiatives. In both countries, ideational drivers underpin national rather than regional identity-building. Despite the adoption of English as an official tongue and language of instruction in Rwanda, this move can be ascribed to historical-political considerations and perhaps the role of English in technological innovation rather than regionalist spirit. Hence, the effect of ideational aspects on digital market integration remains ambiguous. Finally, external drivers appear decisive for regional cooperation. In the present study, they were found in the foreign policy of the European Union and the development programs of its member states which support various regional initiatives in the digital sector. Although these programs are implemented in cooperation with local authorities and regional organizations, it appears that foreign input takes the lead ahead of national efforts.

This case study bears important lessons for the study of regionalism in Africa, the drivers and constraints of market integration in the highly strategic digital sector, and the linkages with external actors. In fact, the findings suggest that the theorized drivers of regionalism in Africa may become barriers under certain circumstances, as shown by the case of Tanzania. Moreover, sector-specific considerations informed by the geopolitical relevance of ICT infrastructure and the transnational nature of the digital space enhance the weight of some factors, especially material ones, while reducing the importance of others, like ideational ones. Finally, its underlying characteristics make the digital sector unusually attractive for external action which prevails in the case study at hand. While both countries acknowledge the role of digitalization for socio-economic development, to date they pursue their endeavors mostly in parallel. It remains to be seen which, if any, driver will eventually trigger endogenous regionalization efforts in the digital realm.

This article more broadly illustrated the geopolitical value of a single digital market for emerging economies. Amid the crisis of the multilateral order, the looming "tech cold war" underlines the importance of a regional digital market. It empowers developing countries in the current multilateral and globalized order. On the one hand, a regionally integrated digital market promotes local economies by providing them with a larger market access. On the other hand, a concerted position among the member states leverages their power in technological partnerships. Finally, regional coordination when commissioning large infrastructure investments supports the case for technological interoperability and may avert new dependency structures.

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Conflict of Interests

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