



TRADE FACILITATION: UNDERSTANDING THE POLITICAL ECONOMY OF NON-TARIFF BARRIERS IN SUB-SAHARAN AFRICA

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Abstract: In sub-Saharan Africa, high trade costs stifle trade flows and the region's economic potential. To reduce these costs and increase trade worldwide, the World Trade Organisation initiated the trade facilitation agreement to enhance trade facilitation (TF) – standardisation and harmonisation of trade processes – in all member states. Through the use of inductive reasoning, direct and participant observations, interviews, spatial and location analysis, content analysis and secondary data analysis, this chapter presents a political and economic analysis of TF and non-tariff barriers in SSA. We present a simple economic trade facilitation model that posits that TF is a public good problem and should have a shared cost. Furthermore, the implementation of TF usually is affected by principal-agent problems. Based on our assessment of TF in SSA, we have the impression that the success of TF requires continuous policy reform, improvements in border management, and infrastructural development.

Key words: trade facilitation; non-tariff barriers; single window; one stop border post or joint border post; border; sub-Saharan Africa.

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1 Introduction

Roads going backwards and not forward, telegraph posts being broken, west lending that couldn't be paid back, politicians preferring to kill rather than accept election results.¹

Trade facilitation reduces the transaction costs associated with intra-regional trade in sub-Saharan African (SSA). The importance of trade to economic development in SSA notwithstanding, there are obstacles that deter the efficient and effective movement of goods and services, such as non-tariff barriers (NTBs), that are imminent along all the trade corridors on the continent. There is a need to prescribe policies that will make the implementation of trade facilitation agreement (TFA) concepts such as harmonisation of procedures, single electronic window, and automation doable to resolve the challenges of trade facilitation in SSA.

In our political and economic analysis of trade facilitation (TF), we employed a poly-ocular strategy using a pluralist approach to understand and examine the NTBs in SSA and how they can be resolved. The study period is from 2004 to 2014. We used both qualitative and quantitative approaches, which allowed us to triangulate our results. We did participant observation, direct observation, interviews with key informants, spatial and location analysis via Google maps, and content analysis of archival data, such as videos and text – these were analysed for authorship, authenticity and meaning, and secondary data analysis from sources such as the World Bank, transparency international and other relevant agencies. This blend of approaches allowed us to present an interdisciplinary theory of trade facilitation based on the inductive approach of economic theory development.

2 Trade facilitation

Since the reduction of tariffs, over the course of the past few decades, there has been an increased focus on trade facilitation and the reduction of red tape and other non-tariff trade barriers.² Trade facilitation is expected to reduce the impact of NTBs. There are various definitions of trade facilitation; for instance, the United Nations (UN) Centre for

- 1 G Greene *Journey without maps: A travel book* (William Heinemann 1950); H Hawksley 'Dancing with the devil' (2009) *BBC Our World*, <http://youtu.be/MyZ6Tv5Smxw> (accessed 31 July 2014).
- 2 A Grainger 'Trade facilitation: A conceptual review' (2011) 45 *Journal of World Trade*, 39-62; World Trade Organisation 'Trade facilitation' (2014), http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm (accessed 30 November 2014).

Trade Facilitation and Electronic Business defines trade facilitation as ‘the simplification, standardisation and harmonisation of procedures and associated information flows required to move goods from seller to buyer and to make payment’.³ Trade facilitation is also a set of policies, customs, techniques, and appropriate border management that facilitate the movement of goods and services.⁴ Trade facilitation is very important as it creates an enabling environment for foreign direct investment,⁵ empowers countries through the development of capacity and improvement of the economic situation,⁶ and is believed to be able to ‘boost exports not only by directly cutting transaction costs but also indirectly through providing cheaper access to production inputs to be transformed domestically and then possibly re-exported’.⁷

In order to encourage trade facilitation efforts in all the member states, the WTO’s Trade Facilitation Agreement (TFA) was developed. The TFA encourages the speed and efficiency of customs systems through the cooperation of stakeholders and the promotion of capacity building and the use of internet technologies (IT).⁸ The TFA has been in negotiation for most of the last decade since the Doha Round in 2008.⁹ At the Bali conference in December 2013, 159 countries agreed to the TFA to reform how trade is made and to reduce red tape.¹⁰ India refused to support the TFA in July 2014, which halted the entire initiative since the agreement must be adopted by all WTO members.¹¹ India wanted its concerns over

3 Grainger (n 2) 20.

4 E Bizumuremyi ‘Making trade easier: Trade facilitation negotiations at the WTO’ (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm August 2014 (accessed 31 August 2014).

5 AA Hamid ‘Making trade easier: Trade facilitation negotiations at the WTO’ (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm (accessed 31 August 2014).

6 S Jackson ‘Making trade easier: Trade facilitation negotiations at the WTO’ (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm August 2014. (accessed 31 August 2014).

7 United Nations Economic Commission for Africa ‘Trade and investment in the age of lighting’ (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

8 World Trade Organisation ‘Trade facilitation’ (2014), http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm (accessed 30 November 2014).

9 A Ayres ‘India: Tough talk and the Bali trade facilitation agreement’ 30 July 2014, <http://www.forbes.com/sites/alyssaayres/2014/07/30/india-tough-talk-and-the-bali-trade-facilitation-agreement-2/> accessed 31 August 2014).

10 D Matanda ‘Trade and investment in the age of lighting’ (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

11 Ayres (n 9).

food subsidies and food stockpiles addressed prior to agreeing to the global trade agreement.¹² These concerns largely involve the agreement's limits on India's subsidies meant to support poor farmers while allowing the United States to provide hundreds of billions of dollars in subsidies to its agricultural sector.¹³ The Indian government takes the stance that it is trying to protect its citizens and ensure food security.¹⁴

Trade facilitation reforms, improved regulatory framework, and basic transport and communication are needed because African trade performance is still below expectations.¹⁵ Trade facilitation reforms, especially the investment in physical infrastructure and regulatory reform to improve the business environment, improve export performance of developing countries.¹⁶ Hard and soft infrastructure, such as an efficient clearance process, the ability to track and trade consignments and timeliness of shipments at the expected delivery time, should be complementary with physical infrastructure. However, physical infrastructure has the greatest impact on export growth.¹⁷ Automation and the use of a single window improve TF by reducing transaction costs, corruption and unnecessary bureaucratic structures that arise as a result of NTBs.

Trade facilitation and NTBs are connected. NTBs are 'restrictions that result from prohibitions, conditions, or specific market requirements that make importation or exportation of products difficult and/or costly'.¹⁸ There are eight different categories of NTBs: (i) government participation in trade and restrictive practices tolerated by governments, such as laws, regulations, policies, and so forth; (ii) customs and administrative entry procedures; (iii) technical barriers to trade; (iv) sanitary and phytosanitary (SPS) measures; (v) specific limitations, for example, licensing requirements, quotas, taxes, and so forth; (vi) charges on imports, for example, border taxes, administrative fees, and special supplementary duties; (vii) other

12 MK Mishra 'Know what is WTO's trade facilitation agreement and why India is opposing it' 5 August 2014, <http://news.oneindia.in/feature/why-modi-government-is-up-arms-against-wto-s-trade-facilitat-1489740.html> (accessed 31 August 2014).

13 As above.

14 As above.

15 T Iwanow & C Kirkpatrick 'Trade facilitation, regulatory quality and export performance' (2007) 19 *Journal of International Development* 735-753.

16 A Portugal-Perez & JS Wilson 'Export performance and trade facilitation reform: Hard and soft infrastructure' (2012) 40 *World Development* 1295-1307.

17 As above; L Marti, R Puertas & L Garcia 'Relevance of trade facilitation in emerging countries' exports' (2014) 23 *Journal of International Trade and Economic Development* 202-222.

18 Non-Tariff Barriers (nd) 'Non-tariff barriers', http://www.tradebarriers.org/ntb/non-tariff_barriers (accessed 31 August 2014).

procedural problems for example, corruption, discrimination, and lengthy procedures.¹⁹

The reduction of NTBs will increase trade facilitation and enhance economic activities. Facilitating trade involves more than the reduction of tariffs and non-tariff trade barriers; it involves appropriate government policies, regulations, foreign direct investment, automation and harmonisation of processed and procedures.²⁰

3 Reducing non-tariff barriers

African countries have goods to trade, and their economic growth rates have continued to increase.²¹ There is a potential for Africa to make money through trade; however, high trade costs deter the possibility of Africa reaching its potential.²² It is a challenge to trade across borders in Africa because of the high transport costs incurred due to delays at the borders, an added cost that is usually transferred to consumers in terms of expensive products.²³ If Africa is to grow, develop, and have a sustainable competitive advantage, there is a need for more than the current 10 per cent intra-African trade.²⁴ This is achievable only if NTBs are reduced, especially at Africa's land borders.²⁵ NTBs are obstacles, and when they are reduced, it allows for competition between businesses in the marketplace and reduces the prices of consumer goods, which can increase the quality of life for the average person.²⁶ Red tape in administrative processes associated with

19 Non-Tariff Barriers (nd) 'Non-tariff barriers categories', <http://www.tradebarriers.org/ntb/categories> (accessed 31 August 2014).

20 M Engman 'The economic impact of trade facilitation' (2005) in OECD (ed) *Overcoming border bottlenecks: The costs and benefits of trade facilitation* (2005) 81-112.

21 F Mangeni 'Trade and investment in the age of lighting' (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

22 World Bank 'Let Africa trade with Africa' (Video file) 1 February 2012, <https://www.youtube.com/watch?v=4f9aZrWdnFc> (accessed 31 August 2014).

23 E Mwencha 'Let Africa trade with Africa' (Video file) 1 February 2012, <https://www.youtube.com/watch?v=4f9aZrWdnFc> (accessed 31 August 2014).

24 M Mkwezalamba 'Let Africa trade with Africa' (Video file) 1 February 2012, <https://www.youtube.com/watch?v=4f9aZrWdnFc> (accessed 31 August 2014); J Ping 'Let Africa trade with Africa' (Video file) 1 February 2012, <https://www.youtube.com/watch?v=4f9aZrWdnFc> (accessed 31 August 2014).

25 Bizumuremyi (n 4).

26 V Hove 'Technology and innovation for trade: Reducing trade barriers in Africa' (Video file) 2 May 2013, <https://www.youtube.com/watch?v=HAKuYKlmltA> (accessed 31 August 2014).

trade harms poor producers the most,²⁷ so trade facilitation is especially beneficial for small and medium-sized businesses²⁸ as this is very important in the case of African countries.

Non-tariff trade barriers can include informal payments and transportation delays, all of which contribute to the increasing costs of traded goods.²⁹ It can take minutes to cross borders in some areas, but in other areas it can take days and upwards of a month, even between neighbouring countries.³⁰ Recognising and reporting non-tariff trade barriers is a method that has been used to help solve the issue of NTBs. The website tradebarriers.org is a platform that takes complaints about the NTB issues at borders in Africa in the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) the and Southern African Development Community (SADC) regions and steps are being taken to reduce identified NTBs to encourage trade within the region and globally.³¹

Furthermore, standardising procedures and increased use of information and communication technology (ICT) are popular ways to facilitate trade. IT solutions to reduce NTBs include a single electronic window, online filing and posting of the necessary information on the border agency website to harmonisation procedures. Furthermore, the elimination of duplication of procedures increases efficiency and reduces the cost associated with trade in SSA.³²

One of the solutions to reduce NTBs and enhance border efficiency is single window operations. Single window involves 'standardised information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements'.³³ At a single border

27 E Moise-Leeman 'Making trade easier: Trade facilitation negotiations at the WTO' (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm (accessed 31 August 2014).

28 E Sperisen-Yurt 'Making trade easier: Trade facilitation negotiations at the WTO' (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm August 2014 (accessed 31 August 2014).

29 C Chaitezvi 'Trade facilitation in Eastern and Southern Africa' (Video file) 21 November 2012, <https://www.youtube.com/watch?v=SAROYLubrzI> (accessed 31 August 2014).

30 S Szelekovszky 'Making trade easier: Trade facilitation negotiations at the WTO' (Video file) 15 June 2012, http://wto.org/english/tratop_e/tradfa_e/tradfa_e.htm (accessed 31 August 2014).

31 Non-Tariff Barriers (n18).

32 Moise-Leeman (n 27).

33 Grainger (n 2).

entry point, there are standardised, and usually electronic, forms for imports and exports.³⁴ Creating single windows is complex because there are legal, procedural and administrative issues that should be addressed before the information technology can be implemented and used effectively.³⁵ This is doable with the development of a multifunctional system and approaches, such as public-private partnerships, that will make the project acceptable to all stakeholders and encourages cost-sharing.³⁶

A few countries have started working towards the implementation of a single window in SSA. For example, Ghana initiated a single window operation in 2002 following concerns over slow and expensive border procedures and a desire to encourage trade and investment in the region.³⁷ There was a standardisation of information through a 'single administrative document for all customs regimes',³⁸ although the implementation is not fully functional and automated. Moreover, some stakeholders have some concerns about whether it truly is a single window. Benefits that Ghana has experienced from its single window include 'faster clearance times; more transparent and predictable processes; less bureaucracy; improved staff working conditions through upgraded infrastructure; a substantial increase in customs revenue; more professionalism; a substantial increase in government revenue'.³⁹ In the first year, import revenue grew by almost 50 per cent.⁴⁰ However, there are challenges that are associated with implementing a single window system in Ghana, including infrastructural limitations, ensuring cooperation with users, the development of 'complementary electronic systems for other trade-related agencies', and other challenges.⁴¹ Apparently, we cannot assert that Ghana has truly implemented an efficient single window.

One-stop border posts (OSBPs) or joint border posts are another popular solution. An example of this is the Chirundu border between Zambia and Zimbabwe. Kwegyer Msimuko, an assistant commissioner

34 World Customs Organisation 'Single window information store' (2014), <http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/single-window.aspx> (accessed 31 October 2014).

35 As above.

36 World Customs Organisation 'Single window' for trade and customs transactions: Ghana's experience' 22 January 2009, <http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/single-window/~media/F0A44374C07A41AE989A5739EEE168E3.ashx> (accessed 31 October 2014).

37 As above.

38 As above.

39 As above.

40 As above.

41 As above.

of the Zambia Revenue Authority at the Chirundu one-stop border post, indicates that with the OSBP, there is easy synchronisation and flows through the border. Since the traffic only stops once for the country they are entering, the time is greatly reduced. After the implementation of the OSBPs, trucks are electronically scanned, which takes much less time.⁴² Furthermore, The African Union (AU) border programme (AUBP), a programme that was initiated in 2007 with the goal of having all borders in Africa delimited and demarcated by 2017,⁴³ has made progress. The AUBP has three pillars – cooperation and coordination; capacity building; and community involvement – that are required to maximise Africa's full potential.⁴⁴ A few of the AUBP successes include (a) a significant economic boom in Mozambique and Tanzania since the two countries signed an agreement that led to investment at the border; increased border stability led to more investment, improved infrastructure and a reduction in the travel time by land;⁴⁵ (b) the AUBP has helped Senegal and Mali with their border agreements; the two countries are said to be 'of the same people', and citizens of each country work across the border, but trucks crossing the border can cause traffic issues and may take a long time to cross depending on the types of goods they are carrying;⁴⁶ (c) in the Democratic Republic of the Congo (DRC) and Rwanda, citizens move back and forth to make a living; there is a programme in place that allows trading women to cross the border for free, which has increased the mobility of women.⁴⁷

As important as the OSBP is, inadequate provision or lack of infrastructure is another form of NTB to trade. Senegal and Mali have eliminated tariff barriers and, with the support of the private sector, there have been efforts to increase the connection between the countries through paved roads and ports,⁴⁸ as it is observed in other borders on the continent. The challenge in SSA not necessarily is the lack of infrastructure but the lack of adequate maintenance in places where it is available.

42 Mangeni (n 21).

43 African Union Peace and Security Department 'African Union border programme: From barriers to bridges' (Video file) 6 June 2014, <https://www.youtube.com/watch?v=78gzTDVsiN8> (accessed 31 August 2014).

44 As above.

45 As above.

46 As above.

47 As above.

48 World Bank (n 22).

Moving forward, the TFA is a large undertaking that requires government stability and funding.⁴⁹ There needs to be an investment in infrastructure and capacity to make trade facilitation work.⁵⁰ For every dollar spent on speeding up borders, US \$70 are gained economy-wide.⁵¹ Even though the TFA creates an enabling environment for countries with limited capacity,⁵² collaboration is required between the private and public sectors to reduce NTBs.⁵³ SSA countries need to support the TFA with the development of workable and desirable policies. This is important because if Africa makes efforts to facilitate trade through the TFA, it signals its willingness to trade within SSA and globally to business worldwide.⁵⁴

4 A simple trade facilitation model

We present an economic framework that explains the relevance of trade facilitation to cross-border trade and development in SSA. We begin our inductive theory building with the impression that the provision of infrastructure, workable institutions and efficient trade procedures such as TF are public goods. This assumption becomes more complex when two or more countries will benefit and the exclusion of a non-cooperative country is impossible once the procedures that will facilitate trade are enhanced by investment from cooperative countries and external donors – required because investment may be huge for SSA countries because of their economic base. In our analysis, we assume that trade facilitation is a positive externality. Even though countries have different preferences, macro-economic stability and resource base, there is a need for intra-regional agreements that should precede continental agreements on the ease of movement of goods and services through harmonisation and simplification of procedures.

Trade facilitation is a public good problem because all players are interested in the benefits though their level of interest and capability, small versus large countries, to benefit may be different. The benefits of the

49 J Nalunga 'Trade and investment in the age of lighting' (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

50 Hamid (n 5).

51 Jackson (n 6).

52 A Kamanga 'Trade and investment in the age of lighting' (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

53 Hove (n 26); World Bank (n 22).

54 D Njinku 'Trade and investment in the age of lighting' (Video file) 24 July 2014, <https://www.youtube.com/watch?v=sOqDFnp540s&feature=youtu.be> (accessed 31 August 2014).

implementation of TF should not exclude any player/stakeholder in the region or continent. There should be a mechanism for the redistribution of income for a local industry that is affected by a surge in imports from exporting countries to whom the benefits of trade facilitation may be skewed. Perceived or past benefits or losses may also affect the willingness of parties to contribute to the TF. Investment in TF should be cost-shared because it is a public good, but the value attached – non-exporting countries or small countries may not see the long-term benefits – may differ, and there is a possibility for the free-rider problem. A small country may decide to benefit from TF without necessarily contributing to TF.

Since TF will reduce transaction costs, it should also be Pareto efficient through joint decision making such as harmonisation of procedures, joint border posts, and so forth. In this model, TF will only be desirable if truth-telling is seen as a dominant strategy by all stakeholders and there is no hidden information; for example, all customs information should be posted on websites and should be easily accessible via the internet. Automation of processes and procedures will serve as an incentive for innovation and empower agents representing the government or the private sector players in international trade. Automation and TF, in general, are expensive in terms of infrastructure and capacity building for African governments. In other words, donor agencies and Western countries should contribute to the enhancement of TF, while the African government should make side payments in terms of maintenance and payment of appropriate salaries to the employees of the government agencies related to trade.

Apart from donor support for TF, regional leadership is required for directing and motivating the small countries that will not necessarily benefit from TF to support the initiative. For example, suppose we intend to construct a joint border post between countries A and B. If both countries agree in advance to contribute US \$5 million to the project but A, an exporting country, is willing to pay US \$10 million, assuming there is a way to measure A's inherent value for the implementation of TF. Thus, the implementation of the joint border post presents a net value of US \$5 million for A. In other words, country A is the pivotal country because truth-telling is a dominant strategy for this country. The country's bid will lead to the provision of the TF. This is an indication that in the implementation of TF, they should have a leading country that creates incentives for the other countries in the region to participate in TF.

In the preceding paragraphs, we have suggested that TF is a public good and should be provided by the government with the support of developed countries, while the beneficiaries also contribute side payments as agreed by the stakeholders under the direction of the leader, such as

an exporting country. Even if the problem of public good, free rider and distribution of positive externality is addressed, TF can also encounter the principal-agent problem. To address this, we adapted the Klitgaard approach.

In our TF principal-agent problem, the principal is the government, while the agent is the government revenue collection agency, such as the customs administration. Customs interact with customs clearing and forwarding agents, travellers, importers and exporters on behalf of the government. As expected, there is a conflict between the customs agents' interest and the country's interest, and for adequate protection of the border, this conflict should be reduced through the alignment of expectations by reduction of face-to-face interaction via automation and little or no use of discretion, monopoly power, when all players are aware of duties, contrabands and all other information related to trade through the posting of the necessary information on a functioning website of the customs agency.

The agent may become corrupt while trying to advance his or her interest if the cost associated with the activity is less than the benefit ($C < B$), especially when there is the opportunity to exercise discretion on what is not contraband and the tariff or import duty regime. The cost is negligible because the chance of being caught is negligible, and the benefit of taking bribes is huge and difficult to resist. This type of arrangement creates a platform for routine, fraudulent and criminal corruption.⁵⁵ Corruption flourishes when agents have monopoly power over clients or discretionary power, and there is little or no accountability,⁵⁶ as seen in some government agencies related to trade in most SSA countries.

Administrative monopoly power is possible for customs agencies because they are usually the only organisation in charge of border control and duty administration.⁵⁷ The environment of a single government body coupled with constant change in the complex and dynamic trade environment allows for discretionary power on the parts of the SSA border agents because information about different aspects of import and export controls is not readily available since there is no website and is dated when

55 I Hors 'Fighting corruption in customs administration: What can we learn from recent experiences?' (2001) OECD Development Centre Working Paper 175, www.oecd-ilibrary.org/content/workingpaper/023783627741 (accessed 16 August 2014); D Ndonga 'Managing the risk of corruption in customs through single window systems' (2013) 7 *World Customs Journal* 23-37.

56 R Klitgaard *Controlling corruption* (1988).

57 G McLinden 'Integrity in customs' in L de Wulf & J Sokol (eds) *Customs modernisation handbook* (2005) 67-90.

available. In other words, a border agent decides the classification of a particular product, not necessarily right, depending on the type of bribes offered by the trader or personal relationship. A system that is fraught with discretion and inappropriate use of monopoly will definitely have little or no accountability mechanism in place. This might be a reflection of society in terms of the lack of capacity or infrastructure to induce professionalism.

Since the structure of customs in some SSA countries encourages corruption, the system requires a radical re-engineering to remove monopoly power, undue use of discretion and limited accountability. Customs officers should be trained or re-trained and selected for job-specific skills, and make the cost of corrupt practices huge in order to alter attitudes toward corruption.⁵⁸ The above strategies can easily be achieved through the use of a single window because it reduces face-to-face interaction between the agents and clients – an incentive for corrupt practices.

As posited in our simple model, TF will be facilitated with joint border posts, automation through the use of information and communication technologies, and a single window. SSA countries should start at the national level and then implement regionally. Finally, since TF is a public good, policy makers should take cognisance of the role of the economics of self-interest and the broad social concern of voters and politicians⁵⁹ as they develop policies that will support TF in SSA.

5 Analysis

5.1 Logistic performance index

The World Bank's Logistics Performance Index (LPI) can be used as an indicator of trade facilitation at the country level.⁶⁰ The Overall LPI score ranges from 1 (lowest) to 5 (highest) and is made up of several components: 'a country's logistics based on the efficiency of the customs clearance process, quality of trade- and transport-related infrastructure, ease of arranging competitively priced shipments, quality of logistics services, ability to track and trace consignments, and frequency with which shipments reach the consignee within the scheduled time'.⁶¹

58 As above; Klitgaard (n 56); Ndonga (n 55).

59 RE Baldwin 'The political economy of trade policy' (1989) 3 *Journal of Economic Perspectives* 119-135.

60 Marti and others (n 17) 202-222.

61 World Bank 'Logistics performance index: Overall' (2014), <http://data.worldbank.org/indicator/LP.LPI.OVRL.XQ?page=1> (accessed 31 August 2014).

In SSA, South Africa had the highest LPI rating, while Sierra Leone was the lowest. We analysed three data points (2007, 2010, and 2012) for some countries – based on data availability in SSA. We also compared the SSA LPIs with US and China (see Appendix – Table A). South Africa had the highest score for all three available years, the only country in sub-Saharan Africa to have a rating of more than 3. Its LPI rating is comparable to China and the US. Most of the countries in SSA have LPI ratings of less than 3. Missing data was a problem when observing trends in some countries. The LPI averages for 2007, 2010, and 2012 were 2,34, 2,43 and 2,44, respectively. In West Africa, Nigeria’s LPI declined, although not significantly, while Benin and Ghana seem to be getting better (see Figure 1). In the case of EAC, Kenya witnessed a decline while Tanzania is improving in trade facilitation (see Figure 2).

Figure 1: LPI for selected ECOWAS countries

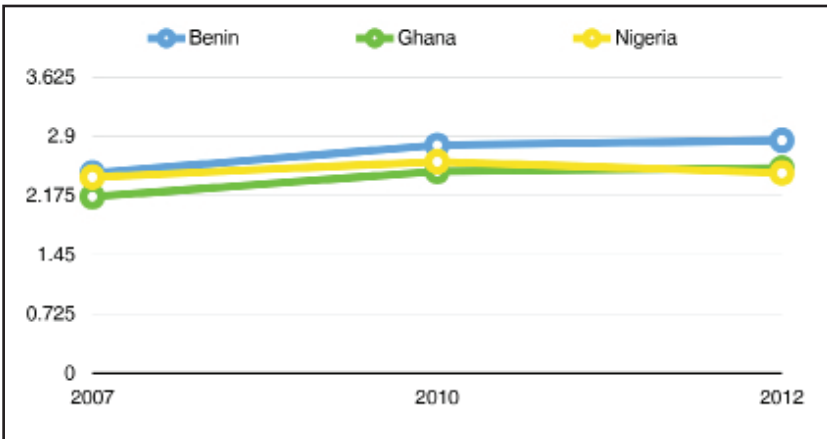
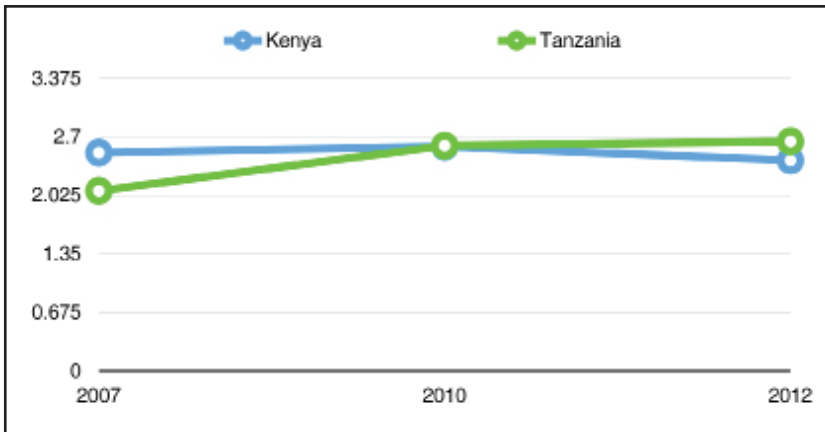
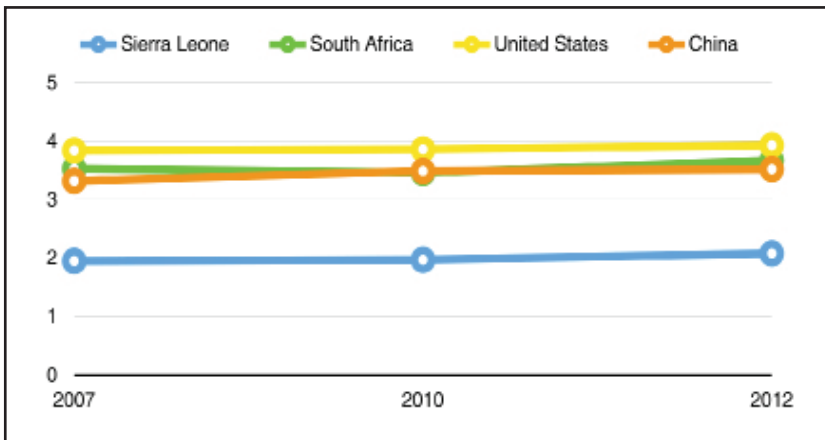


Figure 2: *LPI for selected EAC countries*



A comparison of South Africa (highest LPI) and Sierra Leone (lowest LPI) indicates most African countries need to improve their LPI if they want to initiate intra-regional and international trade. South Africa is the only country that seems to be at the same level as China, though behind the LPI of the US (see Figure 3). The implication of the LPI figures of countries in SSA is that it is difficult to facilitate trade within the region.

Figure 3: *Comparison of SSA countries with China and the USA*

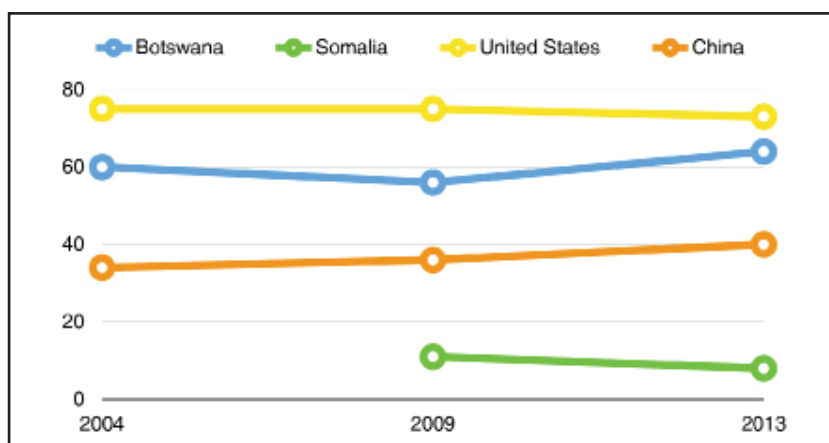


5.2 Corruption

We collected three data points (2004, 2009, and 2013) on corruption indexes based on international transparency reports. The 2004 and 2009 data were on a scale of 10 instead of 100. In order to have consistency,

we multiplied each score by ten so it could be easily compared to the 2013 data. In 2004, the score ranged from 16 to 60, and the average was 28,6 based on 31 countries with available data. In 2009, we had 48 countries with data, and the average was 28,4. The range was between 11 and 56. The final year in this analysis, 2013, had the highest number of countries, 49, with available data. The range and average scores were 8-64 and 32,1, respectively. The countries are ordered based on their scores in 2013, from highest to lowest CPI scores. Approximately 90 per cent of countries in SSA in 2013 had a CPI score below 50.⁶² Botswana had the highest CPI score for each of the three observed years. On average, SSA countries were less corrupt in 2013 than in the previous two years. For the years 2009 and 2013, Somalia had the lowest CPI scores in SSA, while Botswana was the best throughout (see Appendix – Table B).

Figure 4: Corruption index SSA, China and USA



Good governance can help reduce the challenges of corruption in SSA, as seen with the performance of Botswana. It is also pertinent to note that agents or civil servants will not be willing to collect bribes if they are well paid and they have social security and other fringe benefits attached to their work. A UNDP pilot project with a five years duration of salary top-up or bonus, at times up to US \$2 000, as done in Sierra Leone for certain employees, especially those in the presidency, is not sustainable

62 Transparency International Corruption perception index 2013: Results (2013), <http://api.transparency.org/cpi2013/results/> (accessed 31 August 2014).

and may create rent-seeking and salary disparity among employees rather than reduce corruption.

5.3 Infrastructure

5.3.1 Information and communication technology (ICT)

Fixed-telephone subscriptions in the selected countries were low and, on average, decreased from 2005 to 2012, including in the USA and China (see Table 1). On the other hand, mobile-cellular telephone subscriptions increased exponentially, with the vast majority of the population in the selected countries having subscriptions to mobile telephone services. Countries such as Ghana, Zimbabwe and Benin have comparable numbers to the United States and China.

The proportion of households with computers and internet access is slowly increasing.

Table 1: Information and Communications Technology Access

	Fixed-telephone subscriptions (per 100 people)		Mobile-cellular telephone subscriptions (per 100 people)		Fixed (wired)-broadband subscriptions (per 100 people)		Households with a computer (per cent)		Households with Internet access at home (per cent)	
	2005	2012	2005	2012	2005	2012	2005	2012	2005	2012
Kenya	0.8	0.6	12.9	71.2	0	0.1	2.6	10.8	1.2	11.5
Tanzania	0.4	0.4	7.6	57	0	0	2.1	3.2	0.5	3.3
Nigeria	0.9	0.2	13.3	66.8	0	0	4	11.4	2	9.1
Ghana	1.5	1.1	13.4	101	0	0.3	2	13.8	0.2	11
Benin	0.9	1.6	7.3	83.7	0	0.1	1.6	4.2	0	2.4
Zambia	0.8	0.6	8.3	74.8	0	0.1	1.4	3.1	0.1	2.8
Zimbabwe	2.6	2.2	5.1	91.9	0.1	0.5	2	6.5	0.9	4.9

South Africa	9.8	7.7	70.4	130.6	0.3	2.1	13	23.6	3	25.5
United States	58.7	44.4	68.3	95.4	17.2	28.3	67.1	79.3	58.1	75
China	26.6	20.2	29.8	80.8	2.8	12.7	25	40.9	11	37.4

Source: World Bank (2014). The little data book on information and communication technology, http://data.worldbank.org/sites/default/files/little_date_book_ict_2014.pdf

5.3.2 Airline and maritime services

The SSA airline services are growing, but there is room for improvement (see Appendix - Tables C and D). Arik Air, a private airline in Nigeria, had a growth in the number of passengers between the years 2012 and 2013 from 2 315 247 passengers to 2 745 400 passengers.⁶³ Since the start of its operations in 2006, Arik air has carried over 13 471 414 passengers.⁶⁴

In June 2014 Kenya Airlines’ fleet expanded to include a second Boeing 787 Dreamliner, and the company expects to acquire another four of the same model by the end of 2014.⁶⁵ Ethiopian Airlines has an annual growth target of approximately 25 per cent, which it has met or exceeded since 2010.⁶⁶ The registered carrier departure from the most important departure points in SSA as compared with China and USA is presented in Table 2.

Table 2: Air transport: Registered carrier departures worldwide, condensed table

	2004	2009	2013
Ethiopia	29546	44154	65911

63 CAPA Centre for Aviation ‘Arik Air records 18.6 per cent increase in passenger traffic in 2013’ (2014), <http://centreforaviation.com/members/direct-news/arik-air-records-186-increase-in-passenger-traffic-in-2013-150815> (accessed 31 August 2014).

64 As above.

65 Kenya Airways ‘Kenya airways receives second Dreamliner’ 21 June 2014, http://www.kenya-airways.com/Global/About_Kenya_Airways/News/Kenya_Airways_receives_second_Dreamliner/?dis=y (accessed 31 August 2014).

66 Star Alliance ‘Member airline information: Ethiopian airlines’ (2014), http://www.starallianceemployees.com/about-staralliance/member-airlines.html?tx_mpreguide_pi1%5BshowUid%5D=34&cHash=fb9d8b5dba021f674a67e5865bb94117 (accessed 31 August 2014).

Kenya	26218	33593	74205
Nigeria	8254	16851	51904
South Africa	133222	151292	185963
United States	9566226	9182363	9734073
China	1209900	2140124	3073450

Source: World Bank (2014). Air transport, registered carrier departures worldwide. Retrieved from <http://data.worldbank.org/indicator/IS.AIR.DPRT/countries>

As seen in Table 2, for all three years, South Africa had the highest number of departures. However, the number of South African departures was considerably lower than the number of departures in the USA or China. The four countries in the table had the highest number of departures in SSA. There is generally an increasing number of departures in SSA. In 2006, for 26 countries, an average of 13 717,7 departures per country was estimated. The number increased to 15 550,5 for 24 countries in 2009 and an average of 17 052,9 departures per country for 37 countries in 2013.

The maritime sector in SSA is weak or underdeveloped. There is little or no intra-regional trade using the sea-ports. For example, there are a few regional shipping companies in Central and West Africa; less than 10 per cent of trade within this region is by sea, even though it is cheaper to transport through this medium.⁶⁷ A new initiative, Sealink Promotion Limited, is underway that will move freight and passengers across the region in three phases: Phase 1 – Dakar (Senegal) to Freetown (Sierra Leone) with stops at Banjul, Bissau and Conakry; Phase 2 – Cotonou (Benin) to Libreville (Gabon) with stops at Calabar and Douala; and Phase 3 (freight only) – Libreville (Gabon) to Dakar (Senegal) with stops at Douala, Lagos, Lomé, Tema, Abidjan, Monrovia, and Conakry.⁶⁸ This initiative will resolve the present challenge of first shipping to Europe from country A in the region before it is shipped back to country B instead of directly from A to B if there is a regional maritime shipping company, shipping infrastructure and legislation. The success of this project will

67 Borderless 'ECOWAS Trade Facilitation and Protocol. Borderless conference enabling growth' Conference Report. Sheraton Hotel, Ikeja, Lagos, Nigeria, 26-28 February 2014, <http://borderlesswa.com/2014%20BORDERLESS%20CONFERENCE%20REPORT.pdf>. (accessed 3 August 2014).

68 As above.

depend on the willingness of all stakeholders, the availability of technical and financial partners and the regional capacity to develop an appropriate legal framework that will define freight and passenger cabotage.

The situation of ports along the Economic Community of West African States (ECOWAS) region has improved, but government and stakeholders should implement innovative ideas that are based on economic instead of political reasons. For example, the Apapa Wharf (Nigeria) needs to operate 24 hours per day to reduce the ugly face of demurrage. Tin Can and Ikorodu terminals should be more involved with the processing of containers, multiple government and customs agents should be harmonised, clearance days should be further reduced, and there should be a single examination of containers. This can easily be achieved with automation, such as scanners. The structure of the port is not also well defined in terms of elements such as regulation, the landlord (technical) and port operation.⁶⁹ A well-functioning port should have a strategic plan that is not prone to substance and participation error. In other words, all imports, exports, and regulatory agencies' activities should be done in a one-stop shop, a single window, with a well-defined structure that was not in place as of 2013.⁷⁰ As we posit in our model, TF, including port management, is a public good and should preferably be managed by the government, as seen in Canada, where the ports are managed by autonomous government agencies such as the Montreal Port Authority. If any SSA or Nigerian government wants to privatise or cede (concession) the activities at the seaport, the management of traffic, tariffs, workers and infrastructure in terms of regulation, landlord and operation should be well-defined with a legislative act.⁷¹ The worst case scenario should be a public-private partnership.

5.3.3 Road network and related challenges

It is a challenge to analyse the road network in SSA because many countries in SSA do not have available data. We analysed the road using data points over three years for selected countries: Seychelles, Mauritania, Kenya and Burkina Faso. These were the only countries with data available for all three observed years. In 2004, on average, 23,4 per cent of roads in SSA were paved, and 28,8 per cent of roads were paved on average in

69 L Amiwero 'Port reform in Nigeria has not been too successful' (Video file) 18 June 2013, <https://www.youtube.com/watch?v=xjXN1GSHJU> (Part 1); <https://www.youtube.com/watch?v=qk1LP9q8WE0> (Part 2); <https://www.youtube.com/watch?v=bDUtuc7AE3E> (Part 3); <https://www.youtube.com/watch?v=EKQ8wDquiAU> (Part 4) (accessed 31 August 2014).

70 As above.

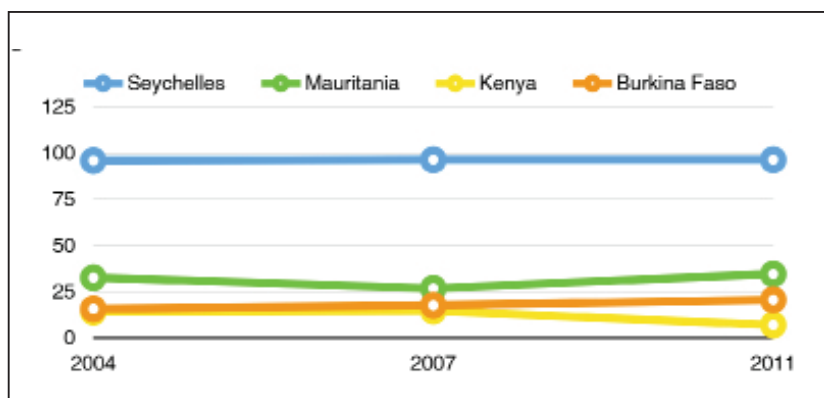
71 As above.

2007. The countries with the highest proportion of paved roads include Mauritius and Seychelles. A comparison with China and USA indicates that most of SSA still lags behind in the provision of good road networks (see Table 3 and Figure 5). The link roads in SSA are not good and can easily cause delays and increase the transaction cost of doing business across borders. For example, the 227,5 mile railway constructed by the government of Sierra Leone between 1895 and 1916 during the colonial era from Freetown to Pendembu became dilapidated in the 1970s during the government of Siaka Stevens, so the only way to move goods to the east and thus Liberia and Guekedougou (Guinea) is through a very difficult road network that affects trade negatively. The relatively good road in the area is the road between Freetown (Sierra Leone) and Conakry (Guinea).

Table 3: Roads paved as a percentage of total roads

	2004	2007	2011
Burkina Faso	15.7	17.6	20.6
Kenya	14.1	14.6	7
Mauritania	32.6	26.8	34.6
Seychelles	96	96.5	96.5
United States	64.5	65.1	
China	47.9	49.6	63.7

Source: World Bank (2014). Roads, paved (per cent of total roads). Retrieved from <http://data.worldbank.org/indicator/IS.ROD.PAVE.ZS?page=1>

Figure 5: Paved roads in selected SSA countries

Apart from the inadequate road network, there are other challenges with travelling in SSA via the roads. These include the high number of unnecessary controls per kilometre; undefined and illegal controls and checks; illegal payments such as bribes – very rampant in Mali and Côte d’Ivoire; and unnecessary delays.⁷² A survey of various corridors (Tema-Ouagadougou; Ouagadougou-Bamako (via Koury); Ouagadougou-Bamako (via Herenakono); Lomé-Ouagadougou; Dakar-Bamako; Abidjan-Ouagadougou; Abidjan-Bamako) by UEMOA or USAID or Borderless indicates that on average that Dakar-Bamako had an average delay of five hours per stop, and the fastest is the Bamako-Abidjan route that was less than an hour. Bribes can be reduced if drivers have road-worthy trucks through the availability of appropriate financing for truckers along all the trade corridors in SSA. It will always be beneficial to work towards the removal of all unnecessary stops along the trade routes. ICT should be used to monitor and implement appropriate trade practices instead of face-to-face interaction that encourages corruption – the agent will always use his or her discretion and exercise monopoly power.

TF also requires well-demarcated and delineated borders. This usually is not the case in SSA, with several border crossings that are not controlled by government officials. The more than 1 600 kilometre land boundary between Nigeria and Cameroun is not well defined, and the movement between West and Central Africa by road is a major challenge. The southern crossing between Nigeria and Cameroun is so poor that even customs will advise you not to take the risk. The only alternative is to

72 USAID-UEMOA ‘24th Road Governance Report (2nd Quarter 2013)’ (2014), <http://borderlesswa.com/sites/default/files/resources/jun14/24th%20IRTG%20report.pdf> (accessed 31 July 2014).

take a ferry from Calabar (Nigeria) to Limbe and Douala in Cameroun, and this is a trip that occurs only twice a week. The northern crossing would have been better, but it is impassable because of the insurgency by Boko Haram. Assuming there was no insurgency, both passengers and goods could be easily transported from Dikwa via Kousseri road to Cameroon and Chad (Ndamena). It is not advisable to travel by road from Ndamena to Khartoum because of several challenges, including bad roads, bandits and the instability in Darfur. Even within ECOWAS, there is no major road between Côte d'Ivoire and Liberia; the only option is to pass through Guinea using Ganta (Liberia)-Youmou (Guinea) or Quardu Bondi (Liberia)-Macenta (Guinea). Alternatively, goods and passengers can pass through Danane (Côte d'Ivoire) to Lola (Guinea) to Yarmein (Liberia). In the case of Guinea-Sierra Leone, it can be via Kailahun (Moa River), Guekedougou, Kabala (Sierra Leone) to Faranah (Guinea) with infrequent taxis, and from Kindia (Guinea) to Bombali (Sierra Leone). Although difficult to pass through, there are also routes between Liberia and Sierra Leone (Kailahun-Foya, Gendema-Bo). Based on the examples above, it may be deduced that it is difficult to move goods and passengers within SSA. The question that arises is whether it is possible to facilitate trade when people and goods cannot move easily across borders on the continent.

6 Solutions

6.1 Simple rules and alignment of procedures

SSA countries should harmonise procedures across borders. The first is to make the procedure simple and then align within regions and thereafter make it continental. The alignment should be backed with appropriate legal and institutional frameworks. Examples are the ECOWAS Trade Liberalisation Scheme (ETLS) which intends to improve customs duty on raw materials; Inter State Road Transit (ISRT) which will facilitate transit procedures for landlocked countries; and Common External Tariff (CET) adopted by ECOWAS in 2013 for implementation in January 2015.⁷³ These are good ideas that will aid TF if the member states are willing to support the initiative. Programmes can be good on paper but difficult to implement because of different macro-economic stability and expected benefits from the alignment of procedures. A regional leader, exporting country, should lead the initiative and create a safety net for the small countries or net importers. Small countries such as Sierra Leone and Liberia will only benefit from ETLS if there is an appropriate and effective institutional framework, commitment of regional and international

73 Borderless (n 67).

players, desirable and workable memorandum of understanding (MOU) and a blueprint for development that strategises how the government will support small and medium enterprises through entrepreneurial programs and capacity development.

Capacity is still lacking in terms of experts who can document issues related to trade and disseminate information appropriately. Sea transport is not really well-defined, and regional shipping lines will be required to align the procedures in the maritime sector. In terms of passing through land borders, there is some progress. For example, there is the Common Market for Eastern and Southern Africa (COMESA) yellow card, a regional third-party motor vehicle insurance that gives third-party liability and medical insurance for the driver and passengers. This is a harmonised insurance that is presently accepted in 12 COMESA countries. Although it is a good idea, it is not in place in all member countries. In 2014 the yellow card cost 4 054 Ksh for a Toyota Camry for month coverage to Tanzania. The yellow card still did not solve the other processes, such as car registration with Kenya police, log book submission with the Kenya Revenue Authority and stamping of passport (Kenyan immigration). The same process was repeated on the Tanzania side.⁷⁴ All these processes can be compressed through simple rules and alignment of procedures.⁷⁵

6.2 Standardisation of documents and electronic data requirements

The standardisation of documents through a national and later regional single window will resolve the challenges of bureaucracy, corruption and delays in processing trade documents. The capacity of customs should also be enhanced in terms of electronic data management for risk management and appropriate revenue generation. For example, the Philippines' implementation of the ASYCUDA, electronic payment system, and automated customs operating systems reduced corruption in the Philippines bureau of customs.⁷⁶ The introduction of a single window

74 Field trip: 2012 and 2014.

75 There are improvements with the help of TradeMark East Africa at some borders. However, what is operating still is not a fully-fledged harmonisation as compared with developed countries.

76 Ndonga (n 55).

in Georgia also harmonised the lodgment of trade-related papers at a window instead of different government agencies.⁷⁷

6.3 Automation

We examined the implication of automation using the northern corridor from the port of Mombasa through the Malaba border (Kenya and Uganda), Gatuna border (Uganda and Rwanda), Burundi and part of Congo. The distance from Mombasa to Uganda is around 1 200 kilometres, and the weighbridges along the route cause serious delays of up to two hours, although the officials along the route will assert that trucks do not spend more than two minutes. The delays and corruption along this route can be reduced by automation and the installation of cameras to capture the plate numbers of trucks. For example, the weighbridges along the Canadian 401 (Windsor to Quebec) are automated and very efficient. In the case of Mariakani, Kenya, along the Northern corridor – Kenya to Uganda, the weighbridges used to give different measurements, which is a structure that encourages bribery and corruption because of the lack of maintenance⁷⁸, but it is now better because of automation. Automation has improved the activities at the northern corridor; Mombasa port witnessed an upgrade and decongestion, weighbridges are now digital, and Mombasa to Malaba, which used to be an average of ten days in 2010, is now possible in two days in 2014.⁷⁹ The OSBP construction and automation is still in progress, although harmonisation of rules and regulation remains a problem along this corridor because of a lack of political will, Mombasa Community Port Charter notwithstanding, and education of politicians on the importance of TF.

The impact of automation is glaring in Georgia. The implementation of an automated risk management system that catalogues importers into risk categories by the customs agency led to a situation where low risk enables authorised economic operators (AEO) to be appointed, and they

77 World Bank 'Fighting corruption in public services: chronicling Georgia's reforms' (2012) World Bank, Washington, DC.

78 TradeMark East Africa 'Truck driver's tale' (Video file) 10 February 2011, <https://www.youtube.com/watch?v=n3eWnLs2m8o> (accessed 31 August 2014).

79 TradeMark East Africa 'Tales of a truck driver part 2' (Video file) 10 June 2014, <https://www.youtube.com/watch?v=iy7pXM5zpG4> (accessed 31 August 2014).

do not need to go through physical inspection that is usually prone to corruption and delays.⁸⁰

6.4 Avoidance of duplication: One-stop border post and joint border post

The introduction of the joint border post (JBP) or one-stop border post (OSBP) across SSA is welcome, but the implementation should be context-specific and handled with care. Borders across SSA are not homogenous, and the signing of a memorandum of understanding between countries should give leeway to the prevailing landscape. The border between South Africa and Namibia (Noordoewer), the Violsdrift border control, is not the same in terms of economic activities and the number of people migrating across the border as compared with the Nigeria and Benin Republic (Seme-Krake) – a border between two countries that differs in terms of language and economic activities. Furthermore, the Oshikango border post (Oshikango, Owamboland, Namibia), the crossing between Namibia and Angola, cannot be compared with the Tunduma border (Tanzania and Zambia) in terms of infrastructure and organisation.

The JBP in West Africa is a novel idea on paper, but its workability, in reality, is fraught with challenges. Akuna-Noepe (Ghana-Togo) JBP construction started in 2008 will hopefully have been completed in 2014, not necessarily with the required infrastructure – was commissioned in 2018, not to even mention the Seme-Krake (Nigeria-Benin), Malanville (Benin-Niger), Noe-Elubo (Ghana-Ivory Coast), Paga-Dakola (Ghana-Burkina Faso), HillaCondji-SanveeCondji (Benin-Togo) which are at different levels of conception or construction. Even in the East Africa region where there is extensive donor funding to encourage OSBP, our field trip in 2014 through the Namanga border (Kenya-Tanzania) and Taveta-Holili border indicates that building was completed on one side but activities still remain *status quo* because there is a need for legislative approval and the signing of MoU by both governments.⁸¹

80 Ndonga (n 55).

81 Buildings are now completed in some OSBP projects, but goods and passengers still need to be processed by both countries. According to Helen Oriaro, 14 OSBPs are fully operational in 2023 in the East Africa region. These are not at the level of, for example, Detroit/Windsor or Fort Erie borders between the US and Canada. A fully-integrated OSBP where clearance is given by the country of entry is difficult in these countries because of sovereignty and trust issues, different customs systems, and revenue allocation.

7 Recommendations and conclusion

- Roaming should be enhanced in SSA. This is possible because MTN and Airtel operate in several countries in SSA. Public-private partnerships should be enhanced in terms of access to ICT.
- E-deposit should be encouraged for business owners across borders. This will allow small business holders to take pictures of their cheques and deposit them in their banks no matter where they are in Africa.
- Small businesses should be able to receive and process the payment on their cell phones through an innovative payment such as SQUARE, which is used in the US by small businesses and by cab drivers in US and Canada.
- There should be better harmonisation and integration of policy that guide the activities of indigenous financial institutions, Stanbic Bank, Guaranty Trust Bank – GTB, and ECOBANK, in SSA. This will help with financial integration and improved trade-in services.
- An SSA TF BOX, a collaboration suite within the subsystems in a country or regionally, and a secured cloud storage that serves as a collaboration suite that aids information and file sharing should be initiated. Files should also be easily synchronised with the computers of all the stakeholders. This structure is different from the Automated System for Customs Data (ASYCUDA).
- Capacity building on the various components of TF should be enhanced in all countries. Customs officers, customs agents, immigration officers, cargo movers and container shippers should all be adequately educated about trade on the proper use of information technology, global dimensions of management, trade concepts and entrepreneurship related to locus of control and perceived self-efficacy.
- Issuance of visas at the point of entry and regional issuance of visas by countries under the same economic integration, such as seen in the Schengen states and the recently-started East Africa Tourist Visa that will allow a foreigner to visit Kenya, Uganda and Rwanda simultaneously with a single visa.
- There is a need for a provision of well-maintained road networks along the coast of SSA, most especially in the ECOWAS region, where there is no coastal road that links Lagos with Dakar. The journey becomes a complicated and lengthy journey after Abidjan (Côte d'Ivoire).
- In order for automation and JBP or OSBP with ICT infrastructure to work productively, border regions should have cross-country agreements in terms of reliable power generation, preferably via alternative power generation and solar energy, in places where the national grid is not reliable or non-existent.

- An analysis of the political economy will be incomplete without addressing the empowerment of unemployed youth who can easily make the borders and trade routes impassable as a result of their expression of grievances through activities such as Boko Haram (Northeastern Nigeria, Cameroun and Chad) and Al-Aqeeda or Islamic Maghreb (Mali). Most of the time, idle youth with a lack of opportunity are involved. Some of them have no skills that will allow them to engage in any reasonable activity other than rent-seeking. The government of countries in SSA should make a concerted effort to pull Talibes (in Senegal), Alimajiri (Northern Nigeria), and other structures in SSA that create child destitutes on the continent out of the streets. There should be mass literacy programmes, and education should be free and compulsory for the first ten years of a child's life. If a future is not planned for these disadvantaged children in SSA, the so-called 'Continental Free Trade Area' will face serious challenges.
- The creation or development of any initiative is not as difficult as maintenance. Most of the SSA countries are aware of what will facilitate trade, but the political will for continuous improvement is absent. To address this, we recommend a Trade Facilitation Monitoring and Evaluation Unit (TFME) that will serve regional blocs. This unit should be backed up with the required legal and financial support necessary for the implementation of its responsibilities in terms of ensuring that member states abide by the TFA as stipulated by the WTO.
- There should be social security such as pensions, life insurance, group retirement plans, and extended health insurance for players such as truck drivers, customs officers, civil associates with trade facilitation and freight forwarders.
- TF will be enhanced if countries in SSA implement appropriate documentation and employees of customs have the capability to collect data that will enhance trade, fees on goods and services are posted on agencies website – common external tariff (CET) and other exceptions should be well stated on the website, harmonisation of standards in terms of acceptance of testing methods done in another country within a bloc by the importing country. Furthermore, bribes and delays in customs procedures should be reduced through the use of ICT and automation. There should also be marketing agreements across borders. This will be easy if activities such as packaging, labelling, branding, and rule of origin are consistent and standardised.
- Capacity building is important to TF. It is presently a challenge to find experts who can address the concept of TF and implement it successfully in SSA. In other words, stakeholders should support the training of staff members of agencies and organisations associated with trade. The training should include the use of simple software such

as Excel and Microsoft office, a collaboration suite such as the Box and other TF-related applications. Agents and stakeholders should attend workshops on TF legal framework and updated knowledge on the enforcement of fees and charges. Adequate exposure is required to world geography, the economics of insurance, international business such as global management, and management of international business, trade concepts such as cabotage, cost-insurance-and freight (CIF), cargo, contrabands, border risk management, shipping container, and so forth, and operations management such as queueing model, logistics, and supply chain management. Moreover, SSA trade-related organisations should be learning organisation that exposes employees to regional and international exchanges.

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Appendix

Table A: Logistics performance index: Overall for SSA from 1=low to 5=high

	2007	2010	2012
Angola	2.48	2.25	2.28
Benin	2.45	2.79	2.85
Burkina Faso	2.24	2.23	2.32
Cameroon	2.49	2.55	2.53
Chad	1.98	2.49	2.03
Comoros	2.48	2.45	2.14
Côte d'Ivoire	2.36	2.53	2.73
Djibouti	1.94	2.39	1.8
Eritrea	2.19	1.7	2.11
Ethiopia	2.33	2.41	2.24
Gabon	2.1	2.41	2.34
The Gambia	2.52	2.49	2.46
Ghana	2.16	2.47	2.51
Guinea	2.71	2.6	2.48
Guinea-Bissau	2.28	2.1	2.6
Kenya	2.52	2.59	2.43
Liberia	2.31	2.38	2.45
Madagascar	2.24	2.66	2.72

Mauritius	2.13	2.72	2.82
Namibia	2.16	2.02	2.65
Niger	1.97	2.54	2.69
Nigeria	2.4	2.59	2.45
Rwanda	1.77	2.04	2.27
Senegal	2.37	2.86	2.49
Sierra Leone	1.95	1.97	2.08
South Africa	3.53	3.46	3.67
Sudan	2.71	2.21	2.1
Tanzania	2.08	2.6	2.65
Togo	2.25	2.6	2.58
United States	3.84	3.86	3.93
China	3.32	3.49	3.52

Source: World Bank (2014). Logistics performance index: Overall. Retrieved from <http://data.worldbank.org/indicator/LP.LPI.OVRL.XQ?page=1>

Table B: Corruption perceptions index 2004, 2009, 2013 for SSA

Country	2004	2009	2013
Botswana	60	56	64
Seychelles	44	48	54
Mauritius	41	54	52
Namibia	41	45	48

Ghana	36	39	46
South Africa	46	47	42
Senegal	30	30	41
Zambia	26	30	38
Malawi	28	33	37
Benin	32	29	36
Gabon	33	29	34
Niger	22	29	34
Ethiopia	23	27	33
Tanzania	28	26	33
Mozambique	28	25	30
Sierra Leone	23	22	30
The Gambia	28	29	28
Madagascar	31	30	28
Mali	32	28	28
Côte d'Ivoire	20	21	27
Kenya	21	22	27
Uganda	26	25	26
Cameroon	21	22	25
Nigeria	16	25	25
Angola	20	19	23

Congo Republic	23	19	22
DRC	20	19	22
Zimbabwe	23	22	21
Eritrea	26	26	20
Chad	17	16	19
Sudan	22	15	11
Somalia		11	8
United States	75	75	73
China	34	36	40

Sources: Transparency International (2013). Corruption perception index 2013: Results. Retrieved from <http://cpi.transparency.org/cpi2013/results/>
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Table C: SSA airlines

	Fleet Size	Number of employees	Passengers per Year (millions)	Number of scheduled destinations	Daily departures
South African Airways	52	9454	7	39	153
Ethiopian Airlines	64	7801	6	90	200
Arik Air	25		2.7	30	

Kenya Airways	47				
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Table D: Air transport: Registered carrier departures worldwide

	2004	2009	2013
Angola	4849	3236	14570
Botswana	7885	6142	9204
Burkina Faso	1415	1433	3249
Cameroon	10337	9501	5641
Cape Verde	16612	11560	8174
Ethiopia	29546	44154	65911
Gabon	8342	5423	1460
Kenya	26218	33593	74205
Madagascar	18016	9566	9451
Malawi	5290	4376	1648
Mauritania	1686	1114	2924
Mauritius	14791	11144	12079
Mozambique	8585	11260	15619
Namibia	6137	5439	9089
Nigeria	8254	16851	51904
Senegal	6166	0	7174
Seychelles	19281	11238	14592

Sierra Leone	156	186	0
South Africa	133222	151292	185963
Sudan	8435	7178	10121
Tanzania	6441	21088	32208
Uganda	302	359	8123
Zimbabwe	4269	5937	11305
United States	9566226	9182363	9734073
China	1209900	2140124	3073450

Source: World Bank (2014). Air transport, registered carrier departures worldwide. Retrieved from <http://data.worldbank.org/indicator/IS.AIR.DPRT/countries>