

Colonial borders hamper Africa's trade renaissance

NEARLY ONE-THIRD OF African countries celebrated their 50th anniversary of independence this year. High time, some might say, to stop blaming European powers for the political frailties and economic fragmentation associated with the continent's colonial inheritance.

However, Africa's colonial legacy continues to complicate development and frustrate the evolution of business at least in one respect: the borders carved out by Europe's colonialists. As Mo Ibrahim, the Sudanese telecoms mogul turned philanthropist, points out, sub-Saharan African countries spend large sums on maintaining embassies. Each has to furnish 48 ambassadors with 48 limousines, 48 embassy buildings and the staff to fill them — one in each country where they require representation.

Businesses operating on the continent face a similar dilemma as they seek to expand. Economic integration is the obvious antidote, and to varying degrees regional trading blocs are forging ahead with customs unions, easing working restrictions and planning common monetary policies.

But progress is still hampered by lack of follow-through, and fears remain among less developed countries that they will be dominated by the big regional powers — Nigeria in the west, Kenya in the east and South Africa in the south.

On average, only 10-12 per cent of African trade takes place among African nations. Infrastructure is still geared towards exports, as it was in

colonial times. Railways and roads often lead to marine ports rather than linking countries over land.

Even where there have been advances in harmonising tariffs and easing restrictions on the flow of people and goods, reality on the ground often trails. The cost of trucking a container from Mombasa, Kenya, to Kigali, Rwanda, 930 miles and three border crossings away, can be three times the price of shipping it from the US. Bribes at weighbridges and roadblocks add more than \$1,000 to costs.

The momentum is beginning to gather, however. Institutions such as the African Development Bank now prioritise infrastructure projects that foster regional integration. Chinese financing is helping to resurrect some of the pan-continental railway projects.



The big African banks are spreading from state to state. Telecoms companies are harmonising their operations to gain economies of scale. Trade statistics barely capture what is perhaps an even bigger force: the informal sector, which traditionally has paid less heed to borders.

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- 3p 37 Geef van elk van de onderstaande factoren aan of deze volgens het artikel wel of niet een oorzaak is van de gebrekkige economische ontwikkeling in Afrika.
- 1 The historic demarcation of national boundaries.
 - 2 The formation of trading blocs.
 - 3 The unequal division of power and wealth among African countries.
 - 4 The lack of pan-continental railways.
 - 5 Africa's unstable political climate.
 - 6 The lack of import policies.
- Noteer het nummer van elke factor, gevolgd door "wel" of "niet".

Bronvermelding

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