

Integration of informal economic cross-border networks in West Africa

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Cross-border networks in West Africa

Networks are increasingly attracting attention

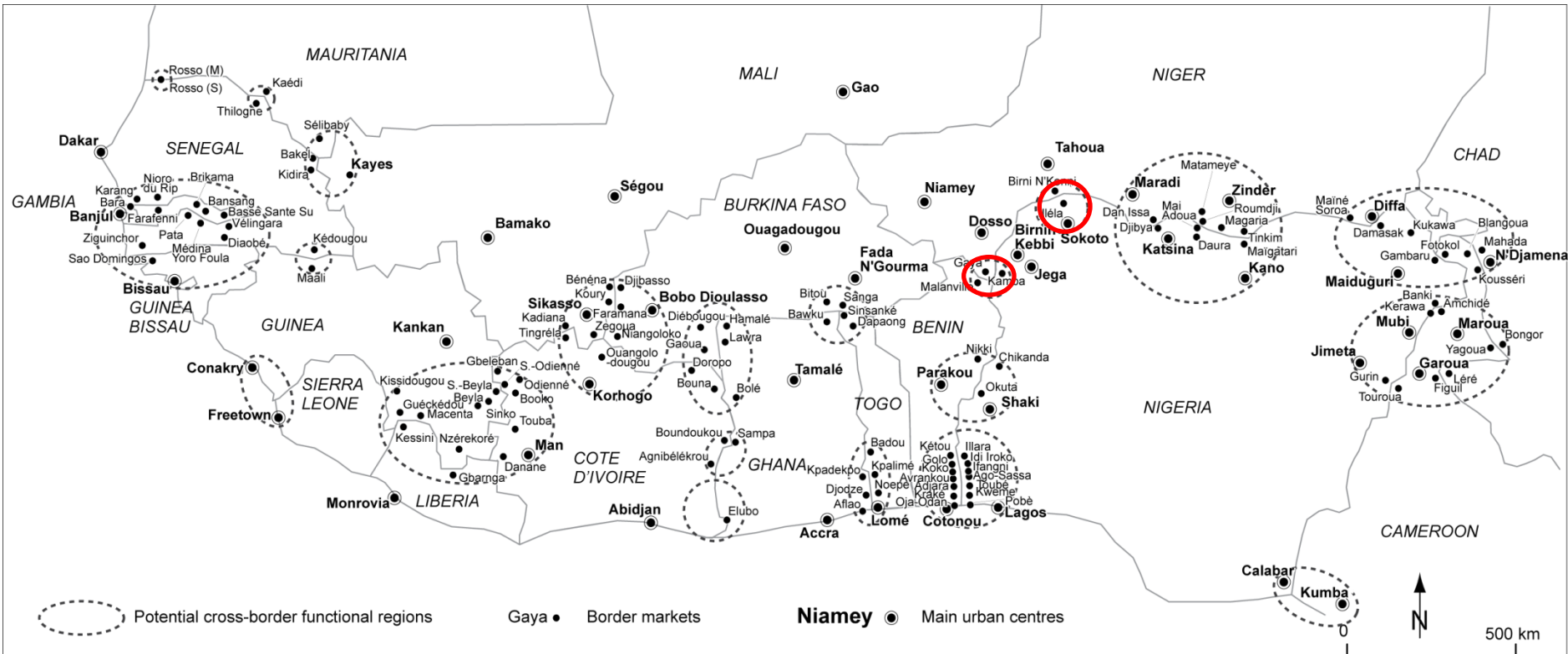
- Historical roots (Howard and Shain 2005)
- Geographic extension (Grégoire 2003)
- Social embeddedness (Meagher 2010)

Both the historical, spatial and the political science perspectives have considered networks in rather metaphorical and/or qualitative terms

The CROSSTRAD E project will go one step further by considering networks as an analytical concept

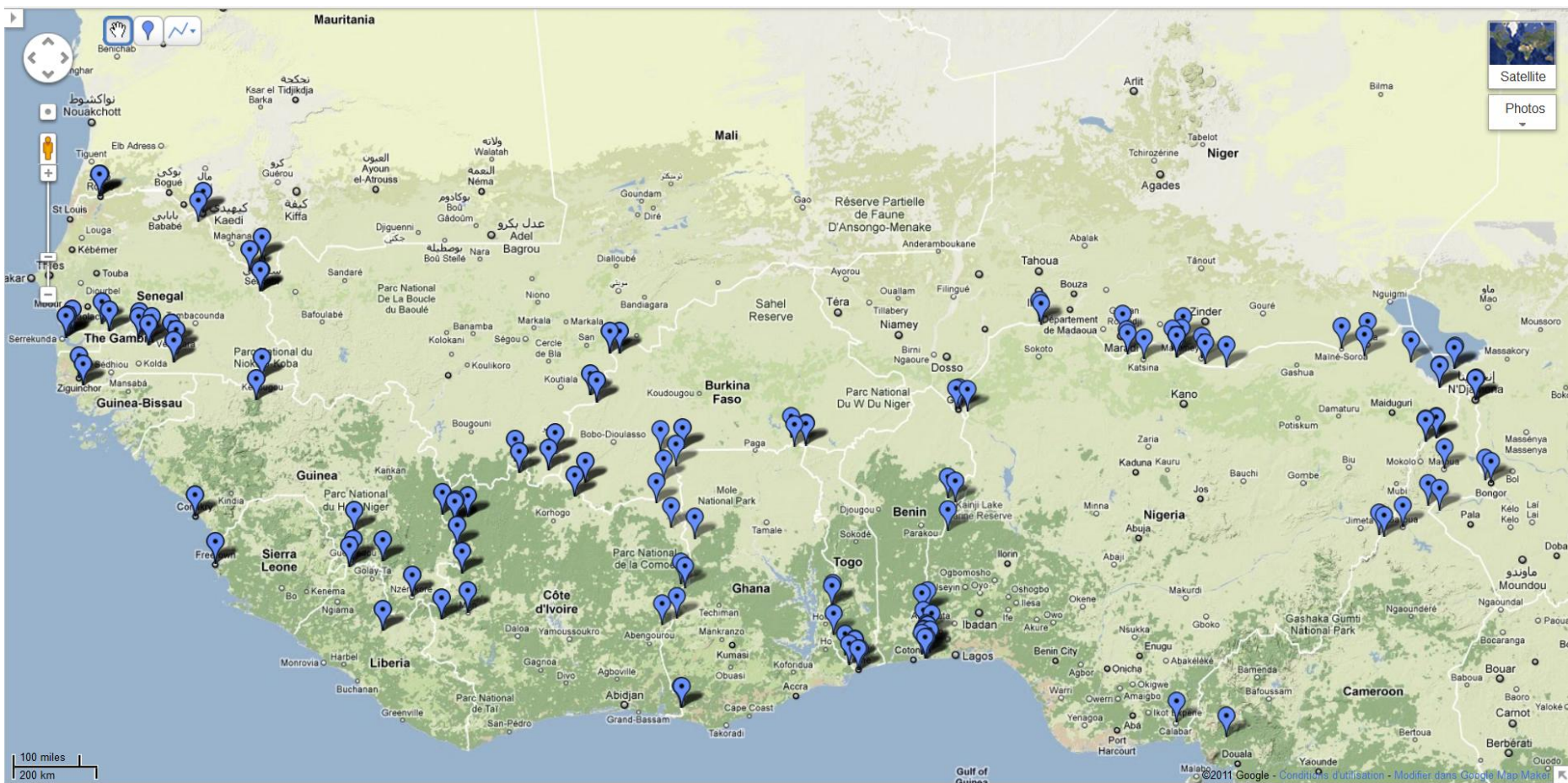
Focus on border markets = where integration takes place

Border markets in West Africa



Cartography: © Olivier Walther, CEPS/INSTEAD Luxembourg, 2011 with Jean-Louis Sanka and Moustapha Koné. CROSSTRADE "Informal Trade and Cross-Border Integration in West Africa" project, funded by the National Research Fund of Luxembourg. Sources: Igué 1989, 1993, 199, 2010 (West Africa and Central Africa), Chafin 2001, McKim 1972 (Bawku, Sinsanké, Bittou), Bennafla 2002 (Central Africa), Igué and N'Bessa 1980, Boluvi 2004, Walther 2007, 2008, 2009, 2010, 2011, 2012 (Dendi), Fadahunsi and Rosa 2002 (Igolo), Grégoire and Labazée 1993, Grégoire 1986, 1991, 2003, Abdoul and Trémolières 2007, Abdoul, Dahou and Trémolières 2004, 2007, Nicolas 1986 (Maradi), Abdoul, Dahou, Dahou, Gueye and Hazard 2007, Sanka 2010, Lambert and Egg 1994 (Senegambia), Labazée 1993, Dahou, Dahou, Gueye and Trémolières 2007, OECD 2009, Warms 1994, World Bank 2009 (Kéné Dougou), Harre 1993 (Kabadougou). Note: Only twin markets distant of over 25 km and with a population of over 10,000 inhabitants in 2010 are represented.

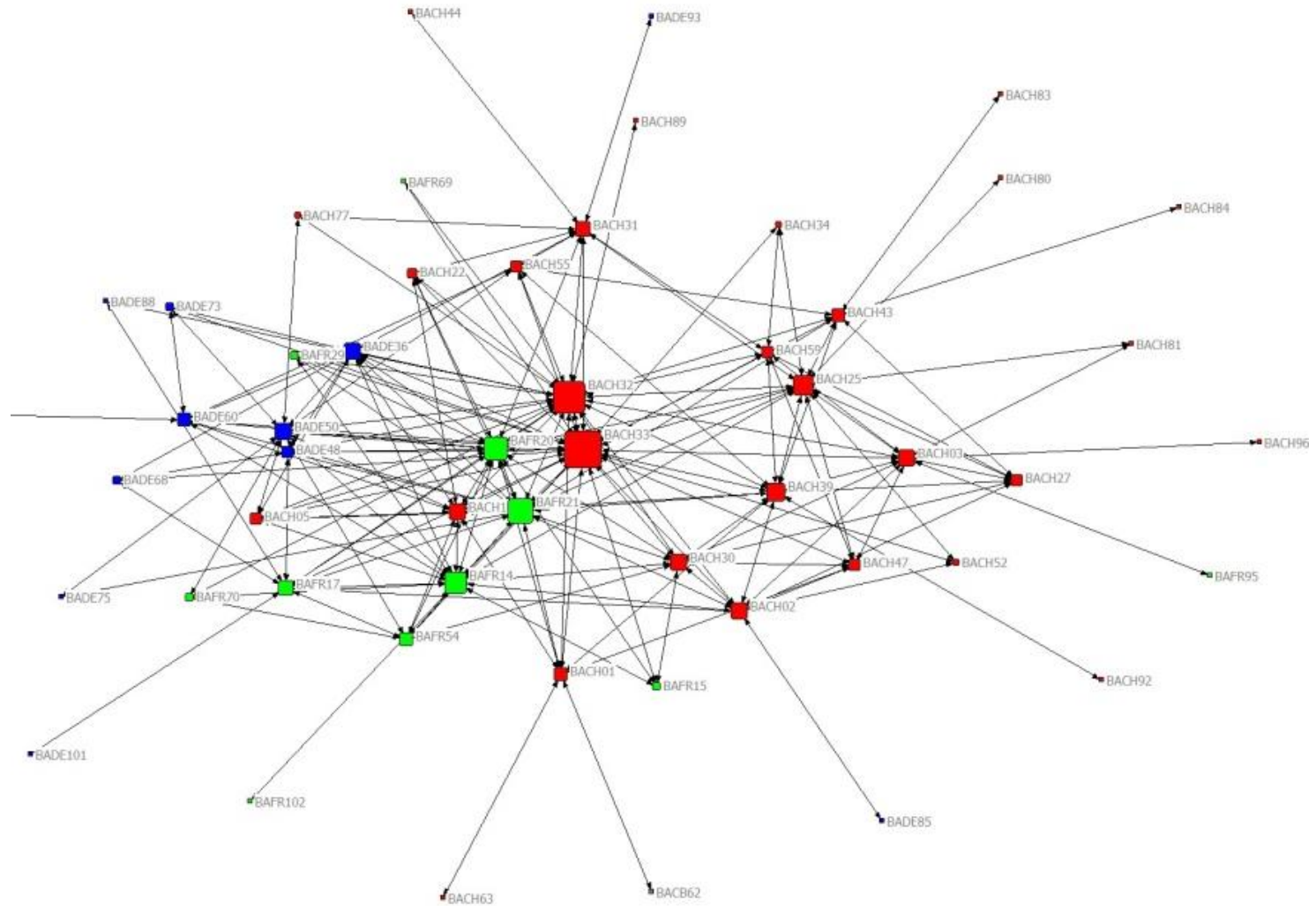
Border markets in West Africa (2)



A combination of several scales

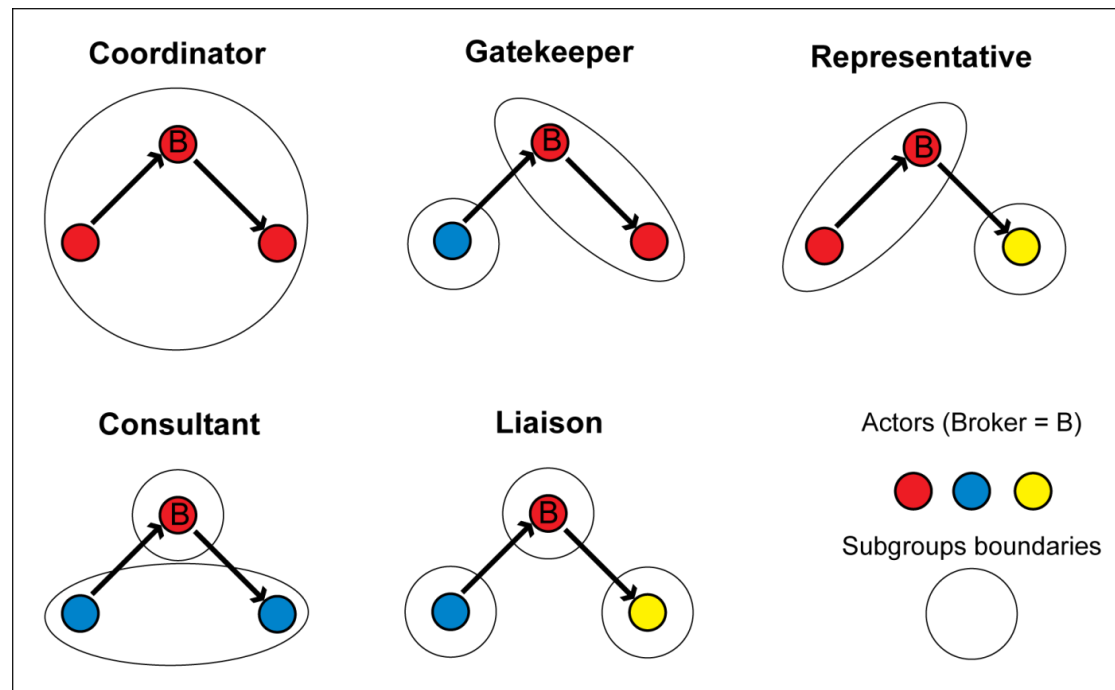
- Border markets are central places for both producers and consumers at the local scale
- They provide business opportunities to small traders who exploit border differentials between twin cities
- Offer a particularly favourable location for larger merchants willing to develop transnational routes

Social Network Analysis



Social Network Analysis 2

- Relational theories of social interaction and analytical tools developed by social network analysis (SNA)
- An interesting opportunity to discuss a series of issues related to cross-border trade networks



New research questions

What is the social structure of cross-border informal networks?

→ The success of cross-border networks results from their ability to combine a strong embeddedness with brokerage ties

What is the specificity of border markets?

→ Border markets offer a prime location for brokers

What are the relationships between traders and public institutions in border areas?

→ Traders seek to strengthen their relationships with political actors, or to engage in politics, in order to develop their cross-border business

Q1. The structural position of traders

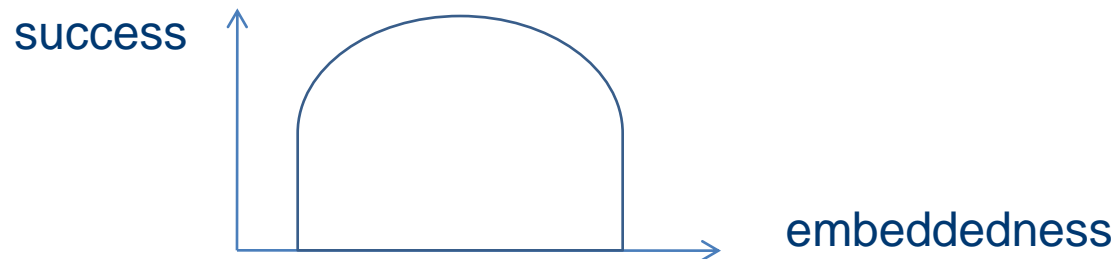
- Networks founded on kinship, ethnic, and religious ties, help solve the technical problems of trade
- Embedded ties reduce risk, pool complementary skills, improve access to new markets, and safeguard property rights

But...

- A strong degree of embeddedness can also have disadvantages
- Trade networks have taken on a global dimension and traders have developed a more universal entrepreneurial culture

Q1. The structural position of traders (2)

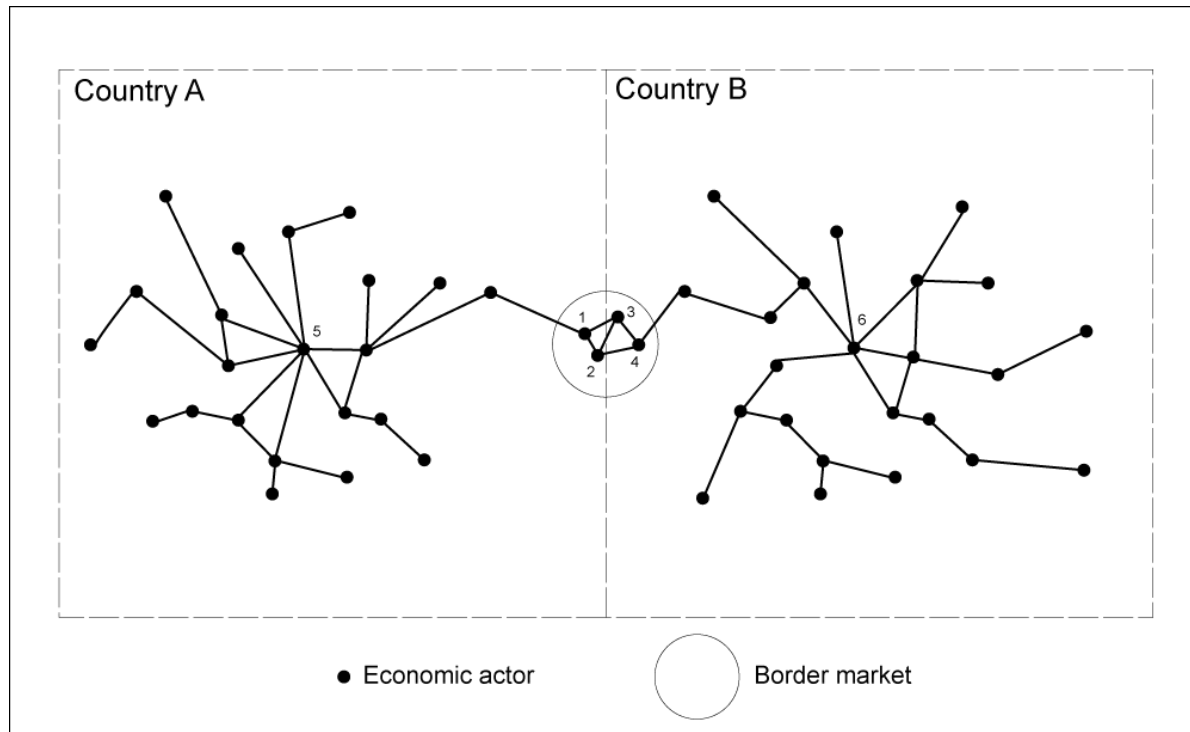
- Hypothesis: economic actors will combine strong embeddedness within the social group with an extensive capability to build brokerage ties beyond the group



- SNA provides evidence of an agent's brokerage or embeddedness by measuring different social network indexes (in- and out-degree centrality, betweenness, density, transitivity, reciprocity and brokerage)

Q2. The specificity of border markets

- Border markets play an intermediary role between different nationally organised business networks



Q2. The specificity of border markets (2)

- Hypothesis: border markets can be considered as a prime location for **brokers** connecting foreign domestic networks
- SNA can help to provide an original measure of the importance of urban markets
- The centrality of cities does not correspond to the usual administrative or population hierarchies. It is linked to the presence of economic agents

Q3. Traders and local institutions

→ Traders seek to strengthen their relationships with institutional actors, or to engage themselves in local institutions, in order:

1) to influence political decisions or perceptions in their favour;

2) to have better access to political resources they need in order to secure or develop their business;

Traders will tend to prefer maintaining some border differentials

Conclusion

- Formal social network analysis could be used to better understand cross-border economic activities
 - Analyze simultaneously the social role of economic actors and their spatiality
 - SNA can hardly explain the intensity of ties and the evolution of the network without referring to more qualitative data
- SNA approach to trade should be complemented with other approaches, in particular trader biographies

Related publications

- Walther O. Traders, agricultural entrepreneurs and the development of cross-border regions in West Africa. *Entrepreneurship and Regional Development* (forthcoming).
- Retaillé D, Walther O. 2011. Spaces of uncertainty: A model of mobile space in the Sahel. *Singapore Journal of Tropical Geography* 32(1): 85-101.
- Walther O. 2009. A mobile idea of space. Traders, patrons and the cross-border economy in Sahelian Africa. *Journal of Borderlands Studies* 24: 34-46.

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