

Why do not African countries trade with one another?

A qualitative study of factors affecting the intra-African trade

Johanna Grönbäck

Abstract

An increased regional trade in Africa is often defined as a key tool for a continued development of the continent, but although a numerous of policies aiming at increasing the trade have been adopted, the intra-regional trade remains stubbornly low. Why is that so? In this thesis some of the factors that potentially are affecting the trade are studied in a qualitative design. By conducting case studies on Mali and Zimbabwe—countries that have experienced a significant increase in their regional trade—the ambition of the paper is to in depth study and test if and how certain variables and mechanisms are affecting the trade. The variables are degree of free trade, transport and ICT infrastructure, peaceful environment and path dependency, and they are selected with the use of Rational Choice Institutionalism, Historical Institutionalism and earlier research. The using and testing of the variables are then done in a structured and focused analysis.

The main findings of the thesis show that a liberalisation of trade policies together with a diversified transport infrastructure constitute necessary conditions for increasing the regional trade, whereas the political environment needs to be stable in the sense of no outright wars, but not necessarily internally stable.

Key words: Africa, Mali, Zimbabwe, regional trade, trade, institutionalism

Words: 19,958

Table of contents

| | | |
|----------|--|-----------|
| 1 | Introduction..... | 1 |
| 1.1 | The importance of trade | 1 |
| 1.2 | Purpose and research questions..... | 1 |
| 1.3 | The African trade and initial assumptions..... | 2 |
| 1.3.1 | About the African trade..... | 2 |
| 1.3.2 | Theoretical aspects of the importance of trade increases..... | 4 |
| 1.4 | Disposition and brief introduction to the plan of the thesis | 4 |
| 2 | Theoretical Framework..... | 5 |
| 2.1 | Theoretical considerations..... | 5 |
| 2.1.1 | The use of theories | 5 |
| 2.1.2 | Selection of theoretical frameworks..... | 5 |
| 2.1.3 | Disposition and how to select independent variables..... | 6 |
| 2.2 | Rational Choice Institutionalism..... | 7 |
| 2.2.1 | Central assumptions | 7 |
| 2.3 | Historical Institutionalism | 9 |
| 2.3.1 | Central assumptions | 9 |
| 2.3.2 | What leads to change?..... | 10 |
| 2.4 | Earlier research..... | 10 |
| 2.4.1 | The development of European trade | 10 |
| 2.5 | Selection of variables | 11 |
| 2.6 | Operationalizations..... | 12 |
| 2.6.1 | Degree of free trade..... | 12 |
| 2.6.2 | Infrastructure | 13 |
| 2.6.3 | Peaceful environment..... | 13 |
| 2.6.4 | Path dependency..... | 13 |
| 3 | Methodology | 14 |
| 3.1 | Introduction | 14 |
| 3.2 | Methodological considerations | 14 |
| 3.2.1 | Qualitative design..... | 14 |
| 3.2.2 | Case study method | 15 |
| 3.2.3 | Structured and focused case study comparison..... | 16 |
| 3.3 | Selection of cases | 16 |
| 3.3.1 | Methodological considerations and limitations..... | 16 |
| 3.3.2 | Selection of cases | 18 |
| 3.4 | Process tracing..... | 19 |
| 3.5 | Material | 20 |
| 4 | Mali and its regional trade..... | 21 |

| | | |
|----------|--|-----------|
| 4.1 | Mali and its trading context..... | 21 |
| 4.2 | How prevalent are governmental (and the like) trade barriers? | 22 |
| 4.2.1 | RECs and tariff rates | 22 |
| 4.2.2 | Agricultural protectionism and the EPA | 24 |
| 4.2.3 | Roadblocks | 25 |
| 4.3 | What is the infrastructure situation of the country? | 26 |
| 4.3.1 | Transports..... | 26 |
| 4.3.2 | Information and communication technologies..... | 27 |
| 4.4 | Is there a peaceful environment?..... | 28 |
| 4.5 | Path dependency: is the historical trade influencing the trade of today? | 28 |
| 4.5.1 | The institutional history of trade policies..... | 28 |
| 4.5.2 | Collaborations | 29 |
| 5 | Zimbabwe and its regional trade..... | 31 |
| 5.1 | Zimbabwe and its trading context | 31 |
| 5.2 | How prevalent are governmental (and the like) trade barriers? | 32 |
| 5.2.1 | RECs and tariff rates | 32 |
| 5.2.2 | Agricultural protectionism and the EPA | 34 |
| 5.2.3 | Roadblocks | 34 |
| 5.3 | What is the infrastructure situation of the country? | 35 |
| 5.3.1 | Transports..... | 35 |
| 5.3.2 | Information and Communication Technology | 36 |
| 5.4 | Is there a peaceful environment?..... | 37 |
| 5.5 | Path dependency: is the historical trade influencing the trade of today? | 38 |
| 5.5.1 | The institutional history of trade policies..... | 38 |
| 5.5.2 | Collaborations | 39 |
| 6 | Analysis..... | 40 |
| 6.1 | Introduction | 40 |
| 6.2 | What factors are affecting the intra-regional trade in Africa? | 40 |
| 6.2.1 | Synopsis | 40 |
| 6.2.2 | Degree of free trade..... | 42 |
| 6.2.3 | Transport infrastructure..... | 43 |
| 6.2.4 | Information and communication infrastructure..... | 44 |
| 6.2.5 | Peaceful environment..... | 44 |
| 6.2.6 | Path dependency..... | 45 |
| 7 | Conclusion | 47 |
| 7.1 | Introduction | 47 |
| 7.2 | What factors are affecting the intra-African trade?..... | 47 |
| 7.3 | Why do not African countries trade with one another? | 48 |
| 7.4 | Policy recommendations | 49 |
| 7.5 | Further research..... | 50 |

| | | |
|----------|---|-----------|
| 8 | References..... | 51 |
| | Appendix..... | 59 |
| 8.1 | Intra-regional trade as percentage of GDP | 59 |
| 8.2 | Map of Africa | 61 |

Abbreviations and acronyms

| | |
|-------------|---|
| AEC | African Economic Community |
| AEO | African Economic Outlook |
| AMU/UMA | Arab Maghreb Union |
| AU | African Union |
| BSAC | British South Africa Company |
| CEEAC-ECCAS | Economic Community of Central African States (French acronym) |
| CEN-SAD | The Community of Sahel-Saharan States |
| CET | Common External Tariff |
| COMESA | Common Market for Eastern and Southern Africa |
| EAC | Eastern African Community |
| ECOWAS | Economic Community of West African States |
| ESA | Eastern and Southern Africa |
| EPA | Economic Partnership Agreement |
| EU | European Union |
| FTA | Free Trade Agreement |
| GATT | General Agreement on Tariffs and Trade |
| HI | Historical Institutionalism |
| ICT | Information and Communications Technology |
| IGAD | Intergovernmental Authority on Development |
| IMF | International Monetary Fund |
| MFN | Most Favoured Nation |
| PTA | Preferential Trade Agreement |
| ODA | Official Development Assistance |
| RCI | Rational Choice Institutionalism |
| REC | Regional Economic Community |
| SADC | Southern African Development Community |
| SADCC | Southern African Development Co-ordination Conference |
| TDP | Decreasing Protection Tax (French acronym) |
| UNCTAD | United Nations Conference on Trade and Development |
| WAMU | West African Monetary Union |
| UNECA | United Nations Economic Commission for Africa |
| WAEMU/UEMOA | West African Economic and Monetary Union (French acronym) |
| WTO | World Trade Organisation |
| ZANU | Zimbabwe African National Union |
| ZANU-PF | Zimbabwe African National Union - Patriotic Front |

1 Introduction

1.1 The importance of trade

“When goods do not cross borders, soldiers will” is a quote attributed to the French economist and Member of Parliament, Claude Frédéric Bastiat (Rothbard, 2011:5). Despite the age of the quote—expressed in the 19th century—the substance of it remains worthwhile. An openness in trade is often defined to be a key tool not only for a stable environment, but also for the political development. The philosopher Murray N. Rothbard even claimed that “[e]xchange is the lifeblood, not only of our economy, but of civilization itself” (Rothbard, 1990:5). Several policies of today are formulated with the essence of increasing the trade not only in order to increase the GDP of a developed country, but also in order to develop less development countries. Policies about increased trade are thus adopted as national goals in some countries and as aid policies in other countries.

Observed empirical effects of trade can be found in improved economic possibilities for countries as well as for individuals (cf. World Bank, 2012a). Nevertheless, in Africa, the amount of trade is very limited. Despite the continent’s politically stipulated ambitions to develop its global and intra-regional trade, the trade remains stubbornly low (UNECA, 2012:32). The African share of the global trade is 3.2 percent, whereas the intra-regional African trade is 12.8 percent (WTO, 2013:21). The World Bank has identified intra-regional trade, i.e. trade between African countries, to be a key instrument for securing a long-term economic development for the African countries (World Bank, 2012b). Still, the main trade partners for most African states are found in the EU and in the US (UNECA, 2012:19).

1.2 Purpose and research questions

Because the intra-regional trade of Africa is defined as a key instrument for developing the continent, any ambition to broaden the understanding of the regional trade of today is of importance. Policies aiming at increasing intra-African trade are stipulated among African countries, in the African Union as well as in the EU and among several developed countries (cf. AU, 1991; Briet, 2010). The goal of increasing intra-African trade is also an issue for Sweden (UD, 2013). Hence, results from a study about the intra-regional trade in Africa can provide fruitful policy recommendations if enlightening new or cumulative perspectives.

With regard to the introduced puzzle and the shortly briefed purpose, I have formulated the following research questions:

- Why do not African countries trade with one another?
- What factors are affecting the intra-regional trade in Africa?

The first question is intended to be somewhat more overarching, whereas the second question is the more specific question of the thesis.

With the help of Historical Institutionalism, Rational Choice Institutionalism and thereto some economic history research of what developed the European trade, my ambition is to find potential explanations to what can cause changes in trade. By approaching the questions from more than one different theoretical perspective, the enabling of a broader understanding can contribute to a greater variety of policy recommendations. My ambition is thus to contribute to a better understanding of variables and mechanisms that can affect the trade between African countries. A qualitative approach will enable me to look deeper into the potential explanations, and by studying hypotheses about structures as well as rational implications, a goal of the thesis is to arrive at policy recommendations. Can it e.g. be that the current policies (X) that are implemented to increase the intra-regional trade (Y) are meaningless if not Z is fulfilled?

By studying two countries, namely Mali and Zimbabwe—countries that both have had a relatively high increase of intra-African trade—I have the ambition of analysing some of the potential explanations of what can cause the trade to increase, i.e. if the variables from the theories can provide an understanding about how the trade can increase and, if so, if any of these variables are of greater importance when formulating policies.

1.3 The African trade and initial assumptions

1.3.1 About the African trade

In 2012 the intra-African trade was 12.8 percent of the total trade of the continent. This can be contrasted to the intra-regional trade in Asia which sums up to 53.4 percent or the intra-regional trade in the South and Central America which sums up to 26.6 percent (WTO, 2013:21). Other trade numbers can be found in table 1. The numbers are the official statistics and do not take the informal trade into account, which is somewhat problematic since the informal trade in Africa is assumed to be relatively large (UNCTAD, 2013:14). For this study, that issue needs to be taken into account, but as the objective is to find explanations of how the trade can increase, it is not a critical issue because the assumption that the intra-African trade still is relatively low remains.

Furthermore, many policies aim at increasing the intra-regional trade and e.g. the African Union has adopted regional integration as its overarching development strategy for the continent, where the intra-regional trade constitutes one part of the integration (UNECA, 2012:xv). Regional integration would enable the now

relatively small African markets and resource bases to become more competitive (UNECA, 2012:77).

The African policies aiming at increasing the regional integration, hence increasing the regional trade, are much focused on reducing tariffs. This is often constituted in different regional free trade agreements among African states that are geographically close. However, some hindrances to trade are found in non-tariff barriers (NTBs) (UNECA, 2012:79ff). NTBs are bureaucratic or legal issues that may impede trade (WTO, 2014). The concepts include import licensing, subsidies, complex rules of origin as well as roadblocks and harassments from immigration officials (WTO, 2014; UNECA, 2012:81).

Other hindrances to trade can be found in lacking infrastructure, but also in the many competing regional economic communities (RECs) with overlapping mandates (UNECA, 2012:95; Kimenyi et al., 2012:4; UNECA, 2012:77). In addition to these trade hindrances, financial infrastructure and technical infrastructure can also be assumed to affect the intra-African trade (cf. Taiwo & Moyo, 2012).

Table 1 Merchandise trade within regions (percent of total trade)¹

| Region | 2004 | 2008 | 2012 |
|---|-------------|-------------|-------------|
| Africa | 9.9 | 9.6 | 12.8 |
| Asia | 50.3 | 50.1 | 53.4 |
| Commonwealth of Independent States ² | 20.7 | 19.2 | 18.5 |
| Europe | 73.8 | 72.8 | 68.6 |
| North America | 56.0 | 49.8 | 48.6 |
| Middle East | 5.6 | 12.0 | 8.6 |
| South and Central America | 23.2 | 26.5 | 26.6 |

Source: WTO, 2005; WTO, 2009; WTO, 2013

An acceleration of the trade is not an obvious goal per se but rather a political means to an end where an increased intra-African trade can mean that economies of Africa can be more competitive, effective and more of scale as the non-productive actors become ousted. Further on, it can lead to spill-over effects and attract foreign investment (Kimenyi et al., 2012:1). Regardless of which variable is dependent and which is independent, the causality between trade and development tends to be assumed in much of the policy making, and therefore the implementation of policies aiming at increasing the trade.

However, the African trade has developed during the last decade and the global trade has increased extensively. Yet, it is important to note that it is only a few African countries that are responsible for the increased share of the global trade. In 2006 five African countries were responsible for 73 percent of the total export of

¹ Based on the share of regional trade flows in each region's total merchandise exports

² Includes, in addition to the CIS members (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan), Georgia because of its geographic location.

the continent. The exported products are mainly oil and gas (Kommerskollegium, 2009:31).

1.3.2 Theoretical aspects of the importance of trade increases

Regarding the products that are subject to trade, many African countries tend to specialize in the same goods as their neighbouring countries do. One aspect of the lacking economic diversification is the associated lack of comparative advantages (Kimenyi et al., 2012:3). When all countries in a region specialize in the same products, there is little need for regional trade—and when the regional trade is of small scale, the ability of generating diversification is small (Kimenyi et al., 2012:4). One advantage of diversification and therefore specialisation is that countries can gain comparative advantages by producing the products that they are the most efficient in producing. By selling products a country has comparative advantages in producing, the country can gain an output by which it e.g. can import other products (Krugman & Obstfeld, 2009:595). The contrast to this can be empirically illustrated in the current trade flows of Africa, where the exports from Africa generally consists of primary commodities. Furthermore, the trade patterns of the continent are reflecting the trade patterns of the colonial times, where the trade exports go to mainly Europe (UNECA, 2012:33). Instead, imports consist of more processed goods and the African imports are furthermore more diversified than their exports. Many African countries have adopted aims of diversifying their economy with regard to risks of being dependent solely upon a few types of goods (Kommerskollegium, 2009:31f).

For this thesis it is assumed that diversification is a part of increasing the trade, and therefore a related research question could be "why is African intra-regional trade lacking in diversification?". It is also an assumption that diversification is something that can take place in Africa.

1.4 Disposition and brief introduction to the plan of the thesis

The thesis will be a qualitative study where the next section will discuss the theoretical framework together with the selection and operationalization of variables. The variables are selected with and from two theories and with supplementary help from earlier research. The theoretical section is followed by the methodological such where the approach to the topic is developed and discussed. The thesis will study two cases, namely Mali and Zimbabwe, in a structured and focused analysis especially studying the variables, and with some supplementing process tracing. This is done in the empirical part of the thesis, which follows the method section, and is structured in two parts, one about Mali and one about Zimbabwe. Thereafter follows the analysis and after that a concluding section.

2 Theoretical Framework

2.1 Theoretical considerations

2.1.1 The use of theories

Trade and intra-regional trade as an academic topic is wide and multidimensional. The potential entries and ways of understanding what affects trade are several and in order for this study to be viable, there is a need to limit the amount of studied dimensions. The alternative would be to study all aspect that could affect trade, e.g. individuals, weather, migration et cetera. In order to select study objects in a tenable way, theories are suitable tools for focusing the study about the development of trade to concern what has proven to be fruitful dimensions in earlier research. The theories of this thesis are therefore used in order to make the study focused, but also in order to provide a broad understanding of what can affect the trade.

2.1.2 Selection of theoretical frameworks

Institutional analysis is used in order to answer questions mainly regarding how actors behave, what institutions do and why the latter persist over time (Hall & Taylor, 1996:939). Institutions can provide the codes of behaviour by rules or norms and can provide frameworks for how to act in certain situations. Depending on what is defined as an institution and what is identified within the institutions, the understanding of what causes change (or non-change) may vary (March & Olsen, 2008:8).

In the context of trade, and especially the development (or non-development) of trade, institutional analysis can enable a suitable theoretical framework for structuring the approach to the puzzle of the thesis. Hence, because institutionalism connotes the interaction between performance, ideas, agency and change, it can theoretically provide analytical tools that can offer a set of explanations as of why the African trade is as limited as it is.

The Rational Choice Intuitionism is a perspective that interprets the political life as organized by rational actors in a calculating way (March & Olsen, 2008:4). The analytical tools in this perspective are commonly used in the field of economics (Shepsle, 2008). Because trade is an interesting topic for scholars in economics, many of the rational choice tools have been used in studies of economics. Hence, these sorts of studies have focused much on costs, benefits and freerider problems in trade policies and it has proved fruitful to use these analytical tools in these sorts of studies. It is thus convincingly useful to adopt a perspective of rational choice

also in this study because it can contribute to a cumulative knowledge about the intra-regional trade. However, since this study is made from a social science perspective, it is suitable to focus upon the institutionalism perspective and to also include another and complementary perspective of why the African trade has not developed more. To broaden the understanding about the limited trade this study will include the perspective of Historical Institutionalism, a model which enables studies about e.g. structures and historical landscapes (Sanders, 2008).

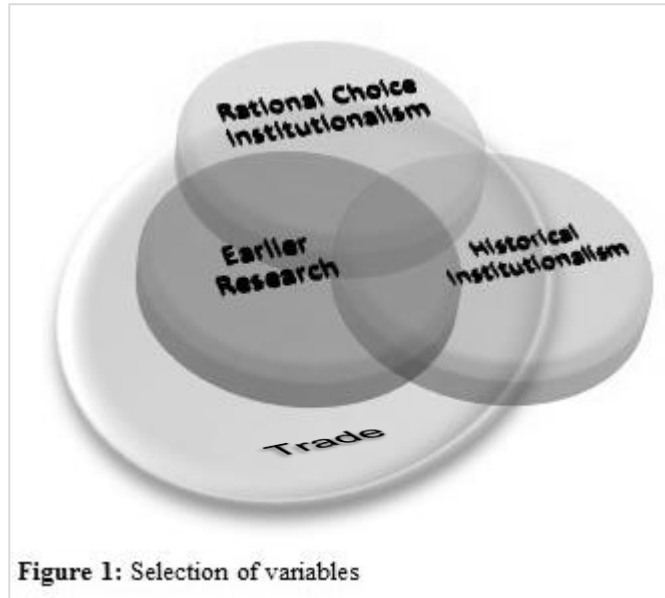
The chosen theories are developed from different perspectives and hence enable different understanding of political systems (Hall & Taylor, 1996:936f). However, both the theories focus upon the role of institutions in the context of social and political outcomes and the perspectives are not necessarily exclusive, but rather complementary where they can be said to focus on different aspects of the system (cf. March & Olsen, 2008:4). Because trade can be affected by many different institutions, the inclusion of two broad theories can be of importance when there are ambitions of gaining a broader understanding about the issue.

2.1.3 Disposition and how to select independent variables

This theoretical section will be followed by two separate presentations of the Rational Choice Institutionalism and the Historical institutionalism since these two theories can provide the broad understanding about the topic. These theories will however offer several potential explanations of why the African intra-regional trade is as limited as it is and thus how it can increase. Due to the limitations of the thesis, it is not possible to study all the potential variables and hypotheses. Hence, in order to be able to formulate and to choose suitable hypotheses it is necessary to look at what earlier research has focused upon. Following the two paragraphs about RCI and HI is thus a paragraph about earlier research, in which the aim is to recap what earlier research about the intra-regional trade mainly has studied. Thereafter follows the concluding paragraph of this theoretical section of the thesis in which the main selection of independent variables is made.

The earlier research section will focus upon what made the European trade grow. The development of European trade has been studied to a comprehensive extent and because this region had a small amount of trade—regionally and globally—before the 18th century when the trade instead started to increase, studies about the European trade can help enlighten important aspects i.e. variables, of what made the trade develop, hence contribute to formulate hypotheses of what can be missing in the African trade.

My theoretical approach is thus to use two broad frameworks for understanding, and then earlier research for narrowing down the amount of potential explanations. RCI and HI provide understanding of change as well as frameworks of how to study the change, whereas their perspectives are too broad in the assignment of limiting the variables. In the task of selecting variables earlier research about the particular topic of trade constitute a good complementary instrument. The selection and approach to the topic should thus be understood as illustrated in figure 1, where the topic for the study is viewed from different theoretical perspectives which to some extent study the same aspects of trade and some aspects of the theories may be irrelevant for this particular topic. Trade should though be understood as a complex subject, affected on several dimensions that not all are covered by the approach of this study. Rather, the chosen approach should be understood as aiming at finding the main dimensions that can affect the trade.



The theoretical section is concluded with a discussion about the operationalization of the variables.

2.2 Rational Choice Institutionalism

2.2.1 Central assumptions

The Rational Choice Institutionalism (RCI) is a theoretical framework that assumes that institutions are used by rational actors wanting to maximize their outcome. The theory is based on assumptions about the rational actor and is borrowing analytical tools from the field of economics (Shepsle, 2008). In this perspective actors behave rationally and have a fixed set of preferences. In order to maximize the outcome accordingly to these preferences, the actors behave in a rational, instrumental and strategic manner. The actors, i.e. the individuals, furthermore act in accordance with their expectations about the behaviour of other individuals. Hence, an actor makes a calculation about how to maximize an outcome according to his or her preferences, but also considers the expected behaviour of other actors and behave strategically according to the latter as well (cf. The Prisoner's Dilemma) (Taylor & Hall, 1996:943ff). Politics can therefore be defined as a set of collective action dilemmas, where actions that are done in order to maximize an outcome for an

individual can, when done by many individuals, become collectively sub-optimal. Institutions are what structure interactions between actors and it is through the former that the number of possible alternatives is limited and through which information is provided (ibid.).

An institution can be interpreted as originating from voluntary agreements since it enables gains of cooperation. Hence, an institution can be understood as created by relevant actors and as something that continues to exist as long as it provides more benefits than any alternative would (ibid.). However, an institution can, in accordance to RCI, also be interpreted as an exogenous constrain and be more of a given game form in which actors act. The latter way of understanding institutions is often associated with political institutions such as a congress or an electoral system. An institution is hence understood as the framework providing a certain spectra of possible courses of action for the actors (cf. the Median Voter Theorem) (Shepsle, 2008:24f). The understanding of institutions as exogenously given is perhaps the most usual, however, Shepsle emphasizes how actors can push for a change of institutions, in line with perspective of institutions as voluntary agreements, even if the institutions are understood as exogenous (2008:26).

The further substance of an institution can also be interpreted differently by different Rational Choice Institutionalists. Some scholars define an institution as an organizational entity with its fairly strict rules, whereas other define it as a collective set of rules or norms (Ostrom, 2007:23). Shepsle responds to this by defining institutions as either structured or unstructured. The structured institution is durable and does not change much over time. It is exemplified by institutions such as an administrative bureau, a court or an army. The contrasted and unstructured institution is described as more implicit and less formalized, but does still concern practices with induced patterns. Norms, within a legal system, that are not scripted is mentioned as an example of an unstructured institution (Shepsle, 2008:27).

The structured institution consists of well-defined actors (e.g. politicians) that have relatively clear preferences (e.g. office preferences or policy preferences) and the actors behave according to institutional rules. Following from this are clearly implied outcomes (Shepsle, 2008:28f).

An unstructured institution does not provide as firm a foundation to study as a structured such. However, the key concept when studying this from a RCI perspective is the logic of collective action. A collective action should be understood as something that would mean a good public outcome, but something that can be costly for the individual members of the collective, meaning that individuals have a tendency for wanting to free ride, i.e. not contribute. The individual contributions can also be of only trivial importance to the public good. To meet this problem, there is a need to reward the individuals who actually contribute to the public good with selective (not collective) compensations. An unstructured institution can thus be a norm or convention that deals with the problem of freeriding by offering somewhat of a payoff strategy similar to what is called "take turns" or "tit for tat" (Shepsle, 2008:30f).

2.3 Historical Institutionalism

2.3.1 Central assumptions

The Historical Institutionalism (HI) is a theory that emphasizes institutions as the object that will explain the answers of change (or non-change). It is not personalities that mainly will affect outcomes, and it is furthermore not here and now that is the most interesting subject of a study. It is rather when longer periods of history are being studied that answers to big question can be found (Sanders, 2008:53).

The central assumptions of HI concern how human political interactions are structured by institutions, where the latter is “the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy” (Taylor & Hall, 1996:938). An institution can be a constitution, procedures of bureaucracy or bank-firms relations et cetera. Nevertheless, it is the institutions that structure the collective behaviour and that generate distinctive outcomes (ibid.). The main focus of HI is thus the construction, maintenance and adaption of institutions (Sanders, 2008:42).

The structuralistic perspective of HI does further on mean that the individual is perceived as an embedded entity, where the institutions, i.e. norms and so forth, compose the filters through which the interpretations of the individuals are made and thus also the constructions of action. The institutions do consequently affect the identities and preferences of individuals (Taylor & Hall, 1996:937ff). Institutions, including the institution of the state, is not to be viewed as neutral among other institutions, but rather as consisting of different interests that all can influence certain outcomes (Durić, 2011:97).

The institutions, including structures et cetera, are human creations. However, the development of the institutions is, according to HI, dependent upon the contextual features of the certain situation. The design of and the initial decisions about the institution is therefore affecting its development. This is called path dependency, i.e. the concept of the development of institutions being marked by the history of the institutions (Taylor & Hall, 1996:941; Sanders, 2008:39). The same operative forces will not generate the same results in context A as in context B. The results of a force (a reform or any action) will i.e. be dependent upon the historical landscape in which the institution exists, where different historical landscapes offer different sets of possible development paths. The path dependency structures are responses to change and challenges (Taylor & Hall, 1996:941).

Within the paths of development different groups can gain consolidated power, e.g. trade unions or particular parties can gain much influence in a certain institution. According to the Historical Institutionalism the relatively strong influence of some groups can be understood by looking at the historical development of that certain institution with its certain context (Sanders, 2008:39f). Hence, the perspective of HI does emphasize how the development of institutions can distribute power unevenly among different social groups and thus how the development of institutions may enhance power asymmetries (Taylor & Hall, 1996:941).

2.3.2 What leads to change?

The path dependency is unintentional and difficult to change (Durić, 2011:97). However, when a path changes relatively much it can often, according to some Historical Institutionalists, be traced back to a so called critical juncture, i.e. a major and external event that disrupts the current political order. This is however a criticised concept that not every Historical Institutionalist agrees on. It is difficult to argue what precipitates a critical juncture, except for economic crises and military conflicts. Furthermore, a focus upon solely critical junctures as a way of creating change may neglect the process of incremental steps (Taylor & Hall, 1996:942; March & Olsen, 2008:12).

The Historical Institutionalism does also emphasize the relationship between institutions and ideas. Institutions are thus not the only variable that might have causality with political outcomes. The diffusion of ideas or beliefs and socioeconomic development may affect the institutions (Taylor & Hall, 1996:942). Institutional change can thus take place even if it is a minority with little means to achieve change that wants it. Even if a change in a path is desirable by many, it can however be difficult to bring about because of the path dependency. Another perspective of the resistance of a certain path may be the costs that are associated with change versus non-change, where the adherence usually is regarded as less costly than change, thus outweighing benefits of change (Durić, 2011:99f).

2.4 Earlier research

2.4.1 The development of European trade

In the 18th century, Western Europe was somewhat of a periphery and—relatively other regions—underdeveloped. It had limited trade with few trading posts et cetera (Findlay & O'Rourke, 2009:305ff). What is explained to have developed and increased the European trade is mostly variables concerning cost reduction and Findlay and O'Rourke among others discuss the European increase of trade as an answer to the decrease of costs (2009:305f). The European trade increase was not isolated as solely intra-regional, rather, the intra-regional trade much developed alongside the intercontinental trade (cf. Findlay & O'Rourke, 2009). However, the intra-European trade did increase and because the use of the European case is not in order to do a comparison but as to find variables, these sorts of lacking similarities will not affect the credibility of the study³.

The costs associated with the European trade at this time concerned tariffs and different kinds of subsidies aiming at protecting national production from international competition (Findlay & O'Rourke, 2009:245ff). The protectionism

³ Another aspect of the development of European trade concerns the colonies, where the colonial powers viewed the colonies as suppliers of raw material et cetera. It is an important aspect, but together with other limitations of the thesis, that aspect is left outside the scope of this thesis.

can however be an argument for an initial national development of a competitive production, i.e. protectionism can be argued to be of importance when a country has not yet developed sufficiently for international trade (cf. the infant industry argument) (Krugman & Obstfeld, 2009:146). However, somewhat contrary to previous arguments Allen argues that “the inter-continental trade boom was a key development that propelled north-western Europe forwards” in the 18th century (Findlay & O’Rourke, 2009:308f). Several smaller European countries had begun to liberalize their trade policies in the early 19th century or even the late 18th century, however in the 1850’s many of the major economies of Europe followed and also began a liberalisation process with e.g. average tariffs dropping and abolitions of import prohibitions, thus reducing costs associated with trade (Findlay & O’Rourke, 2009:395f).

Another cost reduction, emphasized by Findlay and O’Rourke as contributing to the increased trade, is the transport revolution. Following the industrialization came innovations in transport such as improvement of roads as well as the railroad. These transport developments reduced costs that were associated with trade and together with this, the trade volumes and the trade diversification increased, i.e. a bigger variety of goods were traded among countries (Findlay & O’Rourke, 2009:379ff). In addition to the transport innovations were the technological innovations, where the telegraph came to enable a fastening of the communication between different areas. When the information speed rose, there was a facilitation of the potential profits that could be made. Hence, the responses to supply and demand were eased as the coordination, due to the telegraph, was eased (Findlay & O’Rourke, 2009:408).

Another variable that is emphasized as important for the development of European trade is the relatively peaceful environment that was present in the 19th century Europe. The trade earlier on had been disrupted by frequent wars and accompanied policies about blockades et cetera (Findlay & O’Rourke, 2009:366f).

2.5 Selection of variables

What is emphasized as important for the development of the European trade is basically a reduction of the costs concerned with trade. The aspects that Findlay and O’Rourke are using in order to understand the trade development is the elimination of subsidies and so on (i.e. more free trade), the development of transportations, the development of technology and a relatively peaceful environment. These are all characteristics that can be interpreted as variables of RCI and variables that will be used in this study about the African intra-regional trade. However, when studying the technological development, the focus will be adjusted to the technology of today.

Furthermore, since the trade variables can all be understood within the same theoretical framework and is due to one particular context, this study will complement the RCI variables with a HI variable, where the latter can enable an analysis of the historical context as well. Because Africa is different and its

countries have their certain historical backgrounds with colonialism et cetera it can be fruitful to also include a variable of path dependency. The independent variables to be used in this study are thus about (1) free trade, (2) transport and technical infrastructure, (3) peaceful environment and (4) path dependency.

The variables are consequently not to be viewed as binary in potentially affecting the dependent variable, but rather as where degrees of the variables can affect the trade.

Some of the variables are found in quantitative studies and e.g. transport costs constitute one such variable that is made measurable and which is tested in order to explain the intra-African trade (cf. UNCTAD, 2013:18). The design and usage of the variables in this thesis is made with regards to what have been made in earlier research and the use of a qualitative design will contribute to make the results more cumulative. Furthermore, the variable of path dependency is different from the other ones partly because it is derived from another theoretical framework and partly because it can be said to overlap the other variables in the sense that path dependency with the historical context reflects upon other situations and factors.

2.6 Operationalizations

2.6.1 Degree of free trade

In this study, the variable of free trade should be viewed as gradual, i.e. as something a country can have more or less of. The operationalization of the variable will be interpreted in a manner where the main meaning of the concept is when a government does not restrict either imports or exports with policies such as subsidies or tariffs (cf. Krugman & Obstfeld, 2009:213ff). The other part of the free trade scale, namely protectionism, should be understood as costs associated with trade which are added to the trade by actors other than the ones actually involved in the trade (cf. Ministry for Foreign Affairs, 2011). Within this study the concept of free trade will be extended to also include a hindrance to which to some extent can be non-governmental, namely roadblocks⁴ (cf. WTO, 2014).

The operationalization will thus be made by studying the extension of tariffs, subsidies and similar policies adopted by governments and/or RECs in order to protect local markets, but also by studying similar non-governmental hindrances. Free trade will thus be operationalized relative earlier trade policies of the country but also relative other countries. The operationalization of free trade will consequently answer the following question: How prevalent are governmental (and the like) trade barriers?

⁴ A roadblock is a type of barricade used to prevent passage. It can be set up by law enforcement officers.

2.6.2 Infrastructure

The variable of infrastructure will be divided in two parts, one concerning transportation and one concerning communication. The operationalization of the transportation infrastructure will be done by studying the main transportation modes and the maintenance and investments in those, as is done by e.g. the World Bank.

The operationalization of the communication infrastructure will be made in accordance with the well-used concept of Information and communication technology (ICT), i.e. telephone and computer networks (World Bank, 2014). To make it relevant for the topic of the essay and in accordance with earlier research it is mainly the (technical and political) development of the infrastructure that will be studied. The operationalization of infrastructure will consequently answer the following question: What is the infrastructure situation of the country?

2.6.3 Peaceful environment

The variable of peaceful environment will be operationalized with information gathered mainly from reports made by Freedom House. The watchdog organisation focuses on civil liberties and political rights and does hence look at the democratic ruling of a country, but the organisation also monitors, among other things, conflicts within and outside the country (cf. Freedom House, 2014a). The definition and the operationalization of the variable is thus quite wide, yet focused on aspects that taken together constitute a peaceful environment in the similar sense as is emphasized by Findlay and O'Rourke in the 19th century Europe, namely political environmental aspects that does not disrupt the everyday life (e.g. wars and other conflicts) (cf. Findlay & O'Rourke, 2009).

The operationalization of peaceful environment will thus answer the following questions: Is there a peaceful environment? If not, what are the non-peaceful disruptions on the everyday life?

2.6.4 Path dependency

HI emphasizes the contextual features of a situation where the path dependency means that institutions are marked by their history. Levi suggests that “[p]ath dependence has to mean, if it is to mean anything, that once a country or region has started down a track, the costs of reversal are very high” (1997:28). The path dependency can thus be found if interpreting the institutional responses to change. Hence, the operationalization will be the history of trade and the operationalization will answer the following question: Is the historical trade influencing the trade of today?

3 Methodology

3.1 Introduction

In this section the method of the thesis is developed and discussed. First is a discussion about the choice of design and following that does sections about the case study method and the particular design of this thesis. Thereafter comes a methodological discussion about the selection of cases and then the particular selection of cases.

3.2 Methodological considerations

3.2.1 Qualitative design

In order to study the intra-African trade there are several methodological considerations to do. The initial trade-off to be made is between the extension and intension of the study. An extensive, i.e. a quantitative, approach enables a more generalizable study due to a greater number of studied cases, whereas an intensive and qualitative study enables a more contextual approach where the number of cases are reduced but where the number of variables are increased (Caporaso, 2009). A qualitative approach enables a deeper understanding of the context of what can affect the intra-African trade, and a qualitative method is furthermore more sensitive to the complexities of conditional, causal relationships (George & Bennett, 2005:20ff; Coppedge, 1999:473-475). Another strength with only using fewer cases is the possibility of assessing whether the variables are sufficient or necessary for a particular outcome. For another type of research however, an extensive study would be interesting as it can enable a more general approach to the topic as well as measure the variables. In a future research perhaps some of the hypotheses from this study can be tested on more cases (George & Bennett, 2005:21ff).

Furthermore concerning the ambition of generalisations, the use of one or several theories can enable theoretical generalisations, as will be the approach of this thesis (Teorell & Svensson, 2007:44). The chosen theories are used in something similar to a hypothetico-deductive mode, where the first step in order to reach an understanding about something is to formulate hypotheses about it and then empirically test the hypotheses, where the presence or non-presence of variables initially is assumed to affect the trade (Teorell & Svensson, 2007:49f).

3.2.2 Case study method

The next methodological step in narrowing the thesis down to a viable design is to consider how to use one or a few cases in order to answer the research questions. Because the topic regards the African countries, it would be satisfying if all the African countries constituted cases of this qualitative research. That, however, is not possible due to the limited amount of time and space of the thesis. Hence, there needs to be a selection of one or several cases to study where the selection is dependent upon the method of the research. The important aspect to remember is that the selected cases need to belong to a “class of events”, which in this thesis is the intra-African trade (George & Bennett, 2005:17f).

The ambition of the thesis is to find answers to why African countries do not trade with one another. In order to do this methodologically, it is suitable to study what can cause change (and, to some extent, what can cause non-change). Consequently, in order to study what variables that can be necessary or sufficient for a regional trade increase to occur the empirical approach is to study countries that have been relatively well performing regarding the intra-regional trade. With these assumptions it is natural to conduct a case study design.

Case studies are in depth studies of one or a few cases and are plausible when wanting to study a particular mechanism that is applicable to many cases, i.e. when it is the conditions under which a phenomenon occurs that is interesting (George & Bennett, 2005:30f). One strength with case study methods is that it enables the addressing of causal complexities and because some of the independent variables of the thesis can be hard to measure, the contextual comparison is fruitful (George & Bennett, 2005:19).

For this thesis, it is e.g. interesting to study whether condition X is present in the cases or not. If it is not present, it can perhaps be excluded as an explanation for the intra-African trade. Following this, the ambition of formulating policy recommendations can thus turn into a formulation of what does not need to be focused upon when wanting to increase the trade. The design therefore serves the purpose of assessing how and whether a variable has mattered for the outcome. The findings can also be the opposite, showing what conditions that need to be there, i.e. are necessary, and what conditions are sufficient (George & Bennett, 2005:25). To do this, two case studies will be conducted and a comparison will be enabled. It is with such an approach this thesis can study some of the well intra-trade performing countries of Africa in order to see if the theoretical variables can be identified, and to what extent they can be associated with the outcome of the cases. Such an approach can thus contribute to testing the necessity and sufficiency of the variables (George & Bennett, 2005:33).

However, single case studies are followed with several risks and it could show incorrect interferences in the results due to the non-variance or low variance. However, case study research is still fruitful in theory development and theory testing (ibid.). Furthermore, in order to answer to weaknesses of the case study method, this study will be complemented with the method of process tracing. The

latter can to some extent enlighten if it is the main variables that are affecting the outcome or if it is something else (George & Bennett, 2005:80f, 156)⁵.

3.2.3 Structured and focused case study comparison

In order to design this study it would have been fruitful to design a method of difference, which gives the researcher the tools for isolating the independent variables. However, such an approach needs to have only one independent variable that differs among the cases and because this study has identified several independent variables that all might affect the outcome, such a method is not plausible for this topic as the subject of trade is too contextual (George & Bennett, 2005:50). However, a structured and focused comparison serve a good initial design assumptions and the further approach is somewhat similar to the method of difference. By conducting two case studies and focus upon the independent variables in a structured manner, the thesis will enable an analysis of how and whether the selected independent variables of the thesis are affecting the trade. Thus, by study some of the countries with a high intra-regional trade, the variables can be somewhat tested and evaluated.

The hypothetico-deductive approach provides a structured approach by emphasizing the hypotheses of the variables and then studies the hypotheses empirically (Teorell & Svensson, 2007:49f). The repeating of this method in two case studies will make the thesis a structured and focused comparison. The focused part of the method is constituted by a few aspects of the cases, namely the selected variables (George & Bennett, 2005:67).

The methodological approach of the thesis is consequently to conduct structured and focused case studies that are being structured and focused with a hypothetico-deductive fashion where the independent variables constitute the main comparison.

3.3 Selection of cases

3.3.1 Methodological considerations and limitations

The initial step in selecting cases is to look at what subclasses there are and thereafter to look at the dependent variable in order to see what potential cases there are. The selection of cases when conducting qualitative studies is interlinked with the risk of selection bias. In this thesis, where the case selection will be made from choosing on the dependent variable, it is in that aspect biased. However, the selection on the dependent variable can also be helpful in studies aiming at

⁵ The method of process tracing is more thoroughly explained under the section especially concerning the concept.

identifying variables and their possible sufficiency or necessity for the outcome (George & Bennett, 2005:22).

In order to select countries that will stipulate cases of the thesis, the initial trade-off will be made by looking at the share of the exports of the countries to other countries within Africa, with the aim of finding the cases with a relatively high intra-regional trade. The trade can though be measured in several different ways, for instance relatively the GDP of the country or relatively the regional trade. Thus, the selection of cases will be dependent upon how to measure trade.

UNCTAD has done a collocation in which it has calculated African countries' shares of exports by main destinations during the years 1996-2000 and 2007-2011. These figures show the best trade performers in the context of exports to African countries relative the global exports (UNCTAD, 2013:16). Thus, the numbers do not necessarily answer to what African country has the biggest amount of regional trade relative their own GDP or relative the other African countries in one specific year (for figures regarding regional trade as percentage of GDP, see appendix). By selecting cases from numbers of increase over time and relative the main destination, the selection will, to some extent, exclude the category of countries that are and for a long time have been the major African trading partners for African countries, i.e. countries that are performing relatively well and have been so for a while, hence not constituting suitable cases for a study aiming at policy recommendations of how to increase the trade. Rather, by selecting cases that are performing well concerning their increase over time and relatively their global trade, the selection will concern states that do not have a global comparative advantage, as e.g. the most extreme rentier states⁶ can be assumed to have (cf. Krugman & Obstfeld, 2009:595).

The way the selection is done can therefore help with the exclusion of the extreme cases (George & Bennett, 2005:50). If assuming that e.g. oil countries already have a high regional trade due to their special position as oil states the results for this thesis could be less tenable. It could however in the opposite way be argued that many African states are somewhat of rentier states because many of them have natural resources. This would mean that it is rather the current selection that will lead to less generalizable results. The cases will thus be somewhat troublesome for the thesis regardless of how the selection is done, but with the ambition of providing policy recommendations the current case selection is the one most fruitful such because the more hard-core rentier states demand another angle for policy recommendations. Hence, the results will probably not be applicable onto oil states and the like.

Another aspect to take into account concerns the trade as such, from this type of selection it could be that one of the cases e.g. have somewhat of a hegemonic

⁶ Rentier states refers to the concept of states that due to their amount of natural resources are different from other states in the sense that they are creating another type of dependency of the state as e.g. an employer than other states do. This because of the natural resources which are generating incomes from external rates and only needs to activate a relatively small number of economic actors. External incomes can then affect the economy, political system et cetera of the rentier state as the elites of the latter are capable of buying the good will of the population of the country (Bernhagen, 2009:117).

stand regarding in one product in the region, hence perhaps also making the results of the trade less generalizable. Still, as the main object of the study is to increase a contextual understanding of the trade, it is the variables and mechanisms of trade that are studied rather than the trade as such. With this approach the ambitions of contributing to the knowledge about what affects trade are limited and should not be that affected by this lack in the method.

3.3.2 Selection of cases

As illustrated in table 2 the countries that, relatively their global trade, during the years 2007-2011 have had a prominent regional trade are Mali, Togo, Zimbabwe, Senegal and Uganda⁷. In addition to this, the countries that have experienced a remarkable increase of intra-African trade compared to the corresponding numbers in 1996-2000, are Burundi, Côte d'Ivoire, Democratic Republic of the Congo, Mali, Mozambique, Rwanda, Zambia and Zimbabwe (cf. UNCTAD, 2014:21, 24).

Mali and Zimbabwe are therefore the most notable cases, making them suitable as cases for this study.

Table 2 Shares of exports and imports from African countries to or from Africa in 1996-2000 and 2007-2011 (percentage)

| Country | Exports 96-00 | Imports 96-00 | Exports 07-11 | Imports 07-11 |
|-------------------------|------------------|------------------|------------------|------------------|
| Algeria | 1.6 | 2.2 | 3.2 | 3.1 |
| Angola | 0.6 | 14.7 | 4.0 | 8.0 |
| Benin | 18.4 | 16.9 | 40.0 | 9.0 |
| Botswana | 52.8 | 85.7 | 23.1 | 82.7 |
| Burkina Faso | 22.4 | 32.4 | 18.6 | 40.1 |
| Burundi | 6.7 | 22.9 | 20.8 | 35.4 |
| Cameroon | 8.6 | 22.1 | 13.6 | 30.6 |
| Cape Verde | 9.1 | 3.3 | 9.5 | 2.5 |
| Central Africa Republic | 6.7 | 21.2 | 15.4 | 20.7 |
| Chad | 9.1 | 21.3 | 0.8 | 20.7 |
| Comoros | 3.4 | 21.9 | 1.0 | 20.8 |
| Congo | 2.1 | 11.6 | 3.0 | 13.7 |
| Cote d'Ivoire | 27.7 | 22.1 | 31.1 | 32.7 |
| Dem Rep. Of Congo | 3.8 | 39.9 | 15.4 | 51.4 |
| Djibouti | 27.8 | 13.1 | 40.4 | 6.3 |
| Egypt | 4.8 | 2.0 | 12.2 | 3.2 |
| Equatorial Guinea | 6.5 | 10.7 | 2.8 | 25.0 |
| Eritrea | 22.3 | 4.1 | 13.8 | 18.6 |
| Ethiopia | 16.0 | 4.1 | 19.4 | 4.7 |
| Gabon | 2.3 | 9.8 | 5.0 | 12.6 |
| Gambia | 9.4 | 13.4 | 15.8 | 20.1 |
| Ghana | 7.6 | 20.8 | 16.0 | 21.3 |
| Guinea | 7.3 | 16.3 | 4.0 | 11.7 |
| Guinea Bissau | 4.3 | 16.2 | 0.8 | 27.5 |
| Kenya | 38.3 | 11.3 | 42.6 | 12.9 |

⁷ For trade as percentage of GDP, see appendix.

| | | | | |
|-------------------------|------|------|------|------|
| Lesotho | 43.0 | 77.5 | 15.7 | 61.2 |
| Liberia | 1.2 | 1.0 | 7.2 | 2.0 |
| Libya | 5.1 | 8.6 | 2.6 | 10.9 |
| Madagascar | 6.8 | 13.0 | 6.0 | 12.9 |
| Malawi | 22.5 | 66.7 | 29.8 | 55.9 |
| Mali | 37.1 | 38.0 | 54.2 | 45.0 |
| Mauretania | 14.8 | 12.2 | 13.9 | 10.7 |
| Mauritius | 6.2 | 15.7 | 12.7 | 12.1 |
| Morocco | 4.1 | 5.3 | 6.0 | 5.6 |
| Mozambique | 31.8 | 56.0 | 27.8 | 38.1 |
| Namibia | 55.4 | 78.0 | 32.1 | 32.7 |
| Niger | 36.6 | 26.4 | 30.5 | 27.3 |
| Nigeria | 8.8 | 4.5 | 9.9 | 6.3 |
| Rwanda | 12.1 | 35.3 | 43.3 | 46.5 |
| Sao Tome and Principe | 4.2 | 10.6 | 14.4 | 20.0 |
| Senegal | 25.4 | 16.4 | 48.0 | 17.0 |
| Seychelles | 3.1 | 15.6 | 10.1 | 10.8 |
| Sierra Leone | 2.4 | 9.2 | 4.3 | 41.3 |
| Somalia | 2.7 | 26.7 | 4.5 | 32.7 |
| South Africa | 43.4 | 21.6 | 15.5 | 6.8 |
| Sudan | 6.8 | 11.5 | 1.8 | 9.2 |
| Swaziland | 69.6 | 89.8 | 39.5 | 70.4 |
| Togo | 29.8 | 21.9 | 53.1 | 13.6 |
| Tunisia | 6.8 | 5.8 | 11.7 | 7.4 |
| Uganda | 14.2 | 41.9 | 44.5 | 25.8 |
| United Rep. Of Tanzania | 15.0 | 22.6 | 26.0 | 16.8 |
| Zambia | 21.7 | 59.2 | 26.3 | 63.5 |
| Zimbabwe | 27.6 | 54.6 | 51.3 | 73.8 |

Source: UNCTAD, 2013

One potential and simple explanation of the increase of the intra-regional trade in Mali can be the financial crisis and the subsequent demand for gold (which is one of the main export products of Mali) (cf. Kommerskollegium, 2009:31). However, a case selection will almost certainly be followed by problems and because this study will be complemented with process tracing, the potential findings should through this be considered methodologically evaluated once more. Furthermore, because the cases are not the main interest of the study, but rather what can be focused upon when aiming at increasing the intra-African trade, some of the methodological scarcities in the case selection can be considered less disturbing.

3.4 Process tracing

An ambition of the study is to minimize the risks of the design by complementing the method with the method of process tracing. The process tracing provides an extra control of the variables, and the results the latter may connote, by enabling a more thoroughly study of the mechanisms between the dependent and independent variables. The process tracing is also useful as a methodological tool for controlling any eventual subjective biases in the case selection. The potential problem of

selecting confirming cases is potential in any case study design, where the researcher e.g. might select cases that might confirm a particular favourite hypothesis (George & Bennett, 2005:51). Hence, the process tracing tests the causality of variables and the necessity and sufficiency of them and does so by looking at the mechanisms. With this approach, the potential spatial gaps between the independent and dependent variables are explained (Caporaso, 2009). Studying mechanisms can also ease the isolation problems (Teorell & Svensson, 2007:246).

The method furthermore important as left-out variables otherwise can threaten the validity of the study (George & Bennett, 2005:80).

3.5 Material

In order to manage the topic of the thesis, secondary literature will constitute the major part of the material and will also be used in order to manage the issue with lacking language skills. Thereto reports and statistics from different UN institutions will contribute to construct the empirical part of the paper when for instance studying the degree of free trade. To a certain extent policy documents and trade agreements provide complementing material. The intention is to have a broad material foundation with different sources confirming the findings.

4 Mali and its regional trade

4.1 Mali and its trading context

During the years 2007 to 2011 54.2 percentage of the total export of Mali was exported to another African country (the corresponding number for the Malian intra-regional import was 45 percent) (cf. table 2). The intra-regional trade as percentage of the GDP of Mali at the same time was 25.4 percent (UNCTAD, 2013:27). The regional exports are non-monetary gold⁸ (excluding gold ores and concentrates), live animals (not fish and similar⁹). The non-African exports are cotton, gold, non-monetary (excluding gold ores and concentrates) (UNCTAD, 2013:32ff). Mali is the third largest gold producer and exporter of gold, following South Africa and Ghana (IMF, 2002).

In 2008, the total trade growth of Mali was 6.7 percent, increasing from 3.2 percent in 2007. Both exports and imports increased with 6.3 percent and 7 percent respectively (World Bank, 2010a).

The main destinations for Malian regional exports are South Africa, Senegal, Burkina Faso, Côte d'Ivoire and Morocco and together accounts for 95.5 percent of total African exports of the country (UNCTAD, 2013:22). The corresponding countries for Malian imports are Senegal, Côte d'Ivoire, South Africa, Benin and Togo, which account for 89.4 of the Malian African imports (UNCTAD, 2013:25). As for main trading partners, regardless of region, the Malian export in 2012 went to China (52.9 percent), Malaysia (11 percent), Indonesia (5.3 percent) and India (4.1 percent), whereas its imports came from France (11.2 percent), Senegal (9.9 percent), Cote d'Ivoire (8.7 percent) and China (8.6 percent). The latter existed of petroleum, machinery and equipment, construction materials, foodstuffs, textiles (CIA, 2014a).

Mali is a member of ECOWAS¹⁰, CEN-SAD¹¹ and WAEMU¹², where the former two are recognized by the African Union (UNCTAD, 2013:9).

⁸ All gold that is not held as reserve assets by authorities.

⁹ I.e. division 03

¹⁰ Together with Benin, Burkina Faso, Cape Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Niger, Nigeria, Senegal, Sierra Leone and Togo. Mauritania was a member until December 2000.

¹¹ Together with Burkina Faso, Chad, Libya, Niger, Sudan, Central African Republic, Eritrea, Djibouti, Gambia, Senegal, Egypt, Morocco, Nigeria, Somalia, Tunisia, Benin, Togo, Ivory Coast, Guinea-Bissau, Liberia, Ghana, Sierra Leone, Comoros, Guinea, Kenya, São Tomé and Príncipe and Equatorial Guinea.

¹² Together with Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Niger, Senegal and Togo.

4.2 How prevalent are governmental (and the like) trade barriers?

4.2.1 RECs and tariff rates

In 1986 Mali began to liberalize its trade regime by lowering import tariffs and liberalize trade quotas (Coulibaly & Plunkett, 2006). At the same time, they eliminated export monopolies. Two years later import monopolies were eliminated and another two years later all import licensing requirements were removed (Rodrik, 1999:32). However, international comparisons of Mali rank the country as relatively restricted where e.g. the Global Enabling Trade Report has an index measuring factors such as policies and services enabling the flow of goods over borders¹³ and places Mali in the bottom of its lists (cf. Lawrence et al., 2008:xiii). Between the years 2008¹⁴ and 2010 the ranking of Mali has been 90, 99 and 111 out of 125 (Lawrence et al., 2008; Lawrence et al., 2009; Lawrence et al., 2010). Furthermore, according to the Tariff Trade Restrictiveness Index of 2010, Mali reached 12.7 percent, ranking Mali 107th out of 125 states, where the most restrictive is the 125th state (World Bank, 2010a).

The agricultural sector of Mali has an average tariff of 16.7 percent, whereas the non-agricultural sector has a tariff protection of 11.6 percent. Though, due to its membership in the West African Economic and Monetary Union (WAEMU)¹⁵, Mali has adopted the policy of Common External Tariff (CET) which has led to a decline of the Malian MFN applied tariff¹⁶. In the 1990s the tariff was 16 percent, whereas it 10 years later had a value of 11.9 percent (World Bank, 2010a). The CET of WAEMU was implemented in January 2000 after the member states had harmonized their customs duty on goods from non-member states. Consequently, this was the year when WAEMU became an effective customs union, i.e. a union with an internal free trade area and a CET. In WAEMU three types of measures are addressed, namely (1) a harmonized taxation legislation (e.g. accounting norms and investments), (2) a joint surveillance of the macroeconomic policies of the member states and a coordination of their national policies, and (3) a common market (Claeys & Sindzingre, 2003:11f). However Mali and Guinea-Bissau were the two (out of eight) WAEMU states that did not apply the CET until the early 2003 (Coulibaly & Plunkett, 2006).

The CET of WAEMU has simplified the tariff rates on imports from third countries and for the majority of products, the tariff rates have been lowered. The latter are now 0, 5, 10 or 20 percent, dependent upon what category of products that are imported (see table 3) (Claeys & Sindzingre, 2003:12; Coulibaly & Plunkett, 2006). The WAEMU membership does furthermore stipulate a free circulation of

¹³ The index does hence overlap several of the variables of this study.

¹⁴ 2008 being the first publishing year of the report

¹⁵ Also known as UEMOA, being the French acronym.

¹⁶ A MFN (Most Favoured Nation) tariff is the lowest possible tariff that a state can assess on another state.

capital and a gradual elimination of the trade barriers. They have adopted simplified rules of origin and the circulation of agricultural products as well as products from crafts and manufacturing is non-restricted as long as they are originated from the union (Claeys & Sindzingre, 2003:12).

The continued trade liberalization is not solely done in the context of the WAEMU, but also together with ECOWAS. Where the former has the goal of an economic union, the latter is rather aiming at increasing the integration but in the context of tariff agreements, free trade areas, customs unions and a common market (Claeys & Sindzingre, 2003:11). The two organisations of WAEMU and ECOWAS have however developed a joint strategy concerning the trade liberalization and the macroeconomic policy conjunction. ECOWAS will adopt the customs declaration forms a compensation mechanisms of WAEMU (UNECA, 2002). Consequently, also ECOWAS aims at adopting a common external tariff, where the seven countries of WAEMU together with the remaining ECOWAS countries The Gambia, Ghana, Guinea, Nigeria and Sierra Leone have been negotiating on the existing WAEMU CET (Coulibaly & Plunkett, 2006). The CET of ECOWAS thus replicates the CET of WAEMU with its categorization of four different categories of products as is illustrated in table 3.

Table 3 Tariff rates of WAEMU and ECOWAS

| Category | Average tariff rate | Description of category products |
|----------|---------------------|--|
| 0 | 0 percent | Essential social goods |
| 1 | 5 percent | Goods of primary necessity, raw materials and specific inputs. |
| 2 | 10 percent | Intermediate goods. |
| 3 | 20 percent | Final Consumption goods. |

Source: ECOWAS, 2014; Coulibaly & Plunkett, 2006

The ECOWAS-CET was formally adopted in 2006 and after years of further negotiating, the ECOWAS-CET will be launched in 2015 (UNECA, 2012:17; de Roquefeuil et al., 2014:v). The negotiations concerning the ECOWAS-CET led to an adding of a fifth category concerning “specific goods for economic development”. This category has a tariff rate of 35 percent and includes 130 products, such as non-branded malaria drugs. For a product to fall into this category it needs to have a product vulnerability, economic diversification, integration, sector promotion and high potential of production (Lampton, 2013; ECOWAS, 2014). Nearly 90 percent of the products that meet the 35 percent tariff are agricultural products (Agritrade, 2014).

The implementation of the CET has however been challenging. There are differences between the member states regarding their economies and policies, whereas there are similarities regarding their national productions of industrial consumer goods (e.g. foodstuffs and cosmetics). Several non-tariff barriers, such as national standards and roadblocks, are therefore still remaining (Claeys & Sindzingre, 2003:12f).

Furthermore, Mali has effectively implemented the trade policies of WAEMU and e.g. imports to Mali are not met with any quantitative restrictions and inner tariffs have been dismantled (IMF, 2002). Mali did however have a 55 percent surtax on sugar imports which was removed in 2001. A similar surtax of 25 percent on wheat flour was added, but is now lowered to 20 percent (IMF, 2002; Agritrade, 2014). Hence, Mali has a relatively open trade regime, but does still use protectionist tools regarding mostly agricultural products. Due to the increasing food prices in 2008, the Malian government banned exports on rice, corn, millet and sorghum for a year and also suspended import duties on wheat flour and allowed import tax exceptions on rice, powdered milk, and vegetable oil (IMF, 2002; World Bank, 2010a).

Moreover, according to the numbers of 2010, the weighted average tariff that is added onto Malian export products from the rest of the world is 18.3 percent, where the agricultural products are subject to a tariff of 21.4 percent, whereas the non-agricultural products are facing a tariff of 1.4 percent (World Bank, 2010a). All the

WAEMU and ECOWAS countries have agriculture as an important part of their domestic employment and thus GDPs (Coulibaly & Plunkett, 2006). The Malian government has a continued ambition of diversifying its economy, they are furthermore

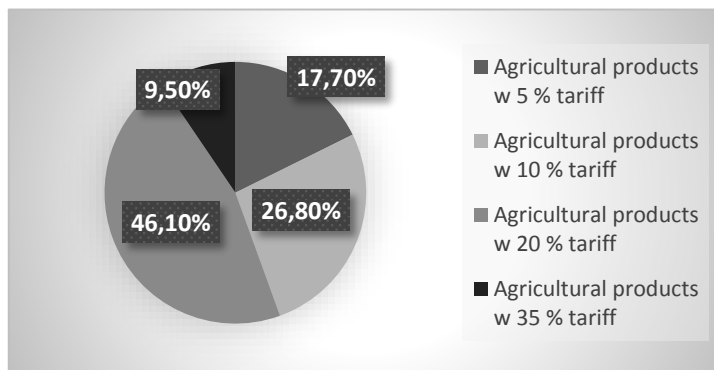


Figure 1: Distribution of ECOWAS agricultural tariff lines
Source: ECPDM, 2014

planning on increasing their agricultural production in order to restrict their dependency on such imports and in order to increase the employment in the agricultural sector (Sweden Abroad, 2012).

4.2.2 Agricultural protectionism and the EPA

The agricultural products in ECOWAS are more protected than other products. None of these products have a 0 percent tariff, whereas the majority of them meet the 20 or 35 percent tariff (Agritrade, 2014). As is illustrated in figure 2, 55 percent of these products meet the highest tariff rates of the ECOWAS-CET (de Roquefeuil et al., 2014:9).

ECOWAS and WAEMU are negotiating an Economic Partnership Agreement (EPA) with the EU and the latter is inextricable with the ECOWAS-CET, especially concerning (1) the EU subsidies on the EU agricultural products and (2) the market access opening (de Roquefeuil et al., 2014:16). The EU has had and still has a use of export subsidies on agricultural products, which the ECOWAS has insisted on the EU recognizing the distortionary effects these can have on the trade flows and the EU might agree to expand its transparency regarding the export subsidies. In

SADC, the EU has agreed on not using export subsidies on goods that are liberalized in the SADC schedule opening (European Commission, 2013; de Roquefeuil et al., 2014:16). Regarding the market access opening, the EU wants at least 80 percent market access, whereas ECOWAS is arguing a position of 70 percent. The ECOWAS argument concerns the increased competition on EU imported agricultural goods (de Roquefeuil et al., 2014:16). However, with a unified CET, ECOWAS believes to facilitate a desirable outcome of the EPA negotiations regarding the market access offer (Agritrade, 2014).

Mali has signed and ratified the relevant agreements and protocols of both the ECOWAS and WAEMU and does not deal with any additional agreements while the latter two are negotiating the EPA, whereas Ghana and Cote d'Ivoire have concluded interim EPAs (AEO, 2014; de Roquefeuil et al., 2014:16). There is thus a potential problem of having different barriers within the ECOWAS region (de Roquefeuil et al., 2014:16).

4.2.3 Roadblocks

The tariff rates are not the only actual costs that are being added onto moving goods in the region. In addition to e.g. customs duties, goods of trade are met by different kinds of extra payments. In Mali there are e.g. roadblocks and border corruption delaying the time of trade and also increasing the cost of it. Studies show that a truck driver going from Koutiala (one of the bigger cities in Mali) to Dakar (in Senegal)¹⁷ passes through around 100 different roadblocks and checkpoints, and needs to pay bribes on roughly US\$437 during the approximately 1,700 kilometres long route (World Bank, 2013:44). Mali is furthermore the WAEMU country with the most checkpoints and briberies along its roads and has been so for a few years. The corridor between Bamako (capital of Mali) and Ouagadougou (capital of Burkina Faso) is the corridor of the region with the highest density of briberies (UEMOA, 2013:8ff).

However, the majority of the checkpoints are made by the police and the gendarmerie, but despite being made by uniformed services, the checkpoints are hence not necessarily omitted from bribes (UEMOA, 2013:7ff).

Furthermore, in the region of ECOWAS the average truck speed is approximately 30 kilometres per hour (half the average speed of trucks in Western Europe) (Bromley, 2013). In addition to this, Mali is the country of the region with the most transportation delays per hour, this due to the many checkpoints (UEOMA, 2013:13).

¹⁷ For a map, see appendix.

4.3 What is the infrastructure situation of the country?

4.3.1 Transports

Mali is a landlocked country and thus dependent upon regional infrastructure and regional transport corridors (Briceño-Garmendia et al., 2011:1ff). The road density is one of the lowest in Africa—to some extent due to the arid geography, making territorial parts of the country hard to access by road, but also non-arid parts of Mali have a low road density in comparison with the average of Africa (Briceño-Garmendia et al., 2011:1). However, 80 percent of the Malian roads in the West African road corridors are in good or fair condition, thus enabling access to the ports of Dakar, Adidjan, Takoradi, Tema, and Lomé (Briceño-Garmendia et al., 2011:1). Mali has had a focus on the regional corridors that have led to a materialisation of alternative routes to different sea gates, though a challenge of improving the rural access for especially agricultural production and surplus areas remains (Briceño-Garmendia et al., 2011:10). However, the strategically focus of maintaining its shares of the regional road corridors has enabled Mali to ensure that the major urban areas and the areas of production are connected with the water ports. About 20 percent of the business identify the road transportation of Mali as a hindrance for doing business, an estimation that is much lower than for other similar low-income African countries, and rather a share matching to middle income countries (Briceño-Garmendia et al., 2011:11).

During the late 00s Mali annually spent about \$555 million on infrastructure, but \$200 million of those were lost to inefficiencies (Africa Infrastructure Knowledge Program, 2011). However, nearly all of the regional road networks within the territory of Mali have been paved. The threshold to justify a paving of a road is 300 vehicles per day, something nearly 50 percent of the road network in Mali do not meet. The other 50 percent of the paved roads averages 550 vehicles per day. However, the African average in low-income countries is 1,000 vehicles per day. Mali made these road investments with the aim of diversifying the corridors, i.e. accessing both the sea and regional markets. The diversification, i.e. alternative routes, increases the transport cost but because they can reach more distant ports they can contribute to lowering risks such as uncertainties in neighbouring countries. Still, parts of the expansion of the road networks have been difficult to justify where some roads do not carry enough traffic to be economically validated and the extension of roads can thus be said to have been made on the expense of maintenance (Briceño-Garmendia et al., 2011:12ff). The financial support that Mali is receiving comes from nearly 30 different donors, where the infrastructure aid from the main donors are given on terms of credit (World Bank), grant (European Commission) and gift (China) (Fletcher, 2010:8). An average of 79 percent of the operations and maintenance of Malian infrastructure between 2002 and 2007 was official development assistance from OECD members (Briceño-Garmendia et al., 2011:43).

The rail network in the region is however virtually disconnected, but the existing railways have nevertheless met an increased traffic density with improved efficiency and so forth. The rail system has had a lack of capital but since 2003 a privately held company operates the railway between Dakar and Bamako, which is one of the main transport corridors in West Africa. However, the line does only capture 12 percent of the international trade traffic of Mali (ibid.).

There to, efforts to secure the air transport has been successful; there has been restorations of local airports and restructuring of Mali's Civil Aviation Authority, increasing the autonomy of the latter (Briceño-Garmendia et al., 2011:1ff).

4.3.2 Information and communication technologies

During the years 2004 and 2007, there was a 300 percent increase of persons with access to a mobile line in Mali and the country became the best performer in West Africa reaching the same levels as countries with similar income levels (Briceño-Garmendia et al., 2011:33). During these years, Mali had an economic growth of 5.3 percent, which was mainly due to the telecommunication sector (Africa Infrastructure Knowledge Program, 2011). The telecommunication sector has a notably high customer satisfaction, low end-user prices and in addition to this, the international corridors of fiber optics connecting Mali with its regional neighbours have developed. The latter means that Mali has an independent access to the landing stations of a submarine cable in Senegal and Côte d'Ivoire, thus allowing Mali to overcome its landlocked geography (Briceño-Garmendia et al., 2011:33).

Mali began a progressive and effective liberalisation of its telecommunication sector in the late 1990's and in 2008 nearly 40 percent of the Malian population had a mobile phone, compared to 2005 when seven percent had a mobile phone¹⁸. Roaming agreements in ECOWAS and cross country competition have led to low prices for the consumers. The mobile access is however higher in the southern part of the country than in the north (Briceño-Garmendia et al., 2011:1, 33ff). The private capital to the ICT of Mali has increased significantly and added in e.g. 2008 up to \$30.8 million. Also the Internet access has increased together with decreased prices for the service. In 2000 there was nearly no Internet users, whereas it in 2007 was accessed by six percent, and the Internet connection speeds had then increased reaching 17 Mbps per person. In comparison with other Western African countries Mali does however lag behind (Briceño-Garmendia et al., 2011:34ff).

¹⁸ The average middle income country did in the year 2005 have a corresponding number of 87 percent.

4.4 Is there a peaceful environment?

The Freedom House rankings of Mali have for several years rated Mali as a free country and during at least the years 2012 and 1999 the country showed good rankings regarding political rights et cetera. However, in 2013 the country was rated not free (Freedom House, 2014b; Freedom House, 2014b). In 2012, Mali faced a situation in which its democratically elected president was deposed in a military coup. The ethnic separatist group Tuareg launched a rebellion in the northern part of the country and its army suspended the constitution and set up a junta to rule the country. The Tuareg was then side lined with Islamist militants and consolidated control over several towns in Mali. This has led to human rights violations and more than 300,000 Malians becoming refugees (Freedom House, 2014b).

The democratic attributes of Mali has been varying during its years as independent. Until 1991 the country was ruled by military and one-party regimes. In 1992, after a military coup deposed the dictator, the country had a relatively credible election and continued having credible such until the military coup in 2012. Before this, Mali was an electoral democracy with a variety of political parties, free media et cetera (Freedom House, 2014b; Freedom House, 2014c). However, the environment has been unstable where the risk of terrorist attacks has been high and there have been kidnappings of European aid workers. Particularly in the north of Mali, Islamist rebels and a rebel fraction of the ethnic Tuareg minority has been active (Freedom House, 2014c).

Also the region of Mali has faced some unexpected events, thus having a somewhat of an unstable environment, where e.g. Côte d'Ivoire has had civil wars and Algeria has faced several terrorist attacks in its southern parts, i.e. along its e.g. Malian border (Briceño-Garmendia et al., 2011:12; Sweden Abroad, 2014a).

4.5 Path dependency: is the historical trade influencing the trade of today?

4.5.1 The institutional history of trade policies

Mali is a former French colony which gained its independence in 1960, then as the Mali Federation consisting of the Sudanese Republic and Senegal. The latter soon withdrew and the Sudanese Republic became Mali (CIA, 2014a).

In its ancient history what is now Mali was then an empire and a powerful trading state from A.D. 700, and it kept on expanding until 1325 when it peaked conquering Timbuktu which became a centre of trade. In the 15th century the kingdom had declined and controlled only a fraction of its former territory (Bureau of African Affairs, 2008:2f). The trade of that time was mainly gold and slaves and in the 16th century the trade routes of these were established, and directed to the coast, where Europeans had trading posts (Imperato, 2014).

In the late 19th century a French military penetration began and a French civilian governor was appointed in 1893. Mali was then administered together with the other French colonies in the Western Africa, under the name the Federation of French West Africa (Bureau of African Affairs, 2008:2f). The latter repeatedly had its borders modified. However, the colony was by the French viewed to be less important than the French colonies Senegal and Côte d'Ivoire and instead peasant production was emphasized. During the colonial time, there were forced labour, conscription and taxation that led to several revolts, but only local such that none elicited a disruption in neither production nor trade (Imperato, 2014).

In 1892 France adopted a customs union with its colonies where the most products were subjects to free trade, whereas the products from non-colonies were subjects to tariffs. In the French West Africa there was a fiscal import duty on goods originating from outside the French empire (Lavallée & Lochard, 2011:3f).

France had a substantial fraction of imports during its colonial time, however with several prohibitions and the like. The latter did eventually get replaced by tariffs. One commodity that was officially protected was colonial sugar. Together with other foreign sugar this product was taxed at high rates. The colonial sugar did however pay lower duties than foreign (Nye, 2007:13, 147).

Furthermore, in the 19th century the construction of the Dakar-Bamako railway began under the command of a French general and became the main mode of transport during the colonial time (Briceño-Garmendia et al., 2011:16).

4.5.2 Collaborations

The treaty that constitutes WAEMU was launched in 1994, but the organisation did then already rely on an existing cooperation, namely the West African Monetary Union (WAMU) where the French CFA Franc had been an instrument in consolidating the connection between France and the French speaking West African countries during the French colonial rule. The CFA Franc was pegged to the French Franc between 1948 and 1994 when the former was devalued. The different currencies could however not be used in each other's territories, i.e. the CFA Franc could not be used in France and the French Franc could not be used within the WAMU. The WAMU countries were furthermore responsible for their own monetary policies. Still, considering the asymmetries between the African countries and France, the autonomy of the monetary policies were questionable because the French economy determined the international value of the CFA Franc and the CFA countries depended upon international prices for their balance of payments et cetera (Claeys & Sindzingre, 2003:7ff).

The gearing towards improving the access to the French market does hence seem natural because the market there will have a higher demand due to the prices (cf. World Bank, 2013:44).

However, the historical open trade of Côte d'Ivoire, one neighbouring country of Mali, has encouraged free trade historically. Before the political instability of the country, there were frequent trade exchanges with all its neighbouring countries as well as with countries such as Benin, the Niger and Togo. Especially landlocked

countries in West Africa have been dependent upon the ports of Côte d'Ivoire, which enable access to other than regional markets. However, the country did thereto become a financial hub for the region, giving spillover effects to other African countries (UNCTAD, 2013:94).

5 Zimbabwe and its regional trade

5.1 Zimbabwe and its trading context

During the years 2007 to 2011 51.3 percent of the total export of Zimbabwe was exported to another African country (the corresponding number for its intra-African import was 73.8 percent) (see table 2). If measuring the trade as percentage of the GDP of the country, the intra-regional trade was 58.7 percent during the same time (UNCTAD, 2013:27). Its main exports to Africa consist of nickel ores and concentrates (nickel mattes), coke and semi-cokes of coal, peat and retort carbon, whereas its main non-African exports are unmanufactured tobacco, tobacco refuse, pig iron and spiegeleisen, sponge iron, powder and granu (UNCTAD, 2013:32ff).

The numbers of Zimbabwean trade have been shifting. In 2008 the real trade fell by 0.3 percent. However, the export had a growth of 2.4 percent the same year (World Bank, 2010b). 91.8 percent of the Zimbabwean intra-African exports go to South Africa, Dem. Rep. of the Congo, Botswana, Zambia and Malawi, whereas 95.6 percent of its intra-regional imports come from South Africa, Botswana, Zambia, Malawi and Mozambique (UNCTAD, 2013:22ff).

If considering all the Zimbabwean trade, then its main export partners were China (21.1 percent), South Africa (15.1 percent), Democratic Republic of the Congo (12.1 percent), Botswana (10.8 percent) and Italy (4.6 percent) (based on figures from 2012). Its main import partners were South Africa (51.9 percent) and China (10 percent) (CIA, 2014b). The imports mainly consisted of machinery and transport equipment, further manufactures, chemicals, fuels and food products (ibid.).

The country is a member of COMESA¹⁹ and SADC²⁰ (UNCTAD, 2013:9).

¹⁹ Together with Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia, Rwanda, Burundi, the Comoros, Libya and Seychelles.

²⁰ Together with Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania and Zambia.

5.2 How prevalent are governmental (and the like) trade barriers?

5.2.1 RECs and tariff rates

Since 1991 Zimbabwe has undertaken an economic reform agenda aiming at opening the trade regime of the country. The earlier trade policies consisted of import subsidies and license requirements for all imports (WTO, 1994:1f; GATT, 1994). Despite the reforms in the early 1990's, the country has continued to be a protectionist agenda, and according to the Global Enabling Trade Report the enabling trade ranking²¹ of Zimbabwe between the years 2008²² to 2010 has been 112, 118 and 122 (out of 125) (Lawrence et al., 2008; Lawrence et al., 2009; Lawrence et al., 2010).

The average MFN applied tariff of Zimbabwe did increase during the years 2002 to 2008 and did in 2008 sum up to 25.5 percent, whereas the corresponding tariff for the Sub-Saharan Africa (SSA) region was 12.5 percent. However the trade-weighted average MFN²³ applied tariff of Zimbabwe was 16.3 percent, and the country does have a relatively small difference on the tariffs of agricultural and non-agricultural products (World Bank, 2010b). In 2011 the average tariff for agricultural products declined to 25.1 percent whereas the average tariff for non-agricultural products dropped to 13.9 percent (Agritrade, 2011).

In 2008 the government did, due to increasing food prices and shortages, temporarily suspend an import duty applied on many food staples such as rice and flour. In 2009 the government continued to decrease the duties²⁴ on different products and e.g. raw material had their duty drop from 0 to 25 percent to 0 to 15 percent, and intermediate goods had its tariff range narrowed from 10 to 25 to 10 to 15 percent (ibid.).

Through its SADC and COMESA memberships, Zimbabwe belongs to two potential customs unions and despite having somewhat different developments, both the organisations have had aims at launching customs unions. COMESA did plan on launching one in 2008, whereas SADC planned on launching one in 2010 (Maonera, 2007:6ff; World Bank, 2010b). However, because eight countries had overlapping memberships in these two RECs, the aims of imposing common CETs in the different unions were impossible (Dimaranan & Mevel, 2008:13). The overlapping memberships became more troublesome in negotiations concerning EPAs because of the uncertainties due to the overlapping RECs' potential of being conflicting (Maonera, 2007:6ff).

However, as the development of the customs unions went on, they soon culminated in their work and the Trade Protocol of SADC (signed by Zimbabwe in

²¹ For further information see page 22 and footnote 9.

²² 2008 being the first publishing year of the report.

²³ The average of the tariffs of the country, weighted by the import value.

²⁴ In 2009 the budget stipulated that all customs duties would be paid in foreign currency, due to the hyperinflationary environment.

1996) in 2008 turned into a free trade area (World Bank, 2010b). The culmination was when SADC, COMESA and the East African Community (EAC) created a common free trade zone, involving 26 countries (BBC, 2008).

The tripartite agreement aims at harmonizing policies concerning trade (e.g. CETs), customs duties and infrastructure (SADC, 2012a). The main proposal in the document regards an establishing of a FTA on a tariff-, quota- and exemption-free basis. The common FTA should combine the existing such of the three RECs, and the negotiations concerning the joint FTA officially started in 2011 and are driven by the RECs as well as the member states (COMESA, 2014a; Nderitu, 2012).

The COMESA countries have a high variety of diversification in terms of the economy, the trade patterns and the protection patterns, but they are similar in terms of dependency on trade with third countries, low intra-regional trade and a high level of protectionism (Dimaranan & Mevel, 2008:2). The CET of COMESA consists of four bands with zero percent for raw materials and capital goods, ten percent for intermediate goods and 25 percent for final goods. The treaty of the REC has stipulated that the member states gradually within ten years should establish the CET. However, with the Tripartite FTA initiative the aim of a harmonisation of the CETs of the RECs has been established (Dimaranan & Mevel, 2008:14f). In the Zimbabwean case, the trade policies of the country have, as a result of the REC memberships, been complicated with different liberalisation commitments and different schedules (WTO, 2011:41f). The tariff structure of Zimbabwe consists of bands of 0, 5, 10, 15, 20, 25, 40 and 60 percent categorized as illustrated in table 4. The numbers in the table are however only applicable on commercial imports. The private imports are subject to a 55 percent tariff (WTO, 2011:24ff). The Zimbabwean tariffs are furthermore different from the ones in COMESA where the latter has a maximum CET rate of 25 percent whereas Zimbabwe has tariff bands on more than twice that percentage level. Only 19 percent of the total tariff bands are meeting the corresponding such of the COMESA CET (WTO, 2011:37; Mugano et al., 2013:4001).

Table 4 Tariff bands and rates in Zimbabwe

| Tariff band | Description of category products |
|------------------------|---|
| 0-5 percent | Raw materials |
| 0-5 percent | Capital goods |
| 5-25 percent | Intermediate goods |
| < 40 percent | Finished goods |
| > 40 percent | Sensitive goods |

Source: WTO, 2011

The implementation of the COMESA CET is planned to happen but will have an impact on the customs revenues, hence the slow moving process (Mugano et al., 2013:4001). The member states have agreed on gradually establishing the COMESA CET which is already harmonized with the EAC CET with rates of 0, 10 and 25 percent (COMESA, 2014a).

5.2.2 Agricultural protectionism and the EPA

The agricultural sector is the most protected sector in Zimbabwe and although declining in as well tariff rates as in production, the sector had a 25.1 percent average applied tariff of its products in 2011. Some of the Zimbabwean tariffs are above levels that in the Uruguay Round were agreed to be the maximum such²⁵. In addition, the agricultural import faces other levies and taxes. The high governmental costs associated with agriculture is assumed to encourage fraud, hence reducing potential incomes from the trade (Agritrade, 2011). The agricultural sector was earlier together with the manufacturing sector the main contributor to the export earnings of the country, however the now the mining sector has overtaken the main role contributing to nearly half of all the exports. The sector is now estimated to contribute to about 18 percent of the GDP (WTO, 2011:8ff).

In 2007, Zimbabwe—together with five Eastern and Southern Africa (ESA) countries—moved forward with its EPA negotiations when they initialled an interim agreement with the EU. The agreement was signed in 2009 and is applied since 2012 (World Bank, 2010b; European Commission, 2014). Due to the overlapping RECs the signing of the EPAs was however somewhat difficult (Dimaranan & Mevell, 2008:12). The EU did not think that African countries should belong to more than one REC and as a respond to this, Zimbabwe and five other countries belonging to SADC and COMESA did to some extent break ranks with the earlier one (Maonera, 2007:6f).

5.2.3 Roadblocks

The costs and time to import goods into Zimbabwe are extensive. To import goods over the border over Zimbabwe takes 67 days and costs \$2,420 due to clearance by customs and other border agencies (African Development Bank Group, 2011:214). There has however been reforms aiming at reducing duplications at the borders, where two neighbouring countries are handling the same traffic on either side of the border, thus increasing the time spent on control. One such reform has been made in Chirundu, at the border between Zimbabwe and Zambia, where traders now only are checked once on either the Zimbabwean or Zambian side of the border (Barka, 2012:10f). The border posts do however still have a big impact on the prices and the Chirundu post is despite efforts made one of the most troublesome along the Southern Africa corridors (African Development Bank Group, 2011:214).

Furthermore, random checkpoints of Zimbabwe are many and unregulated, and these contribute to the delays of transports. The checkpoints are also accompanied by bribes were a study done by the Anti-Corruption Trust of Southern Africa shows that transport delays follow from police checkpoints when there are negotiations about bribes (Anti-Corruption Trust of Southern Africa, 2010:2).

²⁵ The Uruguay Round was the eighth round of multilateral trade negotiations, eventually leading to creation of the WTO.

Through many years Zimbabwe had a less corrupt civil service than many other countries in Sub-Saharan Africa, but since 2000 this has changed (Freedom House, 2014d). The amount of police roadblocks in Zimbabwe is discussed, where some, including the Anti-Corruption Trust of Southern Africa, mean that the roadblocks are too many to fulfil a useful purpose, whereas e.g. the police authorities claim that they are necessary to prevent accidents and so on (The Herald, 2014).

5.3 What is the infrastructure situation of the country?

5.3.1 Transports

Zimbabwe is a landlocked country with a transport network consisting of roads, railways and airlines. The geography of Zimbabwe is strategic in the sense that it provides a gateway to other markets in the region and the transport networks are well integrated with neighbouring countries (WTO, 2011:13f; Pushak & Briceño-Garmendia, 2011:5).

The Zimbabwean roads have a total length of 85 208 km, where 20.4 percent of these are surfaced, 14 percent are gravel and 65 percent are earth roads (WTO, 2011:13f). It is, in African measures, a relatively dense network of roads and a solid base of backbone infrastructure. The most extensive passage in the region, namely the North-South Corridor, connects Zimbabwe with the SADC and thus countries such as South Africa (i.e. the big regional economy) as well as Tanzania and Botswana. Thereto the North-South Corridor links the country to other corridors on the continent. Hence, Zimbabwe has relatively low barriers for participating in regional activities and the country can serve as a critical transit country for its landlocked neighbours Zambia and Botswana (Pushak & Briceño-Garmendia, 2011:5, 29f).

However, due to the political instability of Zimbabwe an alternative route to the North-South Corridor has emerged going through Botswana instead of through Zimbabwe. Furthermore, the quality of the Zimbabwean infrastructure is declining, thus jeopardizing the regional links even more. Only 34 percent of the roads in Zimbabwe were listed as in fair or good condition in 2008 (Pushak & Briceño-Garmendia, 2011:30).

Before 2000 the road sector was characterized by public financing with government assumptions about investment needs, but the sector then underwent institutional reforms and e.g. a road fund managed by an administration was created. The maintenance is however still constrained by insufficient funding (Pushak & Briceño-Garmendia, 2011:29f). The public sector is still the main provider of infrastructure with minimal private sector participation (WTO, 2011:13f). Furthermore regarding the spending on infrastructure, the total spending on all infrastructure amounted to 23 percent of the GDP of the country in 2009. 17 percent of this, namely 134 million dollars, were spent on transport infrastructure

(the major infrastructure spending share goes to power). The majority of the financial flows comes from the public sector, whereas official development assistance (ODA) accounts for less than one percent of the spending amounts. Although the aid is small, it is significant (Pushak & Briceño-Garmendia, 2011:44f).

Furthermore, also the railway has deteriorated due to a lack of maintenance and limited funding (WTO, 2011:14f). The railway system of Zimbabwe has nonetheless the capacity of annually moving a tonnage of 18 million and is thus a functional such. Aside from South Africa, Zimbabwe has the highest rail-traffic density in the region and the railway is interlinked with other national networks along the North-South Corridor (WTO, 2011:14f; Pushak & Briceño-Garmendia, 2011:34). There has however been a decline in the moved tonnage on the railway, from 12 million in the period from 1995 to 1999 to 5 million between 2000 and 2010. Efforts to allow the private sector to concession sections of the track has been made (WTO, 2011:14f).

Regarding the air transport, the capacity has grown steadily since 2004 and is critical in the promotion of high-value imports and exports. It is a state-owned airline that is the main provider of cargo and passenger services, but also two South African carriers are providers. However, there are financial struggles in this sector with e.g. an aged fleet and inefficient management (Pushak & Briceño-Garmendia, 2011:35f; WTO, 2011:14f).

5.3.2 Information and Communication Technology

In 2009 the mobile market of Zimbabwe more than doubled from 2008 and reached a number of 24 mobile subscriptions per 100 inhabitants. The country had before this been lagging behind the rest of Sub-Saharan Africa, but did with this increase reduce the gap (Pushak & Briceño-Garmendia, 2011:38). The lacking development in this sector was a consequence of the economic situation in the country, but when the communication sector was somewhat deregulated new players in the sub-sector of mobile telephones emerged. However, the competition remains low with only three operators (WTO, 2011:16; Pushak & Briceño-Garmendia, 2011:38). The government is now installing additional stations and equipment that are aiming at promoting the interconnectivity and thus reduce ICT costs (WTO, 2011:16f).

However, other ICT indicators, such as Internet access penetration, of Zimbabwe have been and are in parity with those of other Sub-Saharan countries and the fixed telephone line penetration exceeds the average of the region (Pushak & Briceño-Garmendia, 2011:38).

The competition in the ICT sector is consistently low. There is one fixed-line operator and four Internet service providers (Pushak & Briceño-Garmendia, 2011:38). However, over 30 Internet service providers have been given a license to operate, thus providing Internet to the public. The Internet access of Zimbabwe is the average for southern Africa, and in 2008 there were 4.5 Internet users per 1,000 inhabitants, whereas it in 2000 were 0.4 per 1000 (WTO, 2011:16; Pushak & Briceño-Garmendia, 2011:38f).

Zimbabwe is affected by its landlocked situation and the international connectivity of the country has been through satellite. There has however been ambitions of building national fiber networks in order to obtain cross-border connectivity to undersea fiber cable. The state-owned actor is building a cable to a city in the eastern part of the country which in turn will be connected to a submarine cable in Mozambique (Pushak & Briceño-Garmendia, 2011:39).

5.4 Is there a peaceful environment?

According to Freedom House, Zimbabwe is listed as a not free country and has been so for many years. Civil liberties and political rights are not respected and neither are property rights (Freedom House, 2014d).

In fairly democratic elections held in 1980, Robert Mugabe was elected prime minister and seven years later as president. Mugabe does still hold the role as president of the country (Freedom House, 2014d). The official independence of what is now Zimbabwe was gained in 1980 and the three following years were fairly stable. However from 1983 to 1987 the government violently suppressed the opposition in the Ndebele ethnic minority, killing between 10,000 and 20,000 civilians. An extensive political turbulence followed, spurring an increase of authoritarianism during the 1990's. In 1999 the opposition created an alliance and has participated in elections since then. President Mugabe and his political party Zimbabwe African National Union – Patriotic Front (ZANU-PF) has however claimed victory in as well the parliamentary elections in 2000 and 2005 as the presidential poll in 2002. The elections were characterized by political violence, fake electoral processes and a ZANU-PF abuse of state-run media (Freedom House, 2014d). In the election of 2005 the ZANU-PF got a two-thirds majority enabling them to amend the constitution. Thereto an Operation Murambatsvina²⁶ was implemented, destructing informal businesses and houses (Freedom House, 2014d).

In the concurrent parliamentary and presidential elections in 2008, a Tsvangirai-led group of the opposition won 99 seats whereas another opposition faction got 10 seats and the ZANU-PF won 97 such—i.e. the party of Mugabe lost its legislative majority. In the presidential election the results ended in a requirement of a runoff scheduled in June between Mugabe and his challenger. Between March and June, state security forces and ZANU-PF militias used violence in a campaign aiming at intimidating the opposition and their supporters. The challenger to the presidential post eventually withdrew his candidacy and Mugabe gained 85 percent of the vote. Political violence remained after the election, with e.g. killings of oppositional activists (Freedom House, 2014d).

Together with SADC, ZANU-PF and the opposition reached an agreement about power-sharing in which it was settled that Mugabe would remain president whereas a prime minister post was recreated and appointed by a representative from

²⁶ Eng. translation: "drive out the trash".

Tsvangirai. Thereto the minister posts were split between the parties. However, Mugabe remained in control of an executive branch enabling him to alone appoint e.g. the central bank governor and diplomats (ibid.).

5.5 Path dependency: is the historical trade influencing the trade of today?

5.5.1 The institutional history of trade policies

Zimbabwe is a former British colony gaining its independence in 1980 after being annexed since 1923. A white-minority regime of Zimbabwe did however in 1965 try to declare the independence of the country, but without recognition from the UK because the latter unsuccessfully demanded complete voting rights for the black majority of the country (instead of the constitutional favouring of whites in power which was the reality) (CIA, 2014b).

The 1980 declaration of independence followed from UN sanctions and guerrilla uprising and a free election in 1979 (ibid.).

Before the European rule in the early 20th century, the region was enslaved by different peoples, leading to migration et cetera. However, also e.g. British hunters and traders had in this time begun to migrate from the south (Sanger, 2013). In 1889 the British South Africa Company (BSAC) was established. The company aimed at, in the south-central Africa, extending the railway from Kimberley to Zambezi, thus encouraging immigration and colonization, endorsing trade and commerce and securing mineral rights (Sanger, 2013). The ambition was to benefit the British without costing anything for the British taxpayers. The BSAC was guaranteed a monopoly wherever it operated and was promised military support. In 1890 the company attacked the Ndebele kingdom which eventually became the basis for the colony of Southern Rhodesia (what is now Zimbabwe). They endured the ruling until 1923 (Encyclopædia Britannica Online, 2014).

In the early 20th century, the Legislative Council of Southern Rhodesia comprised seven company officials and seven elected representatives of the settlers, however in 1907 the settlers were given a majority of the seats. Soon after that an option of joining the Union of South Africa emerged and an election among the Europeans in the country was held where joining the union was one of two options where a self-government was the other such. A majority voted for the latter and in 1923 the country became a self-governing colony, where the British government maintained the control of external affairs (Ingham, 2013).

In order to reduce administrative work and costs, Southern Rhodesia had agreements with the British protectorate of Northern Rhodesia (Zambia) and South Africa, stipulating cooperation in the customs duties administration. There were a series of agreements all aiming at facilitating trade between the territories partly by retaining a free trade of local products and manufactures, thus facilitating trade and

reducing costs associated with the administration of customs tariffs, and partly by distributing the collection of customs duties at the border (Gardner, 2013:44f).

In the 1950's discussions about a fusion of British colonies in the region begun. Followed this did an African opposition and the fusion did instead end up in a union. The latter lasted for ten years and was dissolved after increased political pressure for independence. Meanwhile black Zimbabweans had for a long period of time fought for their rights. Eventually guerrilla activities by e.g. Zimbabwe African National Union (ZANU) begun to escalate, ensuing in to a civil war in the 1970's (BBC, 2013). The activities continued until the independence in 1980. The struggle gained support from the Soviet Union and was thus inspired by a more revolutionary and socialistic philosophy than many corresponding independence struggles in other countries (Hillbom & Green, 2010:205).

During the colonial time, the land was owned by the presidency of the country and this was not reformed when Mugabe came into power in 1980. Rather, Mugabe used the power of land distribution to gain political loyalty. In addition to this, the white class that owned land kept on doing so and was also protected because of the incomes the country gained from the export products from the land. When the opposition of Zimbabwe in 2000 organised and became influential, Mugabe redistributed some of the land from white farmers to loyal supporters. The latter did not necessarily have any knowledge or interest in farming and the reform led to a rapid decline in the agricultural sector. Ultimately, this lead to decreased export incomes (Hillbom & Green, 2010:259f).

5.5.2 Collaborations

The genesis of COMESA was founded in the 1960's. The time was for many countries an independence period and optimistic ideas of regional cooperation characterised the gathering of the independent states at this time. In 1981 a PTA was signed and predicted the transformation of the cooperation into COMESA. The treaty establishing the common market of COMESA was signed in 1993 (COMESA, 2014b).

A similar development path is found in the history of SADC, established in 1992 then succeeding the Southern African Development Co-ordination Conference (SADCC) which was established in 1980 aiming at economic liberalisation (SADC, 2012b).

6 Analysis

6.1 Introduction

This chapter aims at concluding the empirical findings of the thesis and to discuss and question them in a broad theoretical perspective. The purpose is consequently two folded, namely to (1) discuss the empirical results in a manner that can enable a distinct answering of the research questions of the thesis and to (2) question the findings. In the next chapter, a final conclusion is made.

The empirical findings will in this chapter initially be summarized with a brief synopsis about similarities and differences between the two cases. Thereafter every variable will be separately discussed and analysed in order to answer the question of the eventual necessity or sufficiency of the particular variable, i.e. does it seem to be that some policies (X) implemented to increase the regional trade are meaningless without Z?

6.2 What factors are affecting the intra-regional trade in Africa?

6.2.1 Synopsis

Table 5 constitutes a brief summary of the studied variables of the thesis and illustrates some of the similarities and differences between the two cases. Both Zimbabwe and Mali are countries who have a relatively high level of protectionism, but with an emerging integration with different RECs and—at times—a liberal reform agenda. Another similarity concerns the recurrent roadblocks which are making the transportations less transparent. A difference is though found in the road density, where Mali has a low density and Zimbabwe a fairly solid density. Both countries do however have a transport infrastructure that enables trade with their neighbouring countries. Regarding the communication and information infrastructure, the countries both have growing ICT sectors with an increase in number of users.

The political environment are for the cases not to be classified as peaceful, rather the word “controlled” might be suitable for describing the situations. Mali has however had a democratic environment in contrast to Zimbabwe.

The history of the countries is similar in the sense that its marks can be identified in policies and institutions of today. For instance trade partners are to a certain extent the same as they were during the colonial time.

Table 5 Synopsis of the empirical material

| | Mali | Zimbabwe |
|---|--|--|
| Free trade | <p>Liberal reform in the 90's.</p> <p>Applied CET in 2003, then simplified, less restricted trade with lower tariff rates.</p> <p>Protected agricultural sector.</p> <p>High tariff on agricultural products.</p> <p>ECOWAS cooperation with WAEMU.</p> <p>EU export subsidies disturbs the market.</p> <p>Many checkpoints.</p> | <p>Liberal reforms in the 90's.</p> <p>There was a decline in tariff rates and a temporary suspension of selected import duties in the 00's.</p> <p>Agricultural sector most protected.</p> <p>Overlapping REC memberships complicated.</p> <p>Long going ambitions of harmonizing CET</p> <p>Many checkpoints.</p> <p>Reforms reducing border duplications.</p> |
| Transport infrastructure | <p>Low road density, but the main roads are in good or fair condition.</p> <p>Diversified routes.</p> <p>Privatization of railway.</p> | <p>Relatively solid road density, but declining quality.</p> <p>Road corridors connects Z to many countries, but due to unstable environment in Z alternative routes have been developed.</p> <p>Efforts to privatize railway.</p> |
| Information and communication technologies | <p>Telecommunication sector drew economic growth.</p> <p>Deregulated telecom market. Significant increase in mobile users. Low end use prices.</p> <p>Internet access increase, but lags behind comparable countries.</p> | <p>Deregulated mobile market has led to a significant increase subscriptions.</p> <p>Internet access African average, and competition amongst providers can now increase.</p> |
| Peaceful environment | <p>History of being rated free country.</p> <p>Have been fairly stable, although latent conflicts and risk of terrorist attacks et cetera.</p> | <p>Not free country.</p> <p>Political violence, killings of oppositional activists et cetera.</p> <p>Less instable in recent years after the coalition.</p> |
| Path dependency | <p>Administered as part of Federation of French West Africa, but regarded as less important.</p> <p>Historically open trade country Côte d'Ivoire led to frequent trade exchanges.</p> | <p>BSAC established aiming endorsing trade and commerce.</p> <p>Cooperation with South Africa and Northern Rhodesia (Zambia) aiming at facilitating trade.</p> |

| | | |
|--|---|---|
| | French customs. | Guerrilla activities supported by Soviet Union, inspired by socialistic philosophy. |
| | Construction of railway. | |
| | WAMU an instrument for consolidating France and French speaking colonies. | White class owned land, exported and was protected by Mugabe. |
| | | COMESA established by free states. |

6.2.2 Degree of free trade

The trade policies of Mali and Zimbabwe have to a certain extent undergone corresponding reforms in which several protectionist measures have been deregulated. Although still protectionist countries with low rankings of free trade, the costs of trading with Mali as well as Zimbabwe have decreased due to lower average tariffs, reductions in trade restrictions and so forth. Furthermore, both countries have developed their integration with respective RECs and thus gained and reached somewhat bigger trade markets. The consequent rational assumption would be that a less costly trade enables more trade. Since Mali and Zimbabwe have had costly trade restrictions to several countries, perhaps the answer to the question of the regional trade is somewhat less reliable, but assuming that the neighbouring countries are relatively poor, the relative cost of trading with a country with many trade restrictions would be even bigger. If the trade, in addition to this, is followed by other costs, the incentives for regional trade would be even fewer. Hence, the roadblocks and especially the accompanying bribes contribute to increasing the costs and risks associated with trade that demands road transport.

Because the AU (among others) has adopted policies of increasing the intra-regional trade, the subsequent assumption is that an increased trade would imply an increased outcome and through a rational choice institutionalist perspective, it could be assumed that the protectionism is and has been a consequence of a collective dilemma. Hence, liberalising trade policies would not be of gain unless other countries follow corresponding liberalisation schemes (consequently assuming that countries want to trade with other countries). Due to striving RECs with collectively agreed liberalisation and harmonization schemes, the sub-optimal situation of protectionism can though be somewhat managed.

The RECs are however not only to be perceived as enabling a maximization of trade outcomes. Rather, they also seem to contribute to a complicated process with unnecessary bureaucracy when there are several RECs operating in the same area with similar, but different, policies. Still, when efforts have been made to harmonize policies with other RECs, an assumption following from the perspectives of RCI could be that less bureaucracy eases the trade, thus increases it.

Furthermore, the agricultural products remain a troublesome issue since these are important and with fluctuating prices and thus continuously more protected. With only a few countries liberalising protective measures for these products, a rational assumption would be that the outcomes for the liberalising countries would be doubtful.

Regardless of the agricultural products, an increased degree of free trade seems to have a significant role in aggregating the regional trade in the studied cases of Mali and Zimbabwe because similar trade liberalisation policies have been implemented, and—due to the more integrated RECs—the market access has increased. In line with the RCI, a higher degree of free trade can thus be assumed to affect the regional trade in the cases of Mali and Zimbabwe.

Hence, an increased degree of free trade seems to be a cause for an increased regional trade, i.e. when the trade policies became more liberal, the regional trade increased. Theoretically, the causality could also be the other way around, i.e. when the trade increases, the trade policies will be liberalized. However, as the empirical parts have described, the trade liberalisations have not been answers to a higher degree of trade, but rather answers to demands from RECs or to food shortages.

6.2.3 Transport infrastructure

Mali and Zimbabwe have some similarities concerning their transport infrastructure. They are both connected to their regional neighbours and have a diversified road network, thus overcoming their landlocked situations. The roads in the two countries do however differ in terms of density and quality, Mali has a low road density with fairly good standards, whereas Zimbabwe has a high road density with fairly low standards. Concerning the railway network, both countries have such, but in the case of Mali the traffic has increased whereas it in Zimbabwe has declined.

In order to test the variable of transport infrastructure and its possibility to affect and increase the regional trade in the two studied cases, the viability of the railway as explaining the regional trade is doubtful since it differs in the cases. Although existing and being used, the regional trade has not increased in correlation with the railway. Rather, the similarities regarding the roads can prove to be an interesting factor when studying the regional trade. Although different in several ways, both countries have an existing network of roads with diversified routes connecting them to different trade partners in the area. Hence, a rational conclusion would be that roads are necessary for the regional trade. The regional trade has not increased due to the roads—if that would be true, the trade would have increased in both countries as soon as the roads were built—but when the trade has increased the diversified roads have been a necessary condition. Hence, the roads are dependent upon the situation in other countries and where e.g. Mali could change routes when the situation in Côte d'Ivoire was troublesome, the Zimbabwean neighbours developed alternative routes when the Zimbabwe situation was troublesome. The trade might consequently be dependent upon what potential routes there are and what is happening in countries with connecting road networks. In the two studied cases it does subsequently seem to be necessary with diversified transport roads for the regional trade to increase, where the quality of the roads is of less importance (for the purpose of an increased trade).

6.2.4 Information and communication infrastructure

The ICT sectors of both Zimbabwe and Mali have undergone significant developments in recent years. The amount of mobile and Internet users has increased, and in Mali fiber optics are connecting the country to its neighbouring such and Zimbabwe has expressed ambitions of doing the same. The developments have furthermore been parallel in time with the intra-regional trade increase, why there seems to be a correlation between the two variables in both cases. However, the causality is more troublesome to comment on, as well as any cause and effect. If assuming there is a causality, can e.g. a higher amount of mobile users lead to an increased trade? Or is it rather the other way around; that an increased trade leads to an increased number of e.g. mobile users? The empirical material in this thesis does not provide answers to this. Theoretically, both causal chronologies could be true. However, as is emphasized in e.g. the research made by Findlay and O'Rourke, the telegraph did in the case of the 19th century Europe enable a fastening of speed, hence also facilitating potential profits that can be made with trade. If the history is to repeat itself, the mobile and Internet access could thus be a cause to the effect the increased trade in Africa. If that is the case it would thus imply that also ICT infrastructure can lead to an increased trade. The findings of this thesis can however not prove this to be neither true nor false in the case of Mali and Zimbabwe. A correlation can however be confirmed to exist in the studied countries.

6.2.5 Peaceful environment

The political environment of the two states differ in aspects concerning the categorization of how free the countries are. Mali has during the years studied had a fairly stable democratic environment, whereas Zimbabwe for a long time has been classified as not free.

Despite the risk of terrorist attacks and the threat of the rebel fraction of the Tuareg minority, Mali has been a stable country. The political development in Zimbabwe has to a greater extent been unstable during recent years. When oppositional political parties gained power in e.g. 2005, political violence increased. The same pattern followed in 2008 when oppositional parties and candidates proved to be considerable challengers to Mugabe and his party. However, what followed was some power sharing but continuously with Mugabe as president.

The political developments of the countries cannot be said to follow a similar path during the studied time and it is difficult to comment on a potential causality or correlation between a peaceful environment and the intra-regional trade. However, if comparing to earlier research about European trade, it could be assumed that what is needed for the trade to increase is a less unstable environment, i.e. not a totally stable such. Hence, the fairly stable environment could be assumed to have a correlation with the increased regional trade. Yet, it cannot be assumed to cause the increased trade. Feasibly, it is more truthful to see the political environment as the framework providing the spectra of possible actions, where a

peaceful (i.e. a not unstable) environment broadens the possibilities of regional trade. The empirical material of this thesis do however not provide enough material to prove this right. There were no disruptions on the everyday life in terms of war, but in Zimbabwe political violence has been present. It could however be that the trade increase rather follows the time periods of non-violence, but material about that is unfortunately lacking. The collected material in this thesis does rather indicate that a peaceful environment is not necessary for the regional trade to increase since the cases differ in their degree of peaceful environment. However, another assumption due to the findings could be that the regional trade demands an environment without wars, but does not need to have more transparency about the political environment than that. This would also be in line with the earlier research about Europe, namely that countries can trade with one another if there are no severe disruptions between the countries—but that the internal environment not necessarily needs to be that peaceful.

6.2.6 Path dependency

Because the path dependency is a part of a historical context the variable does not necessarily have to be similar in the studied cases in order to be proven accurate for the topic. Rather, it is the identification of a potential path dependency in both cases that can prove the variable to be true.

In the case of Mali, France still constitutes the main import partner, something that could be a reflection upon the historical relations where the colonial power e.g. adopted a customs union with its colonies. A potential path dependency of Zimbabwe could rather be identified in the continued trade with South Africa and Zambia, countries that the colonial power stipulated e.g. trade agreements with. It could however be that the trade with neighbouring countries would follow regardless of a path dependency sprung from the colonial time.

An arising and subsequent question for both cases would though be what caused the regional trade to increase when it did. With assumptions from Historical Institutionalism it is costly to change an institutional path, why a change in trade should be difficult to achieve. Rather, the institutions of today should be similar of those of yesterday. These assumptions could be identified in the case of Mali and WAEMU or WAMU where the REC was created by the French in order to consolidate the connection between its earlier West African colonies and itself. The collaboration has developed since it was originated, but is still a used and fruitful institution that perhaps have continued to steer Mali somewhat towards France. Although ECOWAS now seems to overtake the position of WAEMU, the institutional framework of WAEMU appears to have been used for ECOWAS as well.

A further assumption could be that the dependency between the Mali and France changed when the latter started using the Euro instead of CFA Franc, thus facilitating the trade between the regional countries instead and providing something of a critical juncture.

In the case of Zimbabwe, Mugabe can be said to have used the existing institutions by letting the land that was earlier owned by the colonial presidency remain owned by the presidency after he himself was elected president. When he furthermore nearly 20 years after gaining power redistributed land from the white farmers to loyal supporters, a following hypothesis could be that the change in land ownership constituted a critical juncture in the sense that the producers of the country shifted, thus enabling other trade partners.

One aspect concerning the potential path dependency of trade occurs in both cases and concerns the infrastructure investments. In both Mali and Zimbabwe the colonial powers built or somehow invested in especially the railway infrastructure, thus somewhat affecting the potential trading partners.

Another aching issue concerning the historical intra-regional trade is the lacking information about it. This can be a consequence of limited studies about it, but it can also be a consequence of a limited issue to study, i.e. a low amount of earlier regional trade. The latter would imply a limited experience about regional trade.

Lastly, the path dependency is because of its structuralistic design not possible to prove either wrong or right. Rather, it is a variable of this thesis that should be viewed as broadening the perspective of the regional trade and the potential influence the history might have on the intra-regional trade. Hence, the path dependency could be assumed to have some influence on the development in a country.

7 Conclusion

7.1 Introduction

The purpose of this concluding section is to answer the research questions of the thesis, to formulate policy recommendations based on the findings and to present proposals for topics for further research. In the next section the findings about factors affecting the trade is concluded and in the thereafter following section the potential of generalisations is discussed together with the answering of the overarching question of why African countries do not trade with one another.

7.2 What factors are affecting the intra-African trade?

The intra-African trade is relatively low despite ambitions to increase it. The question of why this is so has been and still continues to be somewhat of a puzzle. This thesis has focused on two cases in order to find what explanations of what can cause an increase in the regional trade, thus to find what eventually has been lacking before a regional trade increases or what has been disturbing the potential development of the intra-African trade, i.e. what factors that are affecting the regional trade.

The findings of this thesis show that liberalised trade policies are the most evident variable correlating with the increased trade. Both countries underwent several reforms and e.g. abolished import quotas, lowered trade tariffs and proceeded the integration with their RECs—projects all leading to a facilitated trade, and also a facilitated regional trade. The finding implicate that a cheaper and easier trade enables the official intra-African trade to increase, it does however not necessarily implicate more than that relative liberalisations leads to a period of increased trade. The findings of the study do not implicate whether it is solely the unofficial trade that turns into official such, and it do not implicate that an absolutely—or at least less relative—liberalisation of trade policies increases the regional trade. With assumptions from theories and earlier research, the latter can be assumed to be true, however it cannot be assumed solely from the empirical findings of this thesis.

Furthermore, the causality between a liberalisation of trade policies and an increased regional trade is probably not a causality without the existence of a transport infrastructure. Both Mali and Zimbabwe have an established transport

network that enables trade which is shown in the increased use of the infrastructure. However, what seems to be an important aspect of the variable is the diversification of what transportation or what road to use, rather than the condition of the roads et cetera. With a diversified transport system dependency upon one or only a few trading partners is avoided. An obvious hindrance to the trade facilitation is though the road blocks. The latter are making the transportation less transparent, meaning that also the cost of risks increases together with the assumption about the many checkpoints.

Furthermore, although the RECs are opening up markets and thus enabling more trade, the organisations do also seem to have some restraining effects on the trade. Where there is an intense eager to integrate the communities further, there has been a parallel development of complex or contradictory rules when the countries have several REC memberships and the RECs adopt different sets of rules. When instead the RECs try to harmonize their rules or agreements, the trade can be assumed to be further enabled.

Another variable that can be assumed to enable the intra-African is the ICT infrastructure. In both studied cases there has been a significant increase in e.g. mobile users and Internet access, hence there seems to be a correlation between ICT infrastructure and regional trade—but any direct causality is difficult to prove. However, a not too daring assumption would be that e.g. mobile phones facilitate the relationship between supply and demand, but also that an increased trade leads to an increased demand for a developed ICT sector.

The variable of peaceful environment proved, in the cases, to be somewhat less relevant for the intra-regional trade to increase. Where Mali has had a democratic environment, Zimbabwe has had a non-democratic such with killings of oppositional groups and the like. Hence, a peaceful environment meaning a stable democratic environment is not necessary for a regional trade increase to occur. However, the lowest common denominator in the variable is the absence of outright wars—something that also is a conclusion in line with what earlier research has found.

The last variable, the path dependency, is identifiable in both cases and several historical aspects can be assumed to be significant for the regional trade of today where e.g. Mali's trade relations with France constitutes one such path and the ownership of land in Zimbabwe constitutes another such. The variable can thus be viewed as broadening the understanding of trade. However, its ability to explain the regional trade and the development of it is less viable since different paths or historical institutions can be contradictory to one another.

7.3 Why do not African countries trade with one another?

What has been studied in the thesis is the increase of the intra-regional trade in two countries, namely Mali and Zimbabwe. The studied variables are selected with the

use of especially two theories but also with the use of earlier research. The somewhat finical selection of variables is made with the purpose of enabling a modest generalization of the findings. The variables have to a certain extent been tested in order to be proven either wrong or right and to be tested for their potential necessity or sufficiency. Because one of the theories is somewhat more troublesome to falsify, the variable of path dependency should mostly be regarded as used in the sense of theory using, thus contributing to a wider understanding.

The main findings of the thesis is that a liberalisation of trade policies leads to an increased regional trade but that a diversified transport infrastructure is needed for the trade to be able to increase. Thereto the political environment does not necessarily have to be peaceful, but probably fairly stable, i.e. lack wars. The ICT infrastructure seems to correlate with the regional trade, but the findings do not answer to whether this is a causality in any direction. The historical context of the country seems to impact the institutions and collaborations of today, but it is difficult to see what paths that are the most dominant. Consequently, a lack of free trade is, according to this study, the main answer to why the countries to not trade with other countries in the region, but another important factor explaining the low regional trade can be a war-torn environment or a certain path dependency impeding trade reforms.

These are the findings answering to what factors that are affecting the regional trade in the cases of Mali and Zimbabwe. How about the generalisations? Can the findings be said to answer the questions also if applied on other African countries?

Perhaps to a small extent. Countries without a landlocked geography or countries with oil resources or the like are probably facing different challenges, but with the theoretical point of departure of this study, e.g. the variable of free trade can probably be somewhat generalizable also onto countries because it has proven to be applicable not only onto European countries in the 19th century but now also onto two African countries in the 21st century. However, especially the findings about the transport variable is probably not an as important factor in cases of coastal countries since these have other than a regional market relatively accessible. Hence, a liberalised trade policy does not necessarily always cause an increased regional trade. Thereto, the historical context of a country does affect the potential influence of other variables.

7.4 Policy recommendations

The consequent policy recommendations will obviously mostly concern the trade policies where the experiences from Mali and Zimbabwe show that gradual liberalisations and reforms aiming at simplifying the trade are the most effective tools for an increase of the regional trade. Due to this there is also a need for countries and regions to collaborate in reaching the optimal outcomes, i.e. the ambition should be to avoid unnecessary bureaucracy and rules in order to make the trade as easy as possible. An elongation in this recommendation could be

addressed to the EU who are contributing to sub-optimal trade patterns with e.g. their export subsidies.

A need for reforms or assistance could—at least in the cases of Mali and Zimbabwe—be directed against the road blocks rather than towards infrastructure investments. Although the infrastructure has a continued need for investments in order to increase the regional trade, a more urging disturbance on the regional trade is the corruption in the checkpoints that follows along the transport routes. Because a simplicity in trade in this thesis is assumed to be what can cause the trade to increase, and the infrastructure is necessary but in the need of liberal trade policies to contribute to the trade increase, the priority of first abolishing corruption is in line with the findings of the study.

There to, in order to contribute to an increased it is necessary to take into account what history looks like—the historical context can be identified in institutions, collaborations and so forth.

7.5 Further research

One interesting finding during this thesis concerned the perceptions about the trade and reform policies. As an example ECOWAS did continuously present reforms and negotiations with words such as successful and thriving, and in many descriptions about especially regional efforts the perception could be that e.g. the trade integration with CETs and the like is more developed than it actually is. Perhaps the positive words are a part of a political quest of gaining more trust in the RECs—but perhaps the positive words are an actual reflection of what politicians and civil servants think about e.g. the collaborations and the policies. Could it be that the perceptions about the trade policies (et cetera) of politicians and civil servants differ from the perceptions of the producers and other citizens? Consequently, it could be interesting for further research to study if there are different perceptions about the developments in the countries and if so, whether this constitutes a hindrance for reform implementations or not.

Concerning the topic of this thesis, it would of course be fruitful to test the variables on other cases, can it e.g. be that countries with the least regional trade lack the variables that in this thesis are explained to enable trade? And if not, can it find other variables that would explain also the cases studied in this thesis? This could also be an interesting angle for testing the variables on the same cases but on different years with another increase in the regional trade.

Yet another fruitful further research could be to test the variables in a quantitative way and thus get more generalizable results (or prove the findings of this thesis to be ungeneralizable).

A final suggestion for further research regards a topic which has only been briefly mentioned in the thesis, namely the big trading partner China. What does it mean that China has an extensive trade with African countries? Can it affect the trade policies and the regional trade?

8 References

- AEO (African Economic Outlook), 2014. “Macroeconomic Policy”. *African Economic Outlook*. [Electronic] Available: <http://www.africaneconomicoutlook.org/en/countries/west-africa/mali/>. Download date 2014-04-14.
- Agritrade, 2011. “Zimbabwe’s agriculture remains protected but depressed”. *Agritrade*, December 2011. [Electronic] Available: <http://agritrade.cta.int/Agriculture/Topics/ACP-regional-trade/Zimbabwe-s-agriculture-remains-protected-but-depressed>. Download date 2014-05-02.
- Agritrade, 2014. “ECOWAS agrees common external tariff with greater agricultural protection”. *Agritrade*, February 2014. [Electronic] Available: <http://agritrade.cta.int/en/layout/set/print/Agriculture/Topics/ACP-FTAs/ECOWAS-agrees-common-external-tariff-with-greater-agricultural-protection>. Download date 2014-04-17.
- African Development Bank Group, 2011. “Infrastructure and Growth in Zimbabwe”. *African Development Bank Group*. [Electronic] Available: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Zimbabwe%20Report_Book22.pdf. Download date 2014-05-04.
- Africa Infrastructure Knowledge Program, 2011. “Mali”. *African Development Bank Group*. [Electronic] Available: <http://www.infrastructureafrica.org/countries/mali>. Download date 2014-05-02.
- Anti-Corruption Trust of Southern Africa, 2010. “Stealing from the State and Impoverishing the Nation: Zimbabwean Traffic Police Officers Pocketing Huge Sums of Money through Bribes at Checkpoints”. *Anti-Corruption Trust of Southern Africa*. AFR/3/2012/BoT. [Electronic] Available: http://archive.kubatana.net/docs/demgg/act-sa_stealing_state_zrp_bribes_121105.pdf. Download date 2014-05-31.
- AU, 1991. “Treaty Establishing the African Economic Community”. [Electronic] Available: http://www.au.int/en/sites/default/files/TREATY_ESTABLISHING_THE_AFRICAN_ECONOMIC_COMMUNITY.pdf. Download date 2014-04-10.
- Barka, Habiba Ben, 2012. “Border Posts, Checkpoints, and Intra-African Trade: Challenges and Solutions”. *African Development Bank Group*, January 2012. [Electronic] Available: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/INTRA%20AFRICAN%20TRADE_INTRA%20AFRICAN%20TRADE.pdf. Download date 2014-05-25.

- BBC, 2008. "African free trade zone is agreed". *BBC*, 2008-10-22. [Electronic] Available: <http://news.bbc.co.uk/2/hi/7684903.stm>. Download date 2014-05-13.
- BBC, 2013. "Zimbabwe profile". *BBC*, 2013-10-26. [Electronic] Available: <http://www.bbc.com/news/world-africa-14113618>. Download date 2014-06-04.
- Bernhagen, Patrick, 2009. "Democracy, Business, and the Economy" in Haerpfer, Christian W. (ed.), Bernhagen, Patrick, Inglehart, Ronald F. & Welzel, Christian. *Democratization*. Oxford: Oxford University Press.
- Briceño-Garmendia, Cecilia M., Dominguez, Carolina & Pushak, Nataliya, 2011. "Mali's Infrastructure – A Continental Perspective". *World Bank*. Policy Research Paper 5688, June 2011.
- Briet, Lodewijk, 2010. "EU support to regional integration in Africa: A shared vision". *Trade Negotiations Insights*, 9(2). Available: <http://www.ictsd.org/bridges-news/trade-negotiations-insights/news/eu-support-to-regional-integration-in-africa-a-shared>.
- Bromley, Daniel, 2013. "Viewpoint: Regional Tariff Reform: Necessary, but not Sufficient". *USAID West Africa Trade Hub*. [Electronic] Available: <http://www.watradehub.com/activities/tradewinds/apr13/viewpoint-regional-tariff-reform-necessary-not-sufficient>. Download date 2013-04-25.
- Bureau of African Affairs, 2008. "Background note: Mali", *U.S. Department of State*. [Electronic]. Download date: 2014-05-04.
- Caporaso, James A., 2009. "Is there a Quantitative-Qualitative Divide in Comparative Politics? The Case of Process Tracing" in Landman, T. & Robinson, N. (eds.), *The SAGE Handbook of Comparative Politics*. London: Thousand Oaks, SAGE Publications. E-book.
- CIA, 2014a. "The World Factbook – Mali". *Central Intelligence Agency*. [Electronic] Available: <https://www.cia.gov/library/publications/the-world-factbook/geos/ml.html>. Download date 2014-04-08.
- CIA, 2014b. "The World Factbook – Zimbabwe". *Central Intelligence Agency*. [Electronic] Available: <https://www.cia.gov/library/publications/the-world-factbook/geos/zi.html>. Download date 2014-05-06.
- CIA, 2014c. "The World Factbook – Regional and World Maps". *Central Intelligence Agency*. [Electronic] Available: <https://www.cia.gov/library/publications/the-world-factbook/docs/refmaps.html>. Download date 2014-06-05.
- Claeys, Anne-Sophie & Sindzingre, Alice, 2003. "Regional Integration as a Transfer of Rules: The Case of the Relationship between the European Union and the West African Economic and Monetary Union (WAEMU)". *Development Studies Association Annual Conference*. Development Studies Association Annual Conference Glasgow, University of Strathclyde, 10-12 September 2003. [Electronic] Available: http://www.acp-eu-trade.org/library/files/Claeys-A-and-Sindzingre-A_EN_01092003_EDPS_Regional-Integration-as-a-Transfer-of-Rules.pdf. Download date 2014-04-20.

- COMESA, 2014a. "The COMESA-EAC-SADC Tripartite Free Trade Area". *COMESA*. [Electronic] Available: http://programmes.comesa.int/index.php?option=com_content&view=article&id=77&Itemid=146. Download date 2014-05-20.
- COMESA, 2014b. "History of COMESA". *COMESA*. [Electronic] Available: http://about.comesa.int/index.php?option=com_content&view=article&id=95&Itemid=117. Download date 2014-06-03.
- Coppedge, Michael, 1999. "Thickening Thin Concepts and Theories: Combining Large N and Small in Comparative Politics", *Comparative Politics*, 31(4), pp. 465-476.
- Coulibaly, Massa & Plunkett, Daniel J., 2006. "Lessons from the Implementation of the WAEMU/UEMOA Common External Tariff since 2000 for the Implementation of the ECOWAS Common External Tariff by the end of 2007". *Associates for International Resources and Development*. Available: http://www.inter-reseaux.org/IMG/doc/AIRD_paper_on_WAEMU_Experiences_English_version_May_22_2006_.doc.
- Dimaranan, Betina & Mevel, Simon, 2008. "The COMESA Customs Union: A Quantitative Assessment". Draft Paper. [Electronic] Available: <https://www.gtap.agecon.purdue.edu/resources/download/4048.pdf>. Download date 2014-05-20.
- Durić, Ivana, 2011. "The New Institutionalism(s): A Framework for the Study of Public Policy in Post-conflict and Post-communist Countries", *Politička misao*, Vol. 48(5), pp. 85-105.
- ECOWAS, 2014. "ECOWAS Common External Tariff CET". *ECOWAS Aid for trade*. [Electronic] Available: <http://www.aidfortrade.ecowas.int/programmes/ecowas-common-external-tariff-cet>. Download date 2014-04-15.
- Encyclopædia Britannica Online, 2014. "British South Africa Company (BSAC, BSACO, or BSA Company)". *Encyclopædia Britannica Online*. [Electronic] Available: <http://www.britannica.com/EBchecked/topic/80349/British-South-Africa-Company-BSAC-BSACO-or-BSA-Company>. Download date 2014-06-02.
- European Commission, 2013. "The common agricultural policy (CAP) and agriculture in Europe – Frequently asked questions". *European Commission*, published 2013-06-26. [Electronic] Available: http://europa.eu/rapid/press-release_MEMO-13-631_en.htm. Download date 2014-04-31.
- European Commission, 2014. "Overview of EPA Negotiations". *European Commission*. [Electronic] Available: http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf. Download date 2014-05-19.
- Findlay, Ronald & O'Rourke, Kevin H., (2009[2007]). *Power and plenty: trade, war, and the world economy in the second millennium*. Princeton: Princeton University Press.

- Fletcher, Henry, 2010. *Development Aid for Infrastructure Investments in Africa: Malian Relations with China, the European Commission and the World Bank*. SAIIA Occasional Paper, No 58, April 2010.
- Freedom House, 2014a. "About us", *Freedom House*. [Electronic] Available: http://freedomhouse.org/about-us#.U4R9S_1_vqM. Download date 2014-05-27.
- Freedom House, 2014b. "Mali 2013 Scores", *Freedom House*. [Electronic] Available: http://freedomhouse.org/report/freedom-world/2013/mali#.U2UQ3_1_vqM. Download date 2014-05-03.
- Freedom House, 2014c. "Mali 2012 Scores", *Freedom House*. [Electronic] Available: http://freedomhouse.org/report/freedom-world/2012/mali#.U2URbPl_vqM. Download date: 2014-05-03.
- Freedom House, 2014d. "Zimbabwe 2013 Scores", *Freedom House*. [Electronic] Available: http://freedomhouse.org/report/freedom-world/2013/zimbabwe#.U4Rqgfl_vqM. Download date: 2014-05-25.
- Gardner, Leigh, 2013. *Taxing colonial Africa: the political economy of British imperialism*. Oxford: Oxford University Press.
- GATT, 1994. "Trade Policy Review of Zimbabwe". *GATT*, November 1994. [Electronic] Available: http://www.wto.org/gatt_docs/English/SULPDF/91830173.pdf. Download date 2014-04-03.
- George, Alexander L. & Andrew Bennett, 2005. *Case Studies and Theory Development in the Social Sciences*. Cambridge, MIT Press.
- Hall, Peter A. & Taylor, Rosemary C. R., 1996. "Political Science and the Three New Institutionalisms" in *Political Studies*, XLIV, pp. 936-957.
- Hillbom, Ellen & Green, Erik, 2010. *Afrika: en kontinents ekonomiska och sociala historia*. 1. ed. Stockholm: SNS förlag.
- The Herald, 2014. "Police Roadblocks to stay, says Chihuri". *The Herald*, 2014-02-19. [Electronic] Available: <http://www.herald.co.zw/police-roadblocks-to-stay-says-chihuri/>. Download date 2014-05-31.
- Imperato, Pascal James, 2014. "Mali". *Encyclopædia Britannica Online*. [Electronic] Available: <http://www.britannica.com/EBchecked/topic/360071/Mali/279102/Precolonial-history>. Download date 2014-05-12.
- IMF (International Monetary Fund), 2002. *Mali: Selected Issues and Statistical Annex*. [Electronic resource].
- Ingham, Kenneth, 2013. "Zimbabwe". *Encyclopædia Britannica Online*. [Electronic] Available: <http://www.britannica.com/EBchecked/topic/657149/Zimbabwe/44167/Economic-and-political-development>. Download date 2014-06-03.
- Kommerskollegium, 2009. *Lägesrapport 2009 – Perspektiv på internationella handelsmönster*. Kommerskollegium.
- Kimenyi, S. Mwangi – Lewis, A. Senia – Routman, Brandon, 2012. "Introduction: Intra-African Trade in Context" in *Accelerating Growth through Improved Intra-African Trade*. Africa Growth Initiative.

- Krugman, Paul R. & Obstfeld, Maurice, 2009. *International economics: theory & policy*. 8. ed. Boston: Pearson/Addison Wesley.
- Lavallée, Emmanuelle & Lochard, Julie, 2011. "Independence and trade: New Evidence from French colonial data." September 2011. [Electronic] Available: <http://www.etsg.org/ETSG2012/Programme/Papers/192.pdf> Download date 2014-04-02.
- Lawrence, Robert Z, Blanke, Jennifer, Margareta & Moavenzadeh, John, 2008. "The Global Enabling Trade Report 2008", *World Economic Forum*. [Electronic] Available: http://www3.weforum.org/docs/WEF_GlobalEnablingTrade_Report_2008.pdf . Download date 2014-05-14.
- Lawrence, Robert Z, Drzeniek, Hanouz, Margareta & Moavenzadeh, John, 2009. "The Global Enabling Trade Report 2009", *World Economic Forum*. [Electronic] Available: http://www3.weforum.org/docs/WEF_GlobalEnablingTrade_Report_2009.pdf . Download date 2014-05-14.
- Lawrence, Robert Z, Drzeniek, Hanouz, Margareta, Doherty, Sean & Moavenzadeh, John, 2010. "The Global Enabling Trade Report 2010", *World Economic Forum*. [Electronic] Available: http://www3.weforum.org/docs/WEF_GlobalEnablingTrade_Report_2010.pdf . Download date 2014-05-14.
- Levi, Margaret, 1997. "A Model, a Method, and a Map: Rational Choice in Comparative and Historical Analysis." in *Comparative Politics: Rationality, Culture, and Structure*. Cambridge: Cambridge University Press. Pp. 19-41.
- Lamport, Joe, 2013. "Adopting a Common External Tariff, ECOWAS States move Closer to Customs Union". *USAID West Africa Trade Hub*. [Electronic] Available: <http://www.watradehub.com/activities/tradewinds/may13/adopting-common-external-tariff-ecowas-states-move-closer-customs-union>. Download date 2014-04-15.
- Maonera, Felix, 2007. "Zimbabwe Which Way: COMESA or SADC Customs Union?". *Trade & Development Studies Centre-Trust*, August 2007.
- March, James G. & Olsen, Johan P., 2008. "Elaborating the "New Institutionalism"" in Rhodes, R. A. W., Binder, Sarah A. & Rockman, Bert A. (ed.). *The Oxford handbook of political institutions*. Oxford: Oxford University Press.
- Ministry for Foreign Affairs, 2011. "Sweden's trade policy", *Ministry for Foreign Affairs*. [Electronic] Available: <http://www.regeringen.se/sb/d/3086/a/118563>. Download date: 2014-05-13.
- Mugano, Gift, Brookes, Michael & Le Roux, Pierre, 2013. "Estimating the Impact of a COMESA Customs Union on Zimbabwe Using a Tariff Reform Impact Simulation Tool (TRIST)", *African Journal of Business Management* 7(38): 4000-4010.
- Nderitu, A., 2012. "From Cape to Cairo: The birth of Africa's largest Free Trade Area". *GREAT Insights*, 1:4. June 2012. Maastricht: ECDPM.
- Nye, John V. C., 2007. *War, wine, and taxes: the political economy of Anglo-French trade, 1689-1900*. Princeton, N.J.: Princeton University Press.

- Ostrom, Elinor, 2007. "Institutional Rational Choice" in Sabatier, Paul A. (ed.). *Theories of the policy process*. 2. ed. Boulder, Colo.: Westview Press.
- Pushak, Nataliya & Briceño-Garmendia, Cecilia M., 2011. "Zimbabwe's Infrastructure – A Continental Perspective", *World Bank*. Policy Research Paper 5816, September 2011.
- Roquefeuil, Quentin de, Plunkett, Daniel & Ofei, Frank, 2014. "The Impact of Closer Regional Economic Integration on Food Security in West Africa: Focus on the ECOWAS Common External Tariff". (ECDPM Discussion Paper 154). Maastricht: ECDPM. [Electronic] Available: www.ecdpm.org/dp154. Download date 2014-04-19.
- Rodrik, Dani, 1999. *Trade policy and economic performance in Sub-Saharan Africa*. Stockholm: Expert Group on Development Issues.
- Rothbard, Murray Newton, 1990. *What has government done to our money?* [Electronic resource]. Auburn, Ala.: Ludwig Von Mises Institute. Available: <http://www.mises.org/money.asp>.
- Rothbard, Murray Newton, 2011. "It's the People vs. the Government", *The Free Market*, Vol. 29(2) pp. 1-3. Ludwig von Mises Institute.
- SADC, 2012a. "Tripartite Cooperation". SADC. [Electronic] Available: <http://www.sadc.int/about-sadc/continental-interregional-integration/tripartite-cooperation>. Download date 2014-05-20.
- SADC, 2012b. "History and Treaty". SADC. [Electronic] Available: <http://www.sadc.int/about-sadc/overview/history-and-treaty/#Transformation>. Download date 2014-06-02.
- Sanders, Elizabeth, 2008. "Historical Institutionalism" in Rhodes, R. A. W., Binder, Sarah A. & Rockman, Bert A. (red.). *The Oxford handbook of political institutions*. Oxford: Oxford University Press.
- Sanger, Clyde William, 2013. "Zimbabwe" *Encyclopædia Britannica Online*. [Electronic] Available: <http://www.britannica.com/EBchecked/topic/657149/Zimbabwe/44163/Cultural-life>. Download date 2014-06-02.
- Shepsle, Kenneth A., 2008. "Rational Choice Institutionalism" in Rhodes, R. A. W., Binder, Sarah A. & Rockman, Bert A. (red.). *The Oxford handbook of political institutions*. Oxford: Oxford University Press.
- Sweden Abroad, 2014. "Reseinformation Algeriet", *Sveriges Ambassad Alger*. [Electronic] Available: <http://www.swedenabroad.com/sv-SE/Ambassader/Alger/Reseinformation/Reseinformation-Algeriet/>. Download date: 2014-05-03.
- Taiwo, Olumide & Moyo, Nelipher, 2012. "Eliminating Barriers to International Commerce to Facilitate Intra-regional Trade" in *Accelerating Growth through Improved Intra-African Trade*. Africa Growth Initiative.
- Teorell, Jan & Svensson, Torsten, 2007. *Att fråga och att svara: samhällsvetenskaplig metod*. 1. ed. Stockholm: Liber.
- UD (Utrikesdepartementet), 2013. "FN-organisationer för handel och utveckling: UNCTAD och ITC". *Regeringskansliet*. [Electronic] Available: <http://www.regeringen.se/sb/d/2659/a/14563>. Download date 2014-03-31.

- UEMOA, 2013. “23rd Road Governance Report UEMOA Draft”. *UEMOA*. [Electronic] Available: <http://www.watradehub.com/sites/default/files/23rd%20Report%20English%20rev%20nr.pdf>. Download date: 2014-04-15.
- UNCTAD, 2013. *Economic Development in Africa Report 2013 - Intra-African Trade: Unlocking Private Sector Dynamism*. UNCTAD/ALDC/AFRICA/2013. United Nations.
- UNECA, 2002. “Annual Report on Integration In Africa”, *United Nations Economic Commission for Africa*. [Electronic] Available: <http://allafrica.com/stories/200203010730.html>. Download date 2014-06-01.
- UNECA, 2012. *Assessing regional integration in Africa. 5, Towards an African continental free trade area*. Economic Commission for Africa, Addis Ababa.
- UNECA, 2014. “African Union (AU) & Regional Economic Communities (RECs) In Africa”. *United Nations Economic Commission for Africa*. [Electronic] Available: <http://www.uneca.org/oria/pages/african-union-au-regional-economic-communities-recs-africa>. Download date 2014-04-10.
- World Bank, 2010a. “Mali Trade Brief”. *World Trade Indicators 2009/10: Country Trade Briefs*. Washington, DC: World Bank. Available at <http://documents.worldbank.org/curated/en/2009/12/17041746/mali-world-trade-indicators-2009-vol-1-2-trade-brief>.
- World Bank, 2010b. “Zimbabwe Trade Brief” *World Trade Indicators 2009/10: Country Trade Briefs*. Washington, DC: World Bank. Available at <http://documents.worldbank.org/curated/en/2009/12/17262173/zimbabwe-world-trade-indicators-2009-vol-1-2-trade-brief>.
- World Bank, 2012a. *Gender Equality and Development*. World Bank, Washington, DC.
- World Bank, 2012b. *Africa Can Help Feed Africa*. Poverty Reduction and Economic Management Africa Region.
- World Bank, 2013. “The Africa Competitiveness Report 2013”. *World Bank, World Economic Forum*. [Electronic] Available: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/The_Africa_Competitiveness_Report_2013.pdf. Download date 2014-04-02.
- World Bank, 2014. “Information & Communication Technologies Overview”. *World Bank*. [Electronic] Available: <http://www.worldbank.org/en/topic/ict/overview>. Download date 2014-04-15.
- WTO, 2005. “International Trade Statistics 2005”. World Trade Organization. Switzerland. [Electronic] Available: http://www.wto.org/english/res_e/statis_e/its2005_e/its2005_e.pdf. Download date 2014-02-25.
- WTO, 2009. “International Trade Statistics 2009”. *World Trade Organization*. Switzerland. [Electronic] Available: http://www.wto.org/english/res_e/statis_e/its2009_e/its09_toc_e.htm. Download date 2014-02-20.
- WTO, 2011. “Trade policy review – Report by Zimbabwe”. World Trade Organization. [Electronic] Available:

- http://www.wto.org/english/tratop_e/tpr_e/g252_e.doc. Download date 2014-05-20.
- WTO, 2013. “International Trade Statistics 2013”. *World Trade Organization*. [Electronic] Available: http://www.wto.org/english/res_e/statis_e/its2013_e/its2013_e.pdf. Download date 2014-02-29.
- WTO, 2014. “Non-tariff barriers: red tape, etc”. *World Trade Organization*. [Electronic] Available: http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm9_e.htm. Download date 2014-02-16.

Appendix

8.1 Intra-regional trade as percentage of GDP

| Country | 1996- 2000 | 2007- 2011 |
|-------------------------|-----------------------|-----------------------|
| Algeria | 0.8 | 2.0 |
| Angola | 15.3 | 4.7 |
| Benin | 8.7 | 11.4 |
| Botswana | 59.3 | 39.5 |
| Burkina Faso | 9.7 | 11.9 |
| Burundi | 4.1 | 10.0 |
| Cameroon | 4.7 | 9.4 |
| Cape Verde | 1.8 | 1.4 |
| Central Africa Republic | 3.8 | 4.3 |
| Chad | 7.6 | 5.5 |
| Comoros | 5.4 | 7.9 |
| Congo | 5.4 | 6.6 |
| Cote d'Ivoire | 14.7 | 24.0 |
| Dem Rep. Of Congo | 7.0 | 23.5 |
| Djibouti | 6.4 | 6.0 |
| Egypt | 0.6 | 2.5 |
| Equatorial Guinea | 13.7 | 10.9 |
| Eritrea | 3.9 | 6.3 |
| Ethiopia | 1.7 | 2.9 |
| Gabon | 3.2 | 5.5 |
| Gambia | 3.9 | 8.0 |
| Ghana | 10.5 | 10.9 |
| Guinea | 4.2 | 5.0 |
| Guinea Bissau | 5.3 | 7.3 |
| Kenya | 8.0 | 11.6 |
| Lesotho | 105.8 | 75.2 |
| Liberia | 3.0 | 3.0 |
| Libya | 2.8 | 2.4 |
| Madagascar | 3.6 | 5.2 |
| Malawi | 26.0 | 30.6 |
| Mali | 19.6 | 25.4 |
| Mauretania | 8.1 | 12.5 |
| Mauritius | 10.3 | 8.6 |

| | | |
|----------------------------|-------|------|
| Morocco | 2.3 | 3.5 |
| Mozambique | 15.4 | 23.0 |
| Namibia | 54.2 | 26.7 |
| Niger | 11.1 | 15.2 |
| Nigeria | 4.6 | 5.0 |
| Rwanda | 5.5 | 13.4 |
| Sao Tome and Principe | 5.4 | 12.1 |
| Senegal | 10.0 | 14.8 |
| Seychelles | 10.6 | 13.8 |
| Sierra Leone | 1.6 | 17.0 |
| Somalia | - | - |
| South Africa | 14.1 | 6.0 |
| Sudan | 2.2 | 1.9 |
| Swaziland | 102.4 | 63.0 |
| Togo | 16.9 | 21.4 |
| Tunisia | 4.0 | 8.2 |
| Uganda | 10.4 | 15.0 |
| United Rep. Of Tanzania | 5.0 | 10.2 |
| Zambia | 22.2 | 31.9 |
| Zimbabwe | 27.2 | 58.7 |

Source: UNCTAD, 2013:27

8.2 Map of Africa



Source: CIA, 2014c.