

NYANSAPO COLLEGE

ILLICIT TRADE ACTIVITIES ON REGIONAL INTEGRATION:  
CASE STUDY OF TEMA-OUAGADOUGOU-BAMAKO CORRIDOR

By

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## DECLARATION

### **Candidate's Declaration**

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: .....Date: .....

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### **Supervisors' Declaration**

We hereby declare that the preparation and presentation of the dissertation was supervised in accordance with the guidelines on supervision of dissertation laid down by Nyansapo College, Accra.

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## **ABSTRACT**

The ECOWAS Protocol on free movement of persons, goods and services was geared towards the promotion of intra-regional trade and greater interaction among community citizens. However, it appears that the intended benefits of the Protocol have not been fully realized. This study assessed activities of illicit trade on intra-regional trade between Ghana, Burkina-Faso and Mali.

The qualitative methodology employed face to face interviews and observations to gather views and opinions of key stakeholders such as Customs Services from Ghana, Burkina Faso and Mali, Ghana Ports and Harbours Authority, National Petroleum Authority, National Security, Bureau of National Investigations, Ghana Police Service, Narcotics Control Board, Ghana Shippers' Authority, Ghana Community Network (GCNet), Borderless Alliance, Burkina Faso Chamber of Commerce, Burkina Faso Shippers' Council (CBC), Malian Bonded Warehouses in Ghana (EMAGHA), clearing agents, and drivers. The research found out that the challenges at the border include human attitudes, institutional weaknesses, logistical constraints, language barrier and lack of information sharing between these countries. The major impact of illicit trade activities was identified to be loss of revenue by the government. Illicit trade generates a range of influences on the global economy that touch on crucial economic factors linked to unemployment and human security. The study recommends some measures to be put in place in the three countries such as public education, effective monitoring of unapproved routes, provision of logistics, information sharing, communications, and recruitment of bilingual officers into implementing agencies and a change in human attitudes.

## **KEY WORDS**

Border management agencies;

Cross Border illicit trade activities;

Goods smuggling and fraud;

Harmonization of procedures;

Information sharing;

Multi agencies cooperation

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## **DEDICATION**

This Work is dedicated to the Almighty GOD for His ever abiding presence, His mercies upon my life and His marvelous and continuous help.

To my beloved mother Salimata Diarra, and my late father Daouda Coulibaly, I am exceedingly grateful to both of you and I pray that the almighty will reward you abundantly.

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## LIST OF ACRONYMS

ASYCUDA	Automated System for Customs Data
BNI	Bureau of National Investigations
CBC	Conseil Burkinabé des Chargeurs (Burkina Shippers' Council)
CCIB	Chamber of Commerce and Industry of Burkina Faso
CEPS	Customs Excise and Preventive Service
CFA	Communauté Financière Africaine
COMESA	Common Market for Eastern and Southern Africa
ECOWAS	Economic Community of West African States
ECSC	European Coal and Steel Community
EMAGHA	Entrepôts Maliens au Ghana (Malian Bonded Warehouses in Ghana)
ERW	Explosive Remnants of War
EU	European Union
EURATOM	European Atomic Energy Community
FDI	Foreign Direct Investment
GCMS	Ghana Customs Management System
GCNet	Ghana Community Network
GIPC	Ghana Investment Promotion Centre
GPHA	Ghana Ports and Harbours Authority
GSA	Ghana Shippers' Authority

INTERPOL	International Police
IRS	Internal Revenue Service
NPA	National Petroleum Authority
SACU	Southern African Customs Union
SAD	Single Administrative Document
SADC	Southern African Development Corporation
UEMOA	Union Economique et Monétaire Ouest Africaine
UNCICP	United Nations Centre for International Crime Prevention
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
UNODC	United Nations Office on Drugs and Crime
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union (UEMAO in French)
WCO	World Customs Organization
WTO	World Trade Organization

## **CHAPTER ONE**

### **INTRODUCTION**

ECOWAS (Economic Community of West African States) recognizes the importance of economic activities as basis for the promotion of sustainable development in the sub-region. This is seen in the protocol on free movement of persons, goods, and services to promote trade among the fifteen member countries. Forty-three years after establishment of the ECOWAS, legal trade activities within the Sub-region have not been that significant (WCO, 2012). Some of the reasons for the low level of intra-regional trade have been traced to illicit trade activities. The Tema-Ouagadougou-Bamako corridor gives a typical example of the significant volumes and values of illicit trade in the sub-region. A study conducted by a Presidential task force in Ghana estimated that fraudulent activities of importers resulted in annual revenue losses to the state of 36 billion Cedis (WCO, 2012).

The Association of Oil Marketing Companies (AOMCs) of Ghana in a joint press conference held in Accra on the 2<sup>nd</sup> of May, 2017, stated that the government lost 850 million Cedis in 2016 and that there was a looming revenue loss of 1 billion Cedis for 2017. The culprits in these instances of illicit trade transactions, posed as exporters, enjoyed low taxes and subsequently diverted fuel products they were expected to export to Mali and Burkina Faso back to Ghana and sold them at low prices.

This research assignment is an investigation into the broader problem of illicit cross-border trade with particular focus on legal goods, which escape the regulatory framework, such as avoidance of payment of certain taxes and other statutory fees. Data was collected through purposive interviews of 20

participants who have experienced the influence of cross border activities to provide insights into their understanding of how the economies of Ghana, Burkina Faso, and Mali have been affected by illicit trade activities within the ECOWAS sub-region.

### **Background to the Study**

The threat posed by illicit trade is more insidious than terrorism (The Global Initiative against Transnational Organised Crime, 2015). Although the consequences are far worse in terms of human security, economic harm, and its influence on governance and development, we are unlikely to see the high profile catastrophic incidents that could mobilise political action and force illicit trade onto a global priority pedestal. The opaque nature of illicit trade, the multitude of actors needed to address it, and perhaps the lack of catastrophic high profile incidents explain why the issue has so far received a relatively low level of political prioritization (The Global Initiative against Transnational Organized Crime, 2015). But a holistic assessment of the problem shows that this is an unacceptable state of affairs, especially for developing countries such as Ghana, Mali and Burkina Faso.

In recent times and in line with ECOWAS policy on trade, especially, the need to strengthen intra-regional trade, customs services of Ghana, Burkina Faso, and Mali have had to combine the traditional role of revenue collection with trade facilitation. This addition is traceable to governments' of the designated countries desire to implement Article 2(2) and Article 27 of the ECOWAS protocol on free movement of persons, goods and services. It is worthy of note that, the idea of economic integration as envisioned by the founding fathers of ECOWAS had long existed in Africa with the formation of

the South African Customs Union (SACU) in 1910. Since the end of the Cold War however, this idea became more and more important with the emergence of many strong regional economic integration (REI) mechanisms to promote economic growth (Cheru, 2002). The attempt at cooperation and integration in Africa was the creation of regional and sub-regional groupings such as the Economic Community of West African States (ECOWAS), Common Market for Eastern and Southern Africa (COMESA), Southern Africa Development Cooperation (SADC), and West African Economic and Monetary Union (WAEMU, UEMAO in French). Trade facilitation and agency duties have however brought to the fore various challenges in the area of cross border crimes such as illicit trade and other related fraudulent activities.

Even though the criminal activities have long existed, West African countries have experienced an upsurge in these cross border crimes raising very serious concerns from citizens, governments, and the international community at large (World Bank, 2011). More particularly, illicit trade drags down economic growth, not just from the victims' lost wages and labour, but by polluting the investment climate and diverting scarce government resources to strengthen law enforcement rather than promote economic activity (World Bank, 2011). This is because, the practice implies a loss of control by the State in trade matters, a lack of transparency about the quality of the goods traded in, and potential danger to public health and obstacle to regional integration.

### **Statement of the Problem**

Landlocked countries of Mali and Burkina Faso, in order to import and export their goods have signed on to some bilateral and multilateral protocols with Ghana and five other coastal countries, namely Senegal, Cote d'Ivoire,

Togo, Benin, and Guinea. These agreements were aimed at trade facilitation within the ECOWAS sub-region. In spite of these frameworks however, there appears to be a lack of cooperation concerning information sharing among designated agencies in charge of economic, transport, trade, and security services that adversely affect realization of the objectives of the agreements. As a result, the increase in the incidence of diversion and other illicit trade activities along the transit corridor of Tema-Ouagadougou-Bamako requires an investigation to enable policy makers of the affected countries of Mali, Burkina Faso, and Ghana, to take measures to address factors hindering their sustainable economic growth and development.

Dealing with illicit trade requires coordination between multiple actors. No single agency or authority at the national, international organization, or global levels, could comprehensively resolve such an issue (Lallerstedt et al, 2014). The fact that several entities own part of the responsibility, yet are incapable of solving the problem alone, makes it an unattractive issue for anyone to assume ultimate responsibility for. To see it as a law enforcement problem might be politically convenient for some, but it will hardly address the challenge, or help mainstream it as a trade, development, environment and security issue (The Global Initiative against Transnational organizational Crime, 2015). This qualitative exploratory case study sought to understand the challenge of persistent illicit trade along the Tema-Ouagadougou-Bamako corridor by interviewing twenty purposively selected individuals who were directly involved in cross border activities as customs officials, port authority officials, Security agencies, Petroleum Authority officials, Shippers' representatives, trade facilitation agencies, Network Community operators,

transporters, clearing agents, and drivers. The views and opinions obtained have provided first-hand insight into a greater understanding of the threat of illicit trade and measures to curb the phenomenon along the Tema-Ouagadougou-Bamako corridor.

### **Purpose of the Study**

The purpose of this qualitative exploratory case study was to examine the activities of illicit traders on the economic growth and development of Ghana, Burkina Faso, and Mali from the perspectives of research participants who were expected to share personal experiences on how they have been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. State officials and private sector stakeholders from Customs Services – Ghana, Burkina Faso, and Mali, Ghana Ports and Harbours Authority (GPHA), National Petroleum Authority (NPA), National Security, Bureau of National Investigations (BNI), Ghana Police Service, Narcotics Control Board - Ghana (NACOB), Ghana Shippers' Authority (GSA), Ghana Community Network (GCNet), Borderless Alliance, Chambre de Commerce et d'Industrie du Burkina Faso (CCI-BF), Conseil Burkinabé des Chargeurs (CBC), Entrepôts Maliens au Ghana (EMAGHA), clearing agents, and drivers from the three designated countries were surveyed through one-on-one digitally recorded interviews to provide their personal perspectives on the problem statement.

### **Research Objectives**

The following objectives were pursued towards attainment of the purpose of the study:

1. To identify the specific problems that work against minimization or outright elimination of illicit cross border trade activities along the Tema-Ouagadougou-Bamako corridor.
2. To examine the influence of illicit trade activities on the economies of Ghana, Burkina Faso, and Mali.
3. To contribute through the findings to the development of an effective regulatory framework to facilitate intra-community trade within the ECOWAS sub-region.

### **Research Questions**

This qualitative exploratory case study research was guided by the following research questions (RQs) that were developed from the research objectives:

- 1 Why are the much touted benefits of regional economic integration for the economies of Ghana, Burkina Faso, and Mali not being realized as envisioned in ECOWAS protocol on free movement of goods and persons?
- 2 Why is it that in spite of the existence of several security checkpoints along the highways of the designated countries, illicit trade activities still persist?
- 3 What factors perpetuate cross border illicit trade along the Tema-Ouagadougou-Bamako corridor?

### **Significance of the Study**

The significance of the research is its contribution to the body of existing knowledge to the world of academia and the corporate world of business. Findings are expected to provide first-hand information from

research participants on how best to address the challenge of illicit trade to facilitate effective harnessing of business opportunities within the ECOWAS sub-region. In this regard, the study has both theoretical and practical significance. Concerning the theoretical significance, the study will be beneficial to students of International Relations and Political Economy generally, as well as those interested in studies regarding regional integration and intra African trade.

The study is an addition to existing works done in addressing illicit trade by prior researchers and thus provides further insights into addressing the challenge. Since the research endeavour is an on-going process, this study shall arouse the interest of other researchers to carry out further investigation in this area. The study shall also enable non-state actors to contribute in giving new impetus to regional integration by contributing to governments' initiatives aimed at eliminating impediments to intra-regional trade among West African countries.

Practically, the study is relevant for practitioners of foreign policies of ECOWAS member states and beyond. These shall include the staff of the Ministries of Foreign Affairs of designated countries, and other relevant ministries, agencies, and departments within the sub-region as well as staff of ECOWAS. Findings can guide policy directions and effective implementation. The study also has practical importance for the business community that include corporate organizations operating within the sub-region as experiences shared by research participants, might help enhance ECOWAS member countries' effectiveness in harnessing the results of effective regional integration.

## **Delimitations**

The proposed qualitative exploratory case study research was limited to a relatively small sample size of twenty respondents, who expressed their opinions on how their socioeconomic circumstances have been affected by illicit trade activities across borders on the Tema-Ouagadougou-Bamako corridor. The sample was derived from five categories of respondents that include Customs officials, Public Administration officials, Private sector operators, Security agencies, and landlocked countries representative in Ghana. Research participants were purposively selected on the basis of their association with and operations with state agencies in charge of taxes and duties collection, and cross border activities.

## **Limitations**

This research faced some limitations in the course of data collection which included the short time available and the sensitivity surrounding the phenomenon under investigation. This sensitivity made some respondents reluctant to participate or to provide valuable information. Also, access to research information on illicit trade activities is restricted and official reports are mostly kept by state officials who were not willing to share such information. This was largely due to the illicit nature of the activity and data from respondents could also be difficult to verify or substantiate. Adequate data was however collected from the purposively selected participants who frankly shared their experiences with the researcher. Hand written notes from personal observations, and secondary data available from official sources, complemented the one-on-one digitally recorded interviews that contributed

relevant knowledge and information towards addressing the challenge of illicit trade activities along the designated trade corridor.

### **Definition of Terms**

Illicit trade is not confined to a particular activity or trade industry, but generally regarded to encompass a broad range of activities across different fields. For the purposes of this research study, cross border illicit trade activities on legal goods was assessed. The identified types of illicit trade are defined and classified under the following headings:

**Illicit trade:** Any practice or conduct prohibited by law and which relates to production, shipment, receipt, possession, distribution, sale or purchase, including any practice or conduct intended to facilitate such activity (Allen, 2009, p. 14).

**Customs Fraud:** Any act which a person deceives, or attempts to deceive, the Customs and thus evades, or attempts to evade, wholly or partly, the payment of import or export duties, and taxes or the application of prohibitions or restrictions laid down by the statutory or regulatory provisions, enforced or administered by the Customs administrations or obtains, or attempts to obtain, any advantage contrary to such provisions, thereby committing a Customs offence (Allen, 2009).

**Commercial Frauds:** The World Customs Organization (WCO) Working Group on Commercial Frauds refers to commercial frauds to cover acts of commission or omission, contravention of statutory or regulatory provisions governing import, export, and any other allied acts with the intention to:

(a) evade or attempt to evade payment of duties;

- (b) circumvent any prohibition or restriction;
- (c) receive or attempt to receive refund of taxes without proper entitlement or in excess of entitlement; and
- (d) to garner other benefits under export promotion schemes.

**Smuggling:** The WCO glossary defines smuggling as —Customs offence consisting in the movement of goods across a Customs frontier in any clandestine manner, thereby evading Customs control (WCO, 2012).

**Removal-in-bond / Removal-in-transit fraud:**

- Product declared for in-transit removal to other country but kept in the transit country and sold in the local market;
- This includes diversion/acquittal fraud, which happens when documentation is provided to customs and others control bodies that falsely indicate that the product has been exported (referred to as a ghost export), then the product sold in the local market;
- VAT fraud: another form of acquittal fraud is when false documentation is submitted to indicate that product was exported (ghost exports), but no product was exported and VAT is claimed back illegally (WCO, 2012).

**Undervaluation/Under declaration:**

- Under invoicing: for example incorrect declaring of weight, quantity or value, and invoices differing from the bill of lading. Product weight/quantity/price is under declared in order to minimize the payment of import duty and VAT. Forms part of under-evaluation;
- Other valuation problems: price/value manipulation by inflating insurance, freight and handling costs – for example non-declaration of

costs, inflated costs and declaring incorrect quantities. Forms part of under-valuation;

- Split invoicing: splitting the value of one invoice into various invoices, in order to declare lower values, with the result that full duties and VAT are avoided. Forms part of under-valuation (WCO, 2012).

**Mis-declaration of tariff code:** product falsely declared e.g. cut-rag as unmanufactured tobacco (WCO, 2012);

**Mis-declaration of end destination:** Product taken to destination other than the declared end destination (WCO, 2012).

**Mis-declaration of country of origin:** This is a form of smuggling by which a different country is declared as the source of goods instead of the correct country of origin. It is very common with common market for ECOWAS and non-common Market for ECOWAS states because of the lower tariff rates for goods originating from ECOWAS member states.

**Misclassification of goods:** This means that goods are declared under a different class of imports particularly to attract lower rates of tax with the intent to reduce the tax liability. This may happen out of ignorance, negligence or could be deliberate (WCO, 2012).

**Falsification of documents:** Sometimes documents pertaining to certain goods are tampered with in their particulars with the intent to reduce the potential tax liability (WCO, 2012).

**Round tripping:** Product is exported to a country (neighbouring country) and then smuggled back into the country of transit/origin and sold in the local market. An example: exporting motor vehicles to a neighbouring country. VAT fraud is committed when the vehicles are exported, and on

selling the vehicles in the local market after smuggling it back into Ghana, the importer/seller enjoys a price advantage above other local companies, who cannot compete with the low prices offered by such importers (WCO, 2012).

**Counterfeit goods:** Counterfeit branded goods imported as unbranded goods to avoid declaring license fees applicable to branded goods (WCO, 2012).

### **Organisation of the Study**

This dissertation is presented in five interrelated chapters. The first chapter covered background of the study, followed by the Statement of the problem, Purpose of the study, Research objectives and questions, Significance of the study, Delimitations, Limitations, Definition of terms, and Organisation of the study. Chapter two presents the review of relevant literature on the subject matter under consideration. The research design and methods of data collection procedures are detailed in chapter three. Findings and discussions are presented in chapter four. Finally, the conclusions followed by some recommendations are drawn in chapter five.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Introduction**

This study is about assessing the influence of illicit trade activities on regional economic integration in West Africa, particularly the persistence of fraud and smuggling in cross border trade along the Tema-Ouagadougou-Bamako corridor. This chapter makes critical analysis of the relevant literature on the subject matter of trans-border movements across the West African sub-region in order to understand the challenges that stifle intra-regional trade within the ECOWAS sub-region. Having a look at what has been done already has prevented the researcher from of waste of time, and has helped avoid some mistakes committed by previous researchers.

Mouton (2001) asserted that a variety of bibliographic tools have been developed to assist researchers in the identification of suitable literature. The internet was particularly useful in perfuming this research assignment. Google search engine and Nyansapo College virtual and physical libraries were used to search for scholarly articles on challenges of regional integration within West Africa. Analysis of peer reviewed scholarly materials provided invaluable information on the subject under investigation. The literature review in the current chapter contains three main sections: (a) the theoretical framework; (b) the literature search; and (c) gaps in the literature.

#### **Theoretical Framework**

This qualitative exploratory case study research was anchored on the neo-functionalism integration theories propounded by Haas in 1964. According to Haas (1964), Neo-functionalists attached major importance to the

integration process that initially included specific functional tasks which have the potential to extend into other areas. Haas defined integration as “a process whereby political actors in several national settings are persuaded to shift their loyalties, expectations, and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing nation state” (Haas, 1964, p.39). The collaborative nature of this theory to promote economic growth is the main reason for its choice for this qualitative exploratory case study involving three West African countries – Ghana, Burkina Faso, and Mali. The chosen theoretical framework aided the researcher in assessing the influence of illicit cross border trade activities on the economic development of the designated countries along the Tema-Ouagadougou-Bamako trade corridor.

The main thrust of functionalism integration theories is the assertion that countries initially integrate in limited economic areas and thereafter, the partially integrated states experience increasing momentum for further rounds of integration in related areas. The Neo-functionalism theory espoused by writers such as Ernst Haas, Joseph Nye, and others, is the intellectual off-shoot of functionalism. The main underlying assumption of the Neo-Functionalist approach led by Ernst B Haas, (an American political scientist) is that no state is capable of singlehandedly sustaining its economic growth and development and existing economic structures and be capable of satisfying the economic needs of its people if, it does not cooperate with other countries.

The formation of ECOWAS and the anticipated cooperation between member states based on the notion of enhancing development, strengthening peaceful co-existence and good neighbourliness and mutually beneficial

economic cooperation among member states, may have been derived from this assumption. In reality, regional integration is a process, in which, seemingly, participating countries inexorably seek, inter alia, economies of scale, increased commercial activities, and uninhibited factor mobility, via “institutional integration” and “policy integration,” both of which refer to the growth of collective decision-making and the sharing of responsibility for policies. Early neo-functional theory assumed a decline in importance of nationalism and the nation-state; it predicted that, gradually, elected officials, interest groups, and large commercial interests within states would pursue welfarist objectives best satisfied by the political and market integration at a higher, supranational level.

From neo-functionalism, Haas conceptualized a mechanism that he thought would drive the integration process forward - the concept of spillover. In his view, spillover occurs in new functional areas involving more and more people, more bureaucratic consultations, the resolution of newer problems, thereby building integration processes out of earlier compromises towards achievement of collective gains at the supra-national level (Haas, 1964). Haas thus implied that deepening integration in one economic sector would automatically create trends for further economic integration in other sectors, meaning that if states integrate one sector of their economies, technical pressures will lead to the integration of other sections. This is interesting for the current situation of ECOWAS where the Customs Union could curb the level of cross border illicit trade activities and thus lead to the integration of more economic sectors. The most successful system is the Convention on International Transport of goods (TIR Convention), which has been applied,

across most of Europe and is spreading to North Africa and Central Asia (UNCTAD, 2003). ECOWAS has adopted similar regional systems but has yet to implement them. Urgent action should be taken to implement them. Customs transit information systems such as the United Nations Conference on Trade and Development's (UNCTAD) Automated System for Customs Data (ASYCUDA) can provide the tools for more effective and timely monitoring of transit movements, which can help reduce fraud, smuggling and corruption and thereby enhance confidence in public authorities.

What has been found in empirical studies, is that European integration is largely the product of a basic kind of Haasian feedback loop: increasing cross-border transactions activates supranational governance (dispute resolution and rule-making), which facilitate a subsequent expansion of cross-border transactions, which translates into greater social demand for new forms of supranational governance - 'spillover' (Sweet, 2011). One of the positive effects of spillover is the notion that integration between states in one economic sector will create strong incentives for integration in further sectors, in order to fully capture the perks of integration in the sector in which it started. In the case of ECOWAS, Customs which has the mandatory mission to protect the economy could play a key role if integrated under the umbrella of ECOWAS. The protocol on ECOWAS customs union, if effectively implemented, could be one of the first technical sectors of economic integration. The choice of the theory of neo-functionalism, on which this qualitative exploratory case study research is anchored, is justified on the basis of the potential insights that the concept could provide in appreciation of the challenges working against the effective integration of the economies of the

designated countries along the Tema-Ouagadougou-Bamako corridor. Insights provided by research participants might help address illicit trade activities towards attainment of sustained socioeconomic development for citizens of the designated countries.

### **Literature Search**

Discussions of the welfare of regional integration have preoccupied the work of many scholars over the years. The seminal work of (Haas, 1964) on the customs union provided the benchmark for this study. The basic argument in this qualitative exploratory case study is that benefits of regional integration in West Africa have been impeded by cross border illicit trade activities among ECOWAS countries as reflected in analysis of scholarly works in the sections below:

### **Economic Integration – historic perspectives from West Africa**

Robson (1968) conducted a study of the rationale of common markets and other forms of economic integration among African states and of their operation in practice. As one of the premier writers on West African integration, he pointed out the negative effects socio-cultural factors may have on an integrative process. In his estimation, differences in cultural practices between Anglophone and Francophone African states have continued to pose formidable obstacles to integration. The difference in outlook between these two categories of states has tended to complicate socio-political and economic relations between them. Robson combined three methods in his study: (i) interviews, (ii) non-participants observation, and (iii) market survey. By emphasizing upon economic integration as a means of bringing about a faster rate of economic progress and of helping to overcome poverty, his major

finding was that cultural differences between Francophone and Anglophone states was the main challenge to regional integration in West Africa. Francophone countries share a common French heritage in their legal and administrative systems. In addition, they have maintained the common currency inherited at the time of independence, which is the CFA (Robson, 1968).

Both Burkina Faso and Mali share the CFA franc as currency and French as their official language. With other Francophone countries, the two countries have a common monetary policy, which is implemented by the central bank, the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). On the other hand Ghana is Anglophone and uses the Cedi as its national currency. Although member states strive to transcend the linguistic and geopolitical division in the region, these differences still present challenges for the integration process (Robson, 1968). This qualitative exploratory case study research was an investigation of the impact of illicit trade on economic integration within ECOWAS with a focus on two Francophone countries - Burkina Faso and Mali, and one Anglophone country - Ghana. A review of accomplishment after a decade of existence of ECOWAS by (Asante, 1986) provided significant insights into understanding the problem under review.

Asante (1986) considered the integration process in Africa to include the responsibility of African governments coming to the realization that it is very difficult and almost impossible for individual countries (especially developing countries) irrespective of their economic might, to single-handedly achieve economic development and independence. He stressed the need for Africans to view economic cooperation as a means to reinforce their collective

economic strength and assert their influence in global issues. Asante's study which was comprehensive was based on extensive interviews. He noted that despite a couple of achievements made by ECOWAS, the road towards progress has not been smooth. Asante was thus of the view that ECOWAS' classic approach to integration, which gives primary emphasis to trade liberalization on an across-the-board basis, has created some complex challenges which are increasingly impeding and undermining the process of integration. He extended the argument of integration beyond lowering tariffs and elimination of trade barriers. To him, the economic structure of the member states and the lack of infrastructure for sub-regional trade, are the main reasons for the low level of trade among member states.

Asante further posited that the lack of political commitment by member states have bedeviled ECOWAS' efforts towards building a viable sub-regional economic community. According to him, the absence of a strong and committed regional leader is also a serious handicap for ECOWAS and therefore stressed the need for the establishment of an effective high-powered body to revitalize the organization. Asante concluded that in spite of the many challenges inhibiting integration in West Africa, the experiences attained so far have been rich, with a number of useful lessons that include his research finding that integration does not depend on governments alone but the whole population in the sub-region that needed to be mobilized to be part of the process of adjustments to refocus integration efforts in the sub-region. This qualitative exploratory case study research provided findings from research participants which confirm Asante's findings. The research furthermore found the lack of cooperation among cross border agencies as a serious factor

inhibiting the full integration of ECOWAS member countries which Asante's findings did not include.

Adedeji (1989) blamed the lack of political will on the part of African leaders, for the limited integration of the ECOWAs sub-region. He was of the view that when a strong and sustained commitment by political leadership is absent, decisions and subsequent implementation shall be difficult to achieve. Additionally, no sustained efforts have been made to align national priorities with regional objectives, while meeting financial and budgetary obligations becomes increasingly rare. Adedeji (1989) further attributed ECOWAS' challenges to the multifaceted political-economy difficulties of the sub-region. He was of the view that it is only by achieving genuine economic integration in West Africa that economic cooperation and regional security can be guaranteed. This view is particularly important as it enables a better appreciation of the importance of security matters to member states as they strive to achieve economic independence and development. This qualitative exploratory case study research investigated illicit trade activities on regional integration which was not the focus of the studies by Adedeji.

Addo (2006), in a content analysis study reported that about four (4) to five (5) million citizens ply the highways and frontiers of the ECOWAS territory every month. The porous borders of West Africa engender cross-border crime and instability in the sub-region, owing to the lack of an appropriate mechanism for monitoring movements and illegal activities across the borders (Addo, 2006). Cross-border criminal activities undermine good governance and security, with negative impacts on the rule of law, economic activities, and growth, human rights and general societal and cultural

advancement within the sub-region (Addo, 2006). Some of these activities involve the illicit trafficking of humans and drugs, illicit trade in goods, and smuggling of petroleum products. Illicit trade of legal goods and smuggling of petroleum products are aspects of cross-border criminal activities assessed by this qualitative explanatory case study research based on the experiences of twenty purposively selected stakeholder participants whose socioeconomic livelihoods have been affected by illicit trade activities on the Tema-Ouagadougou-Bamako corridor. Failure of specific national approaches to addressing the challenges of cross-border problems in West Africa eventually culminated in recommendations by ECOWAS, the United Nations, and the European Union to adopt a more coherent and coordinated regional approach to solving the problem (Addo, 2006).

Addo (2006) discovered that smuggling severely harms the economy of a country in multidimensional ways. Smuggling is a major global phenomenon for manufacturers of many goods, including computers, electrical goods, cars, watches, wines and spirits, mobile phones, toys, perfumes, even soaps and detergents. This qualitative exploratory case study assessed the influence of illicit cross border trade activities on the socioeconomic livelihoods of ECOWAS citizens from the perspectives of the twenty purposively selected research participants who ply their careers along the Tema-Ouagadougou-Bamako corridor. Findings from research participants confirm Addo's assertions.

### **Recently Published Research**

Hansen & Annovazzi-Jakab (2008), in a quantitative research study for UNCTAD, posited that inadequate infrastructure, which can easily lead to

congestion at inspection facilities at any border; inland or in ports; a lack of staff; and non-harmonized working hours that are not necessarily business friendly, can result in unforeseen delays and add additional handling or storage charges. Infrastructure and capacity constraints also remain a problem when it comes to roads, ports, railway lines, handling and storage facilities as well as equipment, transport vehicles, or railway stock. Hansen & Annovazzi-Jakab's (2008) key finding was that, stale and/or inadequate information, and weak telecommunication links further aggravate trade among nations as well as add to the hassles traders have to face on a day-to-day basis. A country's logistics friendliness - that is, the ease of arranging freight operations to and from a particular country - has become a major indicator for stability and for a country's propensity to attract investment.

The tendency to succumb to illegal payments appears to be linked to inadequate infrastructure issues, with the research finding that countries that have a logistically friendly environment are less likely to encounter large-scale corruption in cross-border activities. Views and opinions expressed by number of research subjects in this qualitative exploratory case study research confirm those identified in the research by Hansen & Annovazzi-Jakab (2008). Another research on cross border trade with focus on illegal goods was done by (Aluko, 2012).

Trans-border crimes and arms smuggling in the West African sub-region has in recent times been identified as a fundamental problem that requires concerted efforts by individuals, groups, organizations, and governments to solve (Aluko, 2012). This has resulted in the call on national governments, regional organizations, the United Nations Organization, and

other non-governmental organizations to implement effective measures to stem the tide of smuggling of arms in the sub-region. The pressure being exerted on governments and international organizations to act is reflective of the danger that continued lack of concerted effort could have on economic activities in the sub-region. Aluko's research was aimed at determining the socio-economic status of trans-border communities and identification of factors that had sustained arms smuggling in the sub-region.

Interviews and focused group discussions were primary data sources used in Aluko's study that had a sample size of 500 participants spread over nine communities along the Nigeria-Benin border. Findings from the research by Aluko (2012) revealed that several factors were believed to have contributed to the trends of arms smuggling in the ECOWAS sub-region. These include the history of armed conflicts in the sub-region, the political landscape, the large numbers of weapons available, traditional use of weapons, long and vulnerable borders, and coastlines, nomadic groups, and the existence in some countries of large armed militias outside the control of states.

### **Gaps in the Literature**

There are limited peer-reviewed research findings on cross border illicit trade activities on economic conditions of citizens in the ECOWAS region. The review of extant literature has revealed three categories of findings to be major limitations to intra-regional trade of (i) lack of harmonized working systems, (ii) inadequate infrastructure, and (iii) lack of concerted and adequate efforts among agencies, and governments. This qualitative exploratory case study proffered opinions that confirm these findings by Asante, (1986) and Hansen & Annovazzi-Jakab, (2008).

Addo (2006) and Aluko (2012) respectively explored trans-border illicit trade activities with focus on hard drugs, cigarettes, arms smuggling, money laundering and human trafficking. Findings confirmed the lack of concerted efforts among individuals, agencies, and governments as major impediments to regional economic integration in West Africa. This qualitative exploratory case study research examined the influence of illicit trade in legal goods along the Tema-Ouagadougou-Bamako corridor however, confirmed these findings.

However, these afore-mentioned researches did not address the influence of illicit trade on legal goods on the regional economy, and the wellbeing of the populations. This research therefore aims at filling this gap in regional integration studies by recommending tactics and strategies that can be applied at national and regional level for economic integration. This research examines the challenge of regional integration by focusing on the role of trade in the harmonization of policies, the development of infrastructure and the promotion of integrated inter-states and inter-agencies approach as possible avenues for promoting economic development.

### **Chapter Summary**

In the attempt to discuss regional integration and the challenge of intra-regional trade development, it was imperative to anchor the research on a blueprint of regional integration. The neo-functional theory of Hass (1964) was used with focus on the concept of spillover effect. Extant literature on regional integration were reviewed, dating from the earlier works of Jacob Viner (1950) and Ernst Haas (1964) to recently published research by Aluko (2012). The literatures in the area of study were classified into three broad

categories. First, the theoretical work on regional integration that measured the challenges and effects of regional integration. Hass (1964) and Sweet (2011) have respectively developed blueprints to guide policy makers in this regard. They have made significant contributions in respect of regional integration. The second broad category includes seminal works that focus on economic integration and historic perspectives from West Africa. Literature in this aspect includes works by Robson (1968), Asante (1986), Adedeji (1989) and Addo (2006). These authors have made significant contributions towards actualizing the integration agenda in West Africa. The third broad category includes recently published works by (Hansen & Annovazzi – Jakob, 2008; Aluko, 2012). Their works were centered on West Africa cross border challenges and how these have contributed to the low levels of intra-regional trade among ECOWAS member countries.

Lack of information sharing among national cross border agencies, the advocacy role of civil society organizations, and private sectors in cross border management, and the limited literature on illicit trade in legal goods are the major gaps in the literature search. The absence of an integrated customs information system between Francophone and Anglophone countries is also identified as a gap in the literature. The challenges of illicit trade on legal goods that move along the Tema-Ouagadougou-Bamako corridor to economic integration have been addressed by this qualitative exploratory case study.

## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **Introduction**

The purpose of this qualitative exploratory case study was to examine the influence of illicit trade on the growth and development of the economies of Ghana, Burkina Faso, and Mali from the perspectives of 20 research participants who shared their personal experiences on how they had been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. Findings from the research have produced data on the phenomenon as well as addressed the literature gap of limited study on the lack of integration of ECOWAS sub-regional economies. The purpose of the study was achieved through findings obtained from the 20 research participants associated with activities of intra-regional trade as customs officials, security service personnel, port officials, shippers, trade facilitators, representative of landlocked countries in Ghana, clearing agents, and drivers. Interview data from research participants was complemented with non-participant observation notes by the researcher as well as secondary data from official sources thus triangulating data sources to strengthen findings of this study. This chapter covers the research design, area of study, population of study and sample procedure, data collection instruments, data collection procedures, data processing and analysis, ethical considerations, and chapter summary.

#### **Research Design**

Merriam (2002) defined research design to include the aims of the research, research philosophy, the final selection of appropriate methodology, data collection techniques, the chosen method of data analysis and

interpretation and an elaboration on how this combination blend into literature. Research design is a plan, structure, and strategy of investigation that is employed to answer the research problem (Kumar, 2005). This qualitative exploratory research method made use of case study design in the choice of research participants (sample), data collection, and analysis.

Mouton (2001) stated that a case study approach is relevant to an organization that is departmentalized into smaller sub-entities such as cross border management agencies. The case study approach can also be used to investigate the dynamics of a single limited system that is typical of social nature which has a unique and idiosyncratic character (Mouton, 2001; Welman, Kruger & Mitchell, 2005). Qualitative exploratory research methodology was applied to elicit data from the 20 purposively selected research participants who shared their experiences on how their livelihoods have been influenced by illicit cross border trade along the Tema-Ouagadougou-Bamako corridor. This research study was conducted in Ghana, Burkina Faso, and Mali from June to August 2017. A case study design was most suited for this research because of the opportunity for in-depth analysis of particularly complex issues such as cross border illicit trade along the Tema-Ouagadougou-Bamako corridor, which requires closer analysis.

Stake (1995) defined case study research as a study which focuses on understanding the dynamics of the present within a single setting. Stake noted that in a case study, the researcher can probe deeply and simultaneously undertaking intensive analysis of the case study through asking a variety of questions geared towards developing a full understanding of the subject matter. A case study design was found to be more suited for this study because it

facilitated understanding of the complexity of the single core phenomenon of illicit cross border trade and how this impacts the socioeconomic fortunes of citizens along the Tema-Ouagadougou-Bamako Corridor.

Case studies are however not without weaknesses. Stake (1995) pointed out that the narrow focus on few units limit the representativeness which makes generalization to the entire population difficult. Stake affirmed that case studies are considered subjective because the investigator may be selective in interpreting the results, making conclusions as well as interpretations that may not be easily checked or verified. High ethical standards in data collection and analysis notably avoidance of researcher bias was observed that secured the integrity of the findings.

The lived experiences of research participants were analysed to explore their insights on the problem under investigation. For this reason, this qualitative exploratory case study design served the purpose of allowing research participants to share their experiences, thoughts and feelings (Yin, 2009). For the purpose of diverse opinions and views, different sources of data were used instead of reliance on only one data source - this is referred to as triangulation (Yin, 2009). The idea is that employing different data sources enhance the validity and reliability of the study. In case study which is often criticized by its non-transferability/generalizability to other context (Yin 2011), triangulation is essential. This qualitative exploratory case study used both primary and secondary data sources. Face-to-face digitally recorded interview data from the 20 purposively selected research participants was complemented with observation data by the research as a non-participant.

## **Study Area**

The Tema-Ouagadougou-Bamako corridor comprises of the Tema Port, Tema Oil Refinery, land frontiers between Ghana and Burkina Faso- that is Paga and Hamile in the Northern region of Ghana, and the land borders between Burkina Faso and Mali. The Ghana-Burkina Faso border stretches from Hamile to Bawku. The stretch is dotted with main points of entry and exit into Ghana: Hamile and Paga. These two points are manned by Customs, Immigration, Food and Drug Authority, and other security service officials. The study was conducted in Tema, Accra, Dakora (Ghana-Burkina Faso border), and Koury (Mali-Burkina Faso border). The study also explored the role of various border control agencies and their relationship with each other, and their collaborative efforts or otherwise which affect cross border illicit trade management. The economic and developmental impact of these illicit activities to the economies of the three designated countries along the Tema-Ouagadougou-Bamako corridor and the various options available to manage the phenomenon were the focus of investigation and analysis in this qualitative exploratory case study research.

## **Population**

A study's population is the aggregation of elements from which the sample is actually selected (Yin, 2009). For the current research, the researcher chose topic-specific experts in the field of study as participants –based on their specialised expertise and close involvement as state officials or private sector operatives whose daily occupation bring them closer to activities of illicit trade transactions along the Tema-Ouagadougou-Bamako corridor. The study population potentially included 20 participants from the customs services,

security services, civil, and public services - Government, private sectors, and landlocked countries' representatives in Ghana operating along the Tema-Ouagadougou-Bamako Corridor.

### **Sampling Procedure**

Sampling refers to the selection of a subset of persons or things from a larger population, also known as a sampling frame (Scott & Morrison, 2007), with the intention of representing the particular population (Neuman, 2011). A non-probability sampling procedure (Merriam, 2002) was used for the selection of knowledgeable and experienced research participants. A purposive sampling technique was used to select participants who have been exposed to illicit trade transactions along the Tema-Ouagadougou-Bamako corridor and who expressed their experiences in ways that elicited detailed understanding of the phenomenon for possible resolution through the findings of this study. The choice of sample participants depended on the discretion and judgment of the researcher in limiting the selection of subject participants to those who have been exposed to the phenomenon under investigation.

### **Data Collection Instruments**

Research instruments are methods and procedures that have been developed to help with the acquisition of data. Instruments for data collection provide the researcher with information on how to obtain necessary data from which results and conclusions shall be based. Primary data for this qualitative exploratory case study research was collected by the use of open-ended semi-structured interviews and observation instruments.

## **Interviews**

Interviews are one of the major forms of data collection for qualitative research (Patton, 1990). Interviews are recommended to ensure relevant phenomenon is addressed and to explore those things that we cannot directly observe such as feelings, thoughts, and intentions (Merriam, 2002). Primary data required for this qualitative exploratory case study research, was obtained through the use of audio recording equipment in conducting one-on-one digitally recorded interviews in respect of subject participants' experiences with illicit cross border trading activities along the designated research site of Tema-Ouagadougou-Bamako corridor. Subject participants were categorized into 5 groups of: 4 Customs (made up of 2 from Ghana, 1 from Burkina Faso, and 1 from Mali), 4 security services officials (made up of 1 Bureau of National Investigations -BNI, 1 National Security, 1 Ghana Police Service, and 1 Narcotics Control Board – NACOB), 4 Government Services officials (made up of 2 Ghana Ports and Harbours Authority, 1 National Petroleum Authority - NPA, and 1 Ghana Shippers Authority official), 4 representatives from landlocked countries to Ghana (made up of 1 Malian Bonded Warehouse in Ghana -EMAGHA, 2 Burkina Faso Chamber of Commerce and Industry, and 1 Burkina Faso Shippers' Council - CBC), and 4 respondents from the private sector (made up of 1 Ghana Network Community, 1 Borderless Alliance, 1 Clearing agent, and 1 truck driver).

The 20 research participants were required to answer 9 open-ended semi-structured interview questions that allowed for the collection of first-hand data on illicit cross border trading activities as these reflect participants' experiences (see Appendix A for Interview Questions). The researcher

administered the interviews at the convenience of participants and at conducive locations devoid of distractions and noise. The researcher-administered interview technique approach adopted for this research ensured higher response rate and completion of the research assignment in a timeous manner. The research budget was kept at the barest minimum because of the savings made in time allotted for data collection. Each participant spent an average of 30 minutes in addressing all the 9 interview questions proposed. Appendix B provides a 13-step interview protocol that details out the steps followed throughout data collection.

Interviews are significant sources of information for qualitative research (Patton, 1990). The one-on-one digitally conducted interviews allowed for better access to the thoughts and feelings of participants compared to other approaches, such as observation and questionnaires, which do not provide the same richness of data as interviews (Patton, 1990). The tutorials received prior to embarking on this dissertation assignment, ensured successful execution of the proposed research assignment. The digitally recorded interviews ensured availability of captured data that aided effective analysis and interpretation.

### **Observation**

Kumar (1999) defined observation as a purposeful, systematic, and selective way of watching and listening to an interaction or phenomena as it takes place. There are two types of observation: participant observation, and non-participant observation. Participant observation is when the researcher participates in the activities of a group being observed in the same manner as

its members, with or without their knowledge that they are being observed (Kumar, 1999).

Non-participant observation, on the other hand, is when the researcher does not get involved in the activities of the group but remains a passive observer, watching and listening to its activities drawing conclusions in the process (Kumar, 1999). The researcher made use of non-participant observation in this research that assessed the influence of illicit trade activities on the economies of designated countries along the Tema-Ouagadougou-Bamako Corridor. The non-participant observation method enabled the researcher to observe relevant activities as these unfold and thus enriched analysis and interpretation of interview data for this study. Merriam (2002) noted that observation eliminates respondents' bias as it bridges the gap between what people say they do and what they actually do. In this qualitative exploratory case study, observation technique of non-involvement in a phenomenon under investigation was applied to get a better appreciation of primary data that was simultaneously collected on illicit trade related activities along the Tema-Ouagadougou-Bamako corridor.

The major shortcoming of observation is that interpretation drawn from observation may vary from observer to observer in as much as there is a possibility of incomplete observation (Kumar, 1999). There is always a possibility of observer bias and there is no easy way to verify the observation and the inferences drawn from them. The researcher neutralised these challenges by making use of other data collection methods in addition to observation. Findings from observation (recorded in research field notes), was used to triangulate primary data to that was simultaneously collected from the

20 purposively selected participants engaged in this qualitative exploratory case study.

### **Pre-testing of Interview Questions**

A field test that involved three subject matter stakeholders who were required to validate the 9 interview questions was conducted. Selection of the subject matter experts was based on their experiences and in-depth knowledge of border illicit trade activities.

Oksenberg & Kalton (1991) asserted that pretesting of interview questions in qualitative studies ensures early resolution of challenges, such as comprehension problems, lack of common understanding of concepts used, and respondents' difficulty in mental processing of information.

A field test, based on interviewing a sample of three participants – 1 from customs, 1 from the private sector, and 1 from government, was conducted in Ghana in June 2017, to validate the interview questions as well as to confirm the reliability of the instruments used for data collection. Based on feedback received from the subject matter experts, some of the interview questions were adjusted for clarity. Data collected from these interviews were not included in the research data submitted.

### **Data Collection Procedures**

This qualitative exploratory case study made use of both interview and observation data collection instruments. Data for this work was collected through interviews of 20 purposively selected participants who expressed their opinions and experiences on how illicit trade activities along the Tema-Ouagadougou-Bamako corridor have influenced the economies of designated countries within the ECOWAS sub-region. Interview data was verified through

comparison with data obtained by non-participant observation. In his description of purposive sampling technique, Yin (2011) stipulated that this type of sampling technique has to do with the selection of units (which may be people, organizations, documents, departments etc.) which have direct reference to the research questions being asked. Yin (2011), asserted that in qualitative research, samples are chosen in a deliberate manner to achieve the goal of obtaining the most relevant and plentiful data to address the study topic.

Qualitative technique is usually applied to obtain in-depth information, concept or themes clarification to facilitate instrument design and in the conduct of field studies (Yin, 2011). This data collection technique enables access into the inner recesses of group life, organizational structure, bureaucratic processes as well as motivations for individual behaviour. In relation to this qualitative exploratory case study, application of the qualitative technique facilitated data collection from specific individuals drawn from key stakeholder categories associated with operations of cross border activities along the Tema-Ouagadougou-Bamako corridor.

In line with the objectives of this research assignment, the expectation was to secure relevant data from research participants which, upon transcription and processing, provided in-depth understanding of the phenomenon under investigation. Targeted stakeholder institutions (population) included, security experts/analysts, representatives from landlocked countries, Government agencies, the private sector, and Customs Excise and Preventive Services. Data obtained from the 20 research participants purposively selected from the stakeholder categories provided answers to the research questions as well as addressed the research objectives.

Permission was sought from the various organizations to allow their employees to participate in as well as make use of their premises for the interviews (Appendix C). The consent of participants was formally obtained to assure them of their anonymity as well as safety of their participation in the research project (Appendix D). Data collection was carried out in June to August 2017 in Tema, Accra, Dakora (Burkina Faso), and Koury (Mali).

## **Data Processing and Analysis**

### **Data Processing**

The process of data collection is not an end in itself. The culminating activities of qualitative inquiry involve data collection, analysis, interpretation, and presentation of findings (Patton 1990). Interview data were transcribed using Microsoft Word Application software. After transcription, the raw data now in the form of written statements captured in sentences and paragraphs, were sorted and analyzed and synthesized to derive meaning out of the huge information at hand. The material then obtained was categorized into specific themes relevant to the problem statement as these provide meaning to addressing the research questions. Emerging themes were sorted into categories that align with objectives underpinning this qualitative exploratory case study research. Organizing the data thematically was very important as it helped in avoiding unnecessary repetition since some answers overlapped. The themes were then presented using NVivo version 10, tables and graphs wherever it is applicable. Graphical techniques are more advantageous in that they convey and display findings clearly and in an easy to understand format. Wegner (2002) stated that there is much truth in the adage: a picture is worth a thousand words. Analysis of that data in this manner made the research more

complete as it sought to explore various avenues to address the research objectives.

### **Data Analysis**

Qualitative data was presented and analysed in the form of themes which emerged from the data collected. Analysis of data in this manner ensured that the research findings reflected the views, opinions, and experiences of the various categories represented by the 20 research participants. Graphical presentation in the form of figures and tables were used to display themes as these provide meaning to understanding the experiences of participants relative to the problem statement, and the objectives of the study.

### **Ethical Considerations**

Ethics in research is defined as norms for conduct that distinguish between practices that are acceptable and unacceptable. Resnik (2015) observed that norms promote aims of the research such as knowledge, truth, and avoidance of error. Additionally, ethical standards promote the values that are essential for collaborative work such as trust, accountability, mutual respect, and fairness. Ethical considerations in research also play a significant role in promoting moral and social values such as social responsibility, human rights, and compliance with law.

Detailed information about the purpose of this qualitative exploratory case study was given to research participants as reflected in the Informed Consent Form (Appendix D). Respondents were assured of their right to withdraw from the study at any point in time – before, during, or after the research, without penalty. No one was forced to participate in the interviews.

Participants were also not compelled to disclose information that would jeopardize their work after data had been collected. Participants' anonymity was respected throughout the study since no names was used. The dignity of all participants was respected.

Lincoln and Guba's (1985) evaluative criteria on trustworthiness of a study was applied to this study because the concept cross-border trade has been well developed and has been used widely previous chapters. Cuba's model identified credibility, transferability, dependability and confirmability as the four criteria applicable to the assessment of any qualitative research. The strategies applied in this study to ensure credibility include prolonged time past in the field of research before the collection of data. Prior to the field work, the researcher familiarized himself with the research environment of participating organisations through conducting preliminary visits and meetings. The strategies applied in the study to ensure transferability include the thick description of phenomenon and the gathering of data through the process of a fully digitally-recorded interview supported by field notes that was filled as they were answering the interviews the questions. To ensure dependability, the study included space triangulation which involves the collection of across-a variety of sites in Ghana, Burkina Faso and Mali on the phenomenon of cross-border illicit trade was conducted to ensure for cross-site consistency. Finally to ensure conformability, steps were taking to record interview data accurately via careful transcriptions of recorded interviews. The researcher prepared field notes that are rich with descriptions of what transpired in the field.

## **Chapter Summary**

This research faced some limitations in the course of data collection which included the short time available and the sensitivity surrounding the phenomenon under investigation. This sensitivity made some respondents reluctant to participate or to give valuable information towards achieving the objectives of the research. Also, access to research information on illicit trade activities was restricted and official reports were mostly kept by state officials. This was largely due to the nature of illicit trade activity and data from respondents was also difficult to be verified or substantiated. Information collected from the five groups of respondents, coupled with the researcher's personal observation, facilitated effective analysis of the data drawn on the themes that evolved and formulated conclusions based on such information. This Chapter discussed merits and demerits of the choice of a qualitative exploratory case study design in assessing the influence of cross border illicit trade activities on the economic development of the ECOWAS sub-region from the perspective of research participants. One-on-one digitally recorded interviews, complemented with observation notes, yielded relevant data that addressed the problem statement. Purposive sampling technique was applied in the choice of research participants and this ensured production of findings that reflected the experience and thinking of the larger population from which the sample was drawn.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

The purpose of this qualitative exploratory case study was to examine the impact of illicit trade on the economic growth and development of Ghana, Burkina Faso, and Mali from the perspectives of research participants who were expected to share personal experiences on how they have been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. Findings from this study established that the implementation of ECOWAS protocol on free movement of persons, goods and services along the Ghana- Burkina Faso, and Mali borders has been fraught with some challenges. The purpose of the study was achieved through the identification of implementation challenges facing the protocol.

This chapter presents analysis of findings from interview data on the impact of illicit trade on regional integration. The chapter focuses on application of findings from the study to address the research questions. The chapter is organized as follows: data collection, demographics of participants, findings from interview data, and chapter summary. The findings are organized under nine (9) themes that emerged from analysis of the qualitative interview data collected.

#### **Data Collection**

The data collection for this study involved the search for relevant information from literature and collection of interview data from 20 research participants. The participants for this study were categorized into five groups of: four Customs (made up of two from Ghana, one from Burkina Faso, and

one from Mali), four security services officials (made up of one Bureau of National Investigations –BNI personnel, one National Security personnel, one Ghana Police Service personnel, and one Narcotics Control Board –NACOB official, four Government Services officials (made up of two Ghana Ports and Harbours Authority officials, one National Petroleum Authority – NPA official, and one Ghana Shippers Authority) official, four representatives from landlocked countries to Ghana (made up of one Malian Bonded Warehouses in Ghana -EMAGHA, two Burkina Faso Chamber of Commerce and Industry official, and one Burkina Faso Shippers’ Council - CBC) official, and four respondents from the private sector (made up of one Ghana Network Community official, one Borderless Alliance official, one clearing agent, and one driver).

The data collected was transcribed for each of the respondents that were interviewed. The transcribed data was then fed into the NVIVO version 10 package. The responses to the questions were then coded. Commonly occurring themes for each question were grouped under defined nodes. The results of this study were achieved through the analysis of emergent themes.

### **Demographics of Participants**

Twenty respondents were interviewed via digitally recorded interviews. Participants’ consent was individually obtained. The participants were categorized into: customs services, security agencies, government officials, representative from landlocked countries, and the private sector. Research participants were therefore grouped into five categories. Table 1 illustrates the demographic data of participants which includes participants’ gender and country representation.

Table 1: Demographic Data of Participants by gender

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
<b>N=20</b>		
Male	14	70
Female	6	30

Source: Fieldwork (2018)

Table 1 shows the gender distribution of participants and revealed more males: 14 (70 percent) than females: 6 (30 percent) participated in this study.

Table 2: Demographic Data of Participants by Country representation

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
<b>N=20</b>		
Ghana	12	60
Mali	4	20
Burkina Faso	4	20

Source: Fieldwork (2018)

Table 2 showed that majority of research participants 60 percent (12) were representatives from Ghana and 20 percent (4) each was respectively represented by Mali and Burkina Faso participants. Research participants interviewed in this study represented a broad section of the population involved in cross border trade activities. Perspectives and views provided through the semi-structured open-ended interview questions resulted in themes that reflected the impact of cross border illicit trade activities on the integration agenda of ECOWAS.

### **Findings from interview data**

This section presents the summary of nodes and themes that emerged from interview data which are presented based on the objectives of this study. Nine themes were generated from the nine interview questions. Responses to the research questions were then coded at the nodes created for each node.

## Summary of nodes and themes

The NVIVO version 10 qualitative research software was used to analyze data collected from participants through coding of responses under defined themes. This study was guided by the following three research questions that were developed from the objectives of the study:

- 1 Why are the much-touted benefits of regional economic integration for the economies of Ghana, Burkina Faso, and Mali not being realized as envisioned in ECOWAS protocol on free movement of goods and persons?
- 2 Why is it that in spite of the existence of several security checkpoints along the highways of the designated countries, illicit trade activities still persist?
- 3 What factors perpetuate cross border illicit trade along the Tema-Ouagadougou-Bamako corridor?

The results of the study are presented under nine identified themes in Table 3. Themes 1 through 9 addressed research question one. Theme 1 addressed how the ECOWAS protocol on free movement of persons, goods and services will facilitate intra-regional trade. Theme 2 revealed operational challenges faced by traders. Theme 3 related to the role of common initiatives among countries in curbing cross-border illicit trade activities. Theme 4 showed the types of cross border illicit trade activities existing along the Tema, Ouagadougou, and Bamako corridor while theme 5 exposed the reasons of traders' engagement in illicit trade activities and their modus operandi. Theme 6 addressed the security implication of illicit trade activities on a country and its citizens while theme 7 revealed strategies proffered by research

participants to deal with illicit trade activities along the designated borders. Theme 8 showed the role of civil society and the private sector in addressing illicit trade activities while the last theme; theme 9, addressed how to reconcile border control with free movements of goods and persons in order to promote economic growth.

Research question 2 was addressed by themes 2 and 3 while themes 4 and 5 addressed research question 3. In addition, themes 6, 7, 8 and 9 addressed research question 3 of this study. From participants' interview responses, a list of key words was generated for all interview questions (see tables 4 and 5). The most frequently used words by participants are goods ( $f=151$ ), followed by countries ( $f=116$ ) and trade ( $f=104$ ). Other words used between 20 and 30 times by respondents include fake ( $f=29$ ), sharing ( $f=29$ ), security ( $f=28$ ), communication ( $f=27$ ) and education ( $f=27$ ).

Table 3: Summary of Themes from Interview Data

Themes number	Description of themes
Theme 1	Free Movement of goods and persons has facilitated intra-regional trade.
Theme 2	Although there is free movement of persons, goods and services, traders face challenges
Theme 3	Countries with common initiatives and policies are able to deal efficiently with illicit trade activities
Theme 4	Smuggling and under-declaration are major illicit trading activities along the Tema, Ouagadougou and Bamako corridor
Theme 5	Various modus operandi have been used by illicit traders
Theme 6	Illicit trade activities affect security of citizens and countries
Theme 7	The reason for traders' engagement in cross border illicit trade is for personal benefits

Theme 8 Civil society and private sector operatives, have roles to play in addressing illicit trade activities.

Theme 9 A greater cooperation and coordination among countries in controlling intra-regional trade could help promote economic growth.

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Source: Fieldwork (2018)

Table 4: Word frequency: Words used between 30 and 160 times

Word	Count	Weighted Percentage (%)
Goods	151	2.99
Countries	116	2.47
Trade	104	2.31
Government	91	1.48
Border	83	1.99
Illicit	72	1.64
Agencies	53	0.90
Customs	50	1.20
System	45	0.75
Civil	44	0.72
Traders	42	1.01
Products	42	0.87
Cross	41	0.91
Movement	39	0.63
Control	39	0.35
Deal	37	0.40
Officers	37	0.35
ECOWAS	34	0.81
Lack	34	0.60
Information	33	0.77
Officials	33	0.63
Declaration	32	0.52
Place	32	0.33
Road	30	0.72

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Source: Fieldwork (2018)

Table 5: Word frequency: Words used between 20 and 30 times

Word	Count	Weighted Percentage (%)
Fake	29	0.68
Sharing	29	0.53
Security	28	0.37
Communication	27	0.49
Education	27	0.29
Smuggling	26	0.62
Organization	26	0.18
Delays	25	0.42
Check	25	0.19
Challenges	24	0.57
Activities	24	0.49
Cargo	24	0.33
Document	23	0.54
Profit	23	0.33
Business	23	0.23
Transit	22	0.46
Society	22	0.44
Initiatives	22	0.33
Fight	22	0.22
Engaged	22	0.16
Petroleum	21	0.50
Money	21	0.38
Effective	21	0.18
People	20	0.48
Destination	20	0.39
Develop	20	0.18

Source: Fieldwork (2018)

### **Theme 1: Free Movement of goods and persons facilitate trade**

In addressing the first objective which seeks to find out why despite the existence of several security checkpoints along the highways of the designated countries, illicit trade activities still persist. The key theme that emerged from this is “free movement”. The primary purpose of establishing the ECOWAS, more than three decades ago, was to integrate West African markets for goods, capital, and labor, to advance in the search for sustained economic growth. The West African market and the integration of national economies were key for the survival of member states as stipulated in both the 1975 treaty and the revised treaty of 1993.

Trade plays an important role in most sub-Saharan countries especially among Ghana, Burkina Faso, and Mali. In assessing the benefits of trade facilitation in ECOWAS, majority twelve (60%) of respondents confirmed that there is free movement of persons, goods and services within the ECOWAS sub-region (*Figure 1*). The common word (expression) in the interviews of respondents was “free movement”. For example, this was the response from the fourth respondent (RS 4) when the question “what have been the benefits of trade facilitation within ECOWAS”: *“It helps the easy movement of goods and services from one country to another; it also strengthens movement of people”*.

This finding reinforces the importance attached to the free movement of persons, goods, and services across national boundaries within the ECOWAS sub-region. Free movement of persons, goods, and services is one of the fundamental areas ECOWAS has paid greater attention to as part of its integration agenda. The ECOWAS Protocol provides for free movement of

citizens and the right to live, settle and to do business in any part of its territory. This is predicated on the basis that migration aids development.

Intra-regional trade and economic benefits were respectively indicated by six (30 %) of respondents while two (10%) indicated enhanced diplomatic relations and increased competitiveness as benefits of trade facilitation within ECOWAS respectively. Findings from this study are confirmed by the primary focus of ECOWAS which aims at the development of the sub-region to be fostered through intra-regional trade. Furthermore, (Adepoju, 2002) asserts in his article “Fostering Free Movement of Persons in West Africa: Achievements, Constraints and Prospects for Intra-Regional Migration” that migration in West Africa has been a response to poverty, depressed economies and socio-political crisis. The writer further asserts that the coming into force of the ECOWAS protocol on free movement has enhanced integration among community citizens.

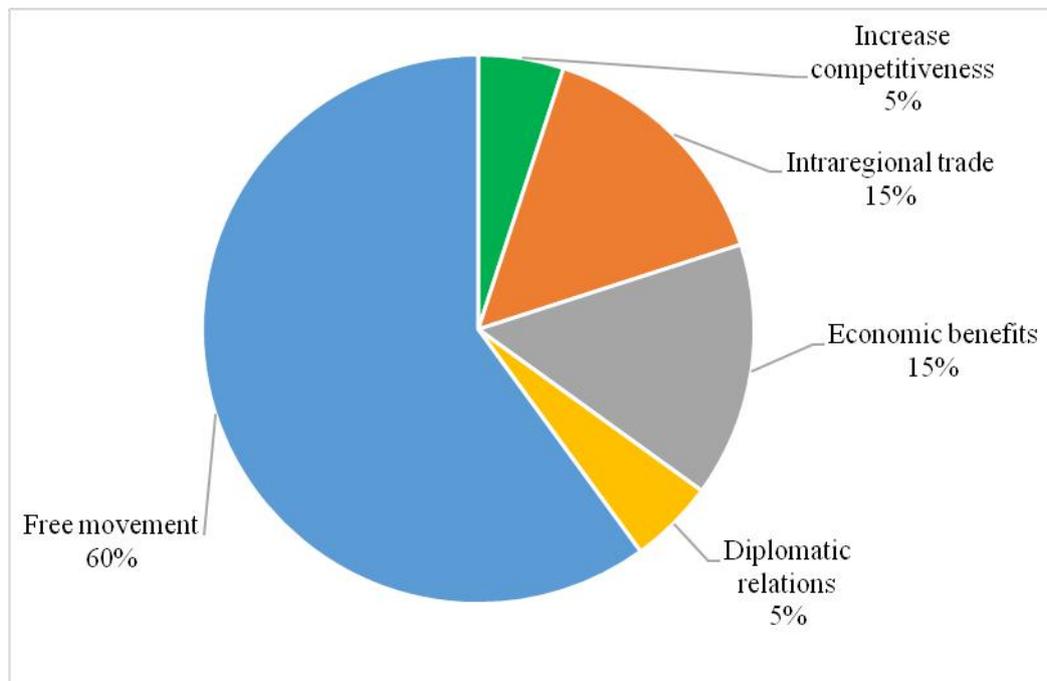


Figure 1: Benefits of trade facilitation within ECOWAS

**Theme 2: Although there is free movement of persons, goods and services, traders face challenges**

The second objective sought to identify the factors that perpetuate cross border illicit trade along the Tema-Ouagadougou-Bamako corridor. There are some challenges in the implementation of the free movement protocol to fully achieve the political, social and economic impact that they were meant to have. Some of the challenges identified in this study include; language barrier, delays, harassment or extortion, bad roads, conservation tendency, lack of uniformity at borders, no storage warehouses, different currencies used by countries, different customs systems, many barriers or checkpoints and lack of international vehicle registration document (*Figure 2*).

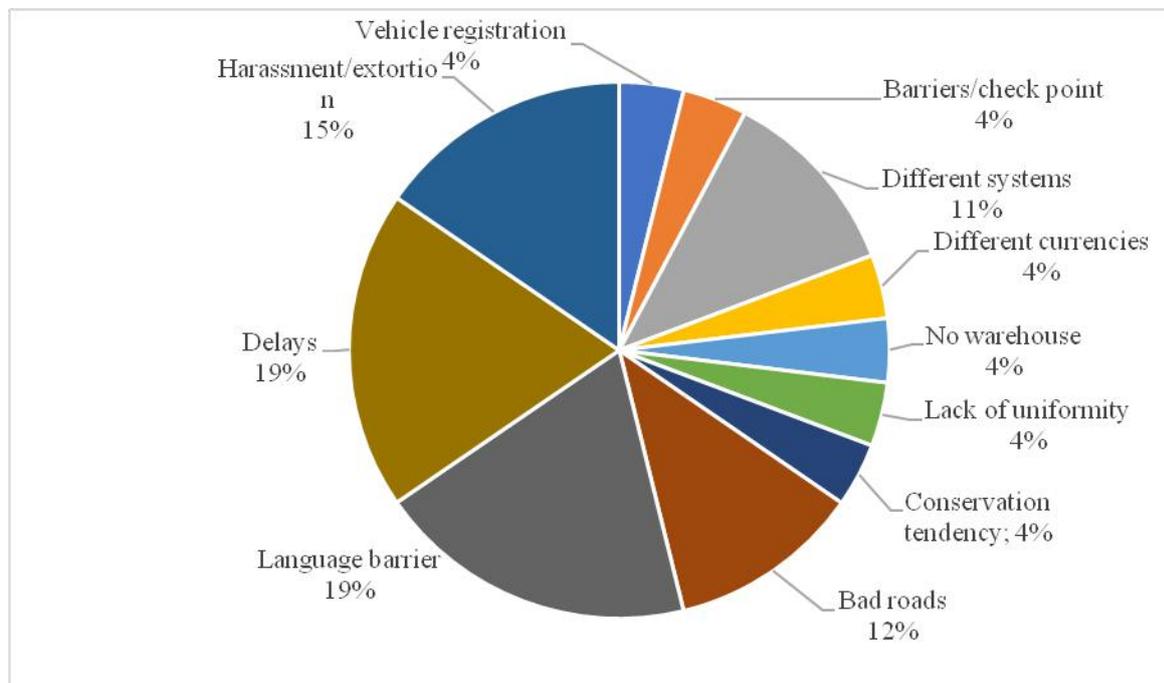


Figure 2: Operational challenges

***Language Barrier***

Out of the listed challenges, majority of respondents indicated language barrier, delays and harassment/extortion as major challenges to ensuring the

operational effectiveness of the protocol on free movement of persons, goods and services within the ECOWAS sub-region. This finding confirms studies by (Robson, 1968). According to Robson, there are cultural differences between Francophone and Anglophone states and this was found to be the main challenge to regional integration in West Africa. Communication is very vital for interaction amongst people for them to accomplish any task. In this regard, it is very important for officers at the borders to be able to interact fluently with commuters. Commuters who ply the borders are also expected to be able to communicate with officials at the borders. The differences in language between Ghana, Mali, and Burkina Faso are a serious setback to the implementation of the free movement protocol at the borders.

Francophone countries share a common French heritage in their legal and administrative systems. In addition, they have maintained the common currency inherited at the time of independence, which is the CFA (Robson, 1968). Both Burkina Faso and Mali share the CFA franc as currency and French as their official language. However, Ghana is an Anglophone country with English as its administrative language and the Cedi as its currency. Therefore, the challenges that exist between Ghanaian traders and their Burkinabe and Malian counterparts are significant.

### ***Delays***

Delay is another difficulty identified by respondents as a major challenge to ensuring the operational effectiveness of the protocol on free movement of persons, goods and services within the ECOWAS sub-region. Delays as indicated by respondents in this study confirm the findings of (Hansen and Annovazzi-Jakab, 2008). In their study for UNCTAD they found

that lack of infrastructure which can easily lead to congestion at inspection facilities at any border; at ports; a lack of staff; and non-harmonized working hours that are not necessarily business friendly, can result in unforeseen delays and add additional handling or storage charges.

### ***Harassment or extortion***

Harassment or extortion is another challenge faced by traders at the borders of Ghana, Burkina Faso, and Mali. Agyei & Clottey (2007) cited various reasons that hinder the protocol of free movement of persons, goods and services. Some of these reasons include harassment or extortion at the various borders and checkpoints. This challenge identified by Agyei & Clottey gives an indication that the intended objectives of the protocol have not been met or that the Protocol is facing some challenges.

### **Theme 3: Countries with common initiatives and policies can deal efficiently with cross-border illicit trade activities**

Addressing illicit trade requires coordination between multiple actors. No single country or authority at the national or international level can solve the issues associated with illicit trade alone. The lack of awareness on the part of commuters and some officers has had a negative effect on the way the protocol of free movement of persons, goods and services has been implemented at the borders considering that people had to wait for long hours to get clearance to cross the border.

Findings from this study reveals that lack of awareness makes citizens susceptible to challenges such as harassment and extortion at border posts in their attempt to cross into other states within the sub-region. The high level of illiteracy in the ECOWAS region accounts for the inability of citizens of

member states to fully acquaint themselves with the requirements of the protocol. Out of the 20 persons interviewed during the research work, twelve (60%) were aware of common initiatives and policies that existed between Ghana, Burkina Faso, and Mali whiles eight (40%) were not aware (*Figure 3*). For example, this was the response of RS 3 (a Government Service official):

I don't know any common initiatives apart from the establishment of representatives from Mali and Burkina Faso at Ghana ports, but the exchange of information on goods transaction is not formal and Ghana ports do not receive any feedback from them whether the goods have reached its destination or not, this is problematic. (RS 3, July, 2017).

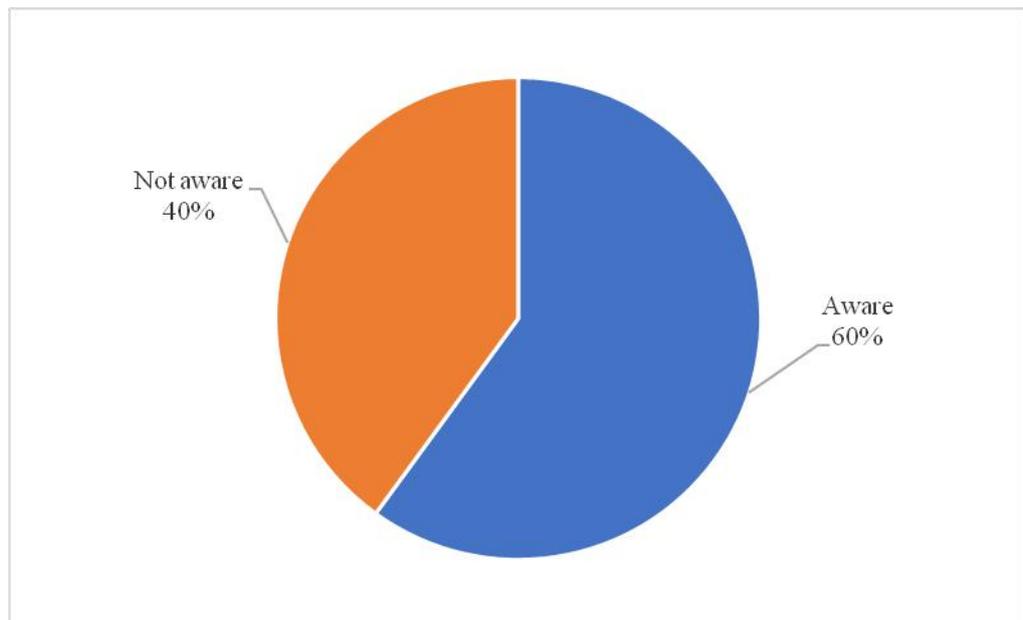


Figure 3: Awareness of common initiatives and policies between Ghana, Burkina Faso and Mali.

**Theme 4: Smuggling and under-declaration are major illicit trade activities along the Tema, Ouagadougou and Bamako corridor**

The types of cross border illicit trade activities found along the Tema-Ouagadougou-Bamako corridor include smuggling, human trafficking, under-declaration of goods, and illicit payments (*Figure 4*).

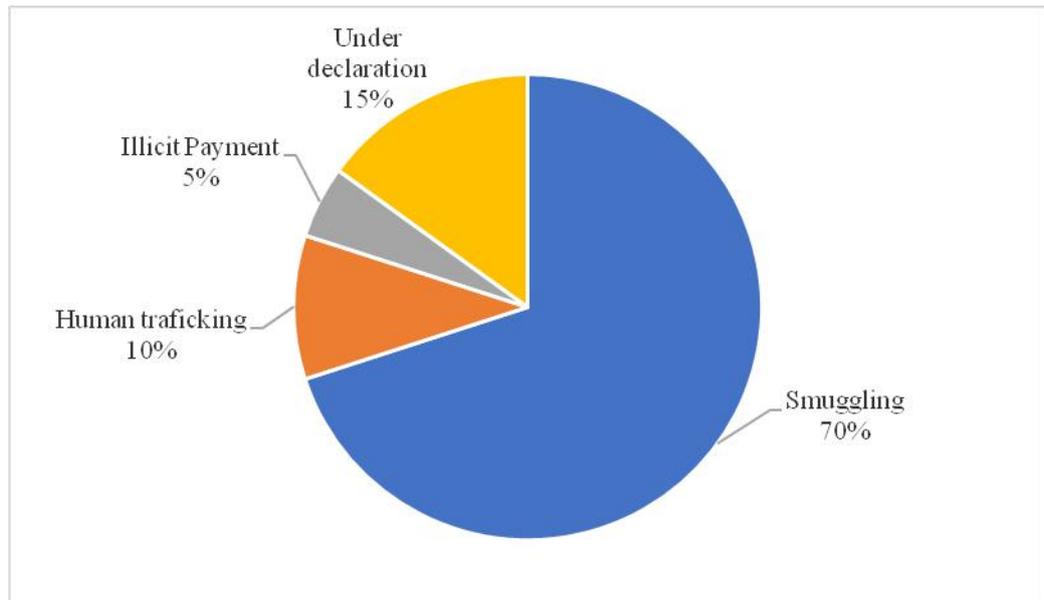


Figure 4: Types of cross border illicit trade on the Tema-Ouagadougou-Bamako corridor.

***Smuggling***

Smuggling was identified by fourteen (70%) of respondents as the most illicit trade on the Tema-Ouagadougou-Bamako corridor. Petroleum products were identified as the most smuggled or diverted product among these countries. Addo (2006) asserted that smuggling severely harms the economy of a country in multi-dimensional ways. Addo identified smuggling as major global phenomenon for manufacturers of many goods, including computers, electrical goods, cars, watches, wines, and spirits, mobile phones, toys, perfumes, even soaps, and detergents. In addition, finding by (Aluko,

2012) shows that trans-border crimes and arms smuggling in the West African sub-region has in recent times been identified as a fundamental problem that requires concerted efforts by individuals, groups, organizations, and governments to solve.

### ***Under-declaration of goods***

Another type of cross border illicit trade activity identified is the under declaration of goods at the borders. This was identified by three (15%) of respondents. This is an example given by RS15 (a landlocked country representative) and RS17 (a Security Service officer) respectively on the types of illicit trade:

False declarations of goods in nature and quantity, and diversion of food stuff like oil, rice, milk, etc. (RS17, July, 2017).

Multiple consignments: two or more consignments are loaded in a cargo at the ports and after crossing Ghana border only one consignment is presented to customs in Burkina Faso or Mali.

Diversion of goods: high value goods (petroleum product, car) are cleared in Ghana for transit to Burkina Faso or Mali and then are resold in Ghana. (RS17, July, 2017).

### **Theme 5: Various modus operandi have been used by illicit traders**

The channels or methods used for illicit trading in various sectors are made possible by many loopholes. *Figure 5* shows the various operating methods employed by illicit traders. This include a combination of the use of fake documents, corrupt officials, diversion or smuggling of goods, porous borders, unapproved roads, under declaration, multiple transaction with a single document, use of unapproved roads, pretence to offer jobs to customs

officials, and the use of fake vehicle number plates (*Figure 5*). Fake documents or fake invoices were dominant among the modus operandi used by illicit traders. For example, RS1 (a security service officer) indicated that some illicit traders use people’s addresses in trading and when they are on the road, fake documents are used.

In addition, the presence of corrupt officials also facilitates illicit trade activities at the various borders of Ghana, Burkina Faso, and Mali. Another method used by illicit traders is the under-declaration of goods at the various borders. Illicit traders use this approach to avoid the payment of the true value of charges on their goods. This implies a reduction in the revenue that will be generated for countries if the true value of the products is under-declared at the borders. Furthermore, the use of unapproved roads or porous borders accounted for quite a number of illicit trade activities along the Tema-Ouagadougou-Bamako corridor.

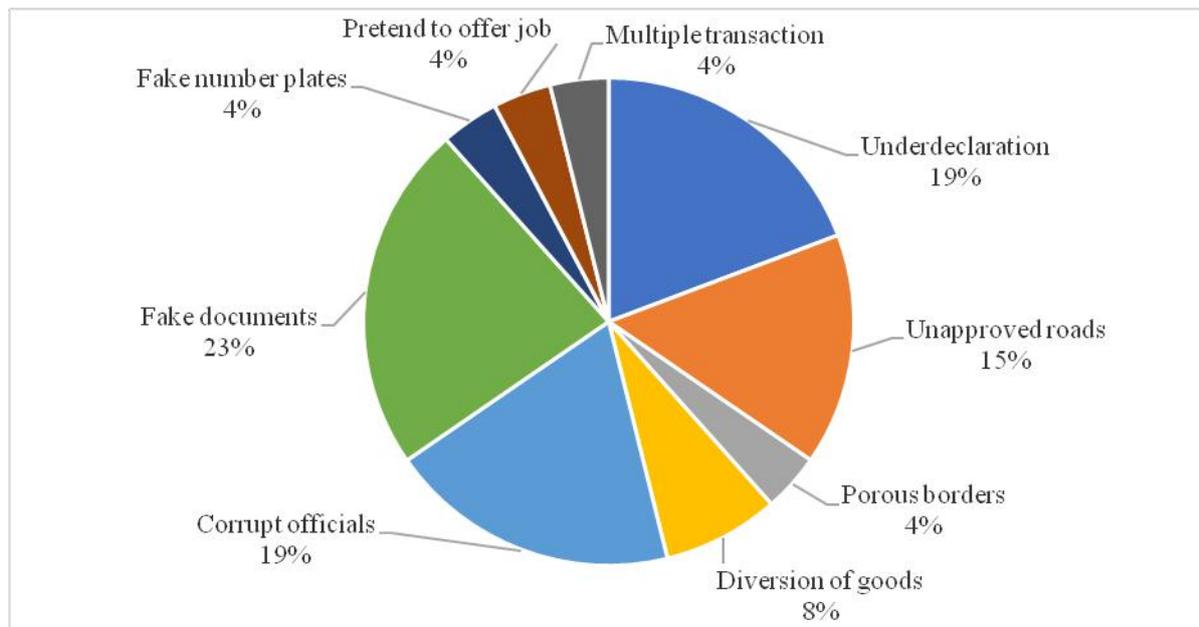


Figure 5: Modus operandi or methods used by the illicit traders

## **Theme 6: Illicit trade activities affect security of citizens and countries**

Despite the existence of several security check points along the highways of the designated countries, illicit trade activities persist. The following were identified to pose security threat for countries and citizens; revenue leakages, unemployment, smuggling, lack of trust in relationship among countries, health of consumers, conflict, corruption, terrorist attacks, and contraband goods. Findings from this study reveals a significant number six (31%) indicated that revenue leakages are rampant and pose a security threat to the sub-region. From the government perspective, illicit trade reduces tax revenues since the true value of the goods will not be quantified. The International Monetary Fund [IMF] (2005) estimated trade tax revenue lose for low and middle-income countries to be between one-quarter and one-third of total tax revenue. Tax avoidance and/or evasion are leakages from the national income of both developed and developing economies. From industry perspective, illicit trade steals market share and damages brand image of genuine producers.

The effect of illicit financial flows on the economy is also significant as pointed out by (O'Hare et. al, 2014), who acknowledged that illicit financial flows have social consequences, including reduced expenditure on health, education, and infrastructure. They define illicit financial flows as the unrecorded movement of capital out of the country in contravention of regulations. Consumers' health was identified by five (23%) of respondents as a security concern. For example, counterfeit pharmaceutical products have led to drug resistance, treatment failures, and deaths, and have eroded public confidence in health care systems. There is another group of consumers who

are very much aware of the existence of counterfeit products yet patronize them willingly, in the belief that counterfeits are less expensive. For consumers, the main risk is health related problems due to the consumption of illicit products, which might not adhere to the same safety standards as regulated products in formal markets. Popular examples of illicit products that pose a risk to consumers are expired and counterfeited pharmaceutical products, counterfeited, and refilled alcoholic beverages etc.

Unemployment was also identified to be a security problem because of illicit trade activities. Employment is put at risk where there is no effective deterrence against the counterfeiting and piracy of products. This was emphasized by RS18 (a Malian customs officer) who indicated that “illicit trade can destroy the economy and create more unemployment in the country. This can lead to social upheaval and develop criminality in the sub-region”.

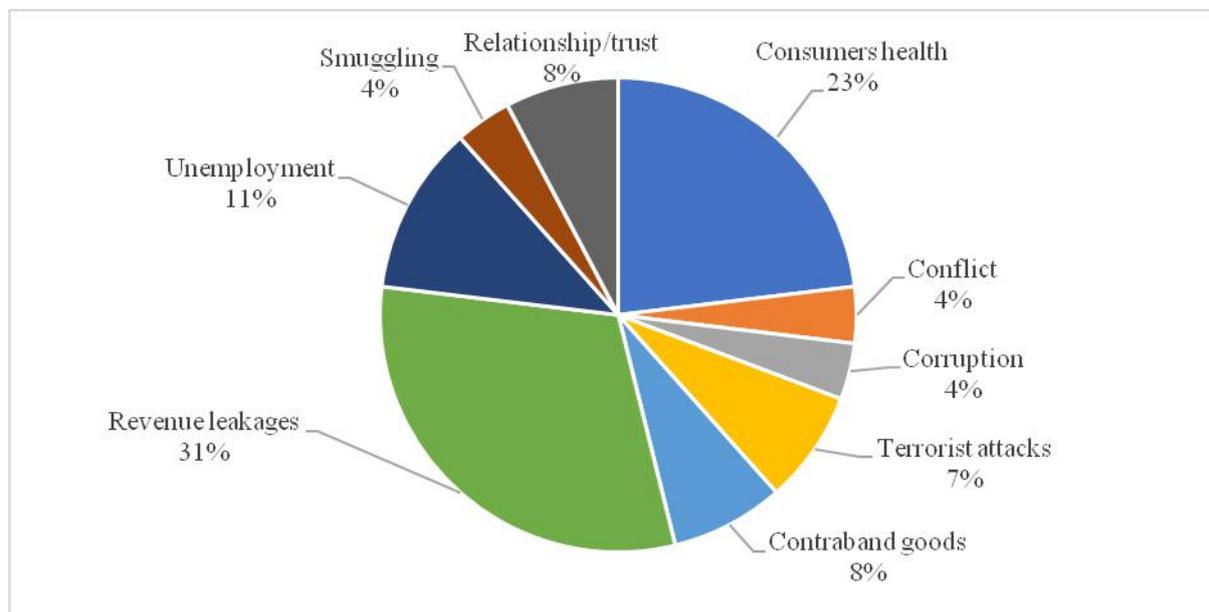


Figure 6: Security implication of illicit trade activities for countries and their citizens

**Theme 7: The reason for traders' engagement in cross border illicit trade is for personal benefits**

The following are identified as the main reasons for traders engaging in illicit trade activities; profit maximization, lack of information sharing, lack of communication among governments and stakeholders, lack of joint border facilities or lack of common infrastructure, harassment, heavy taxes, presence of corrupt officials, links with politicians, and time reduction at the borders (*Figure 7*). Out of the identified reasons, eight (43%) respondents indicated that profit maximization is the main reason why traders engage in cross border illicit trade. Everybody wants money, so traders want to maximize profit because there is no standard price among ECOWAS member states. Lack of information sharing and lack of communication among governments, stakeholders, and traders encourage traders to engage in illicit trade. Countries do not have effective measures to share timely information on goods being transited from one country to another. Information sharing and communication help to build trust among border officials and traders across the three countries. This was mentioned by RS9 (a Government service official).

Harassment from cross border officials can push some traders to dodge the payment of approved tariffs by using unapproved routes or entry points. The presence of corrupt officials at the borders encourages more illicit trade activities. Traders engage in fraud and smuggling activities because they find customs, tax collectors and security officers who want to fill their pockets with dirty money. The high cost of trade, taxes and duties that are adopted at the borders, account for reasons why people prefer to engage in illicit trade activities.

Lack of common facilities or infrastructure at the borders also encourages illicit trade activities. For example, if the borders do not have the same infrastructure to conduct joint inspection of goods, differences may result during inspections which may cause the delay of traders reaching their destination. To reduce the time spent at the borders traders would like to engage in illicit activities to save on time. Traders would not want to pay approved taxes because they have connections with some politicians who will use their influence to help them transact business without proper documentation. The following are the responses provided by RS8 and RS19 (private sector operators) respectively.

Nobody enjoys paying tax so they will try to avoid paying tax, they want to maximize profits. Another reason is the prohibition of certain product in some countries so illicit traders may bring those products to satisfy human desire in order to gain money from it. Some people think that they are above the law because of their close relationship with politicians so they will bring anything just for a personal ego. (RS8, July, 2017).

They don't want to pay tax because they have connections with some politicians who use their influence to help them load without proper documentations. (RS19, July, 2017).

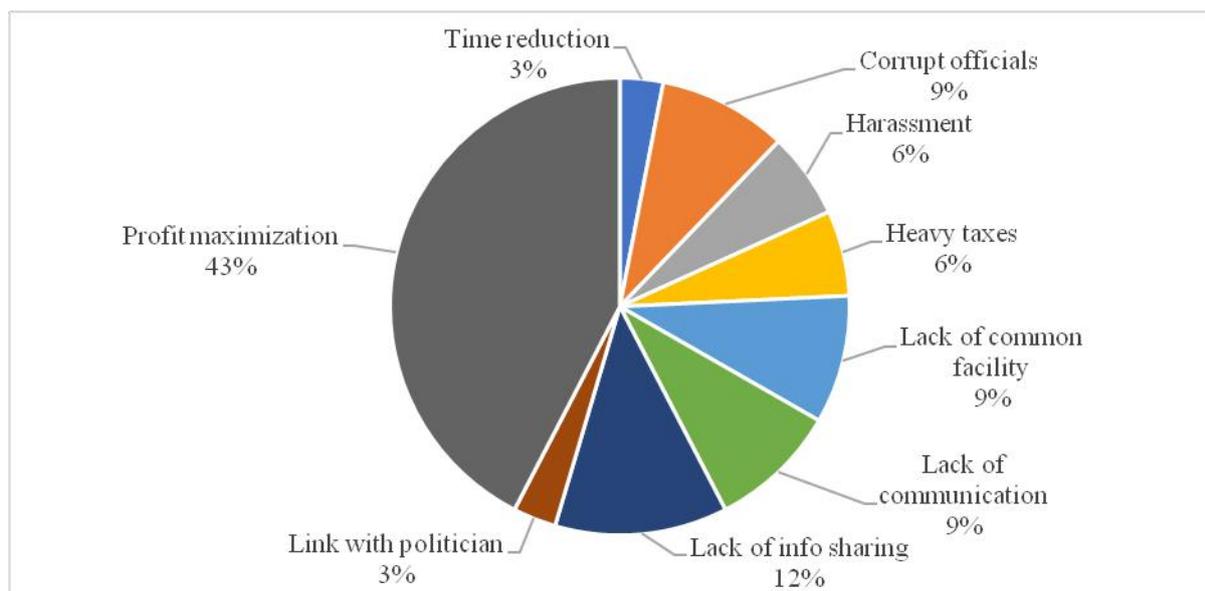


Figure 7: Reasons for traders' engagement in cross border illicit trade

**Theme 8: Civil society and private sector operators have roles to play in addressing illicit trade activities**

The roles of the civil society, government and the private sector are diverse. This includes educating trading communities and citizens, sensitizing officials, providing information centres, dialoguing, punishing, training and supplying logistics to help curb the illicit trade activities at the borders of Tema-Ouagadougou-Bamako corridors. The activities of civil society groups and the private sector could enhance measures adopted by governments in combating illicit trade activities. Provision of education was recommended by ten respondents (50%) to be pursued by civil society groups, the private sector, and governments in addressing cross-border illicit trading activities. Educating officials at the borders and people about the ECOWAS protocol will ease the difficulties encountered in the implementation process. This is because people will be well versed in the requirements of the Protocol and will therefore go through the formalities at the border without any problems or difficulties.

Countries in the sub-region faced economic challenges after attainment of independence. In addition, countries were also faced with infrastructural deficits and weak economies. As a result, there was the need to put in measures to tackle the challenges confronting them. Integration enables states to share the cost of putting up certain infrastructure such as information centres for the benefit of all states within their jurisdiction. Some of these projects are very expensive and will be difficult for a single entity to bear the full cost alone. Cost sharing becomes the option available for funding huge infrastructural projects. In addition, two (9%) of respondents indicated that civil society groups and the private sector should be encouraged to help the government in taking measures to punish traders and officials found indulging in illicit trade activities. Dialogue was recommended by two (9%) of respondents for civil society groups, the private sector and governments of Ghana, Burkina and Mali to collaborate to address cross-border illicit trading activities.

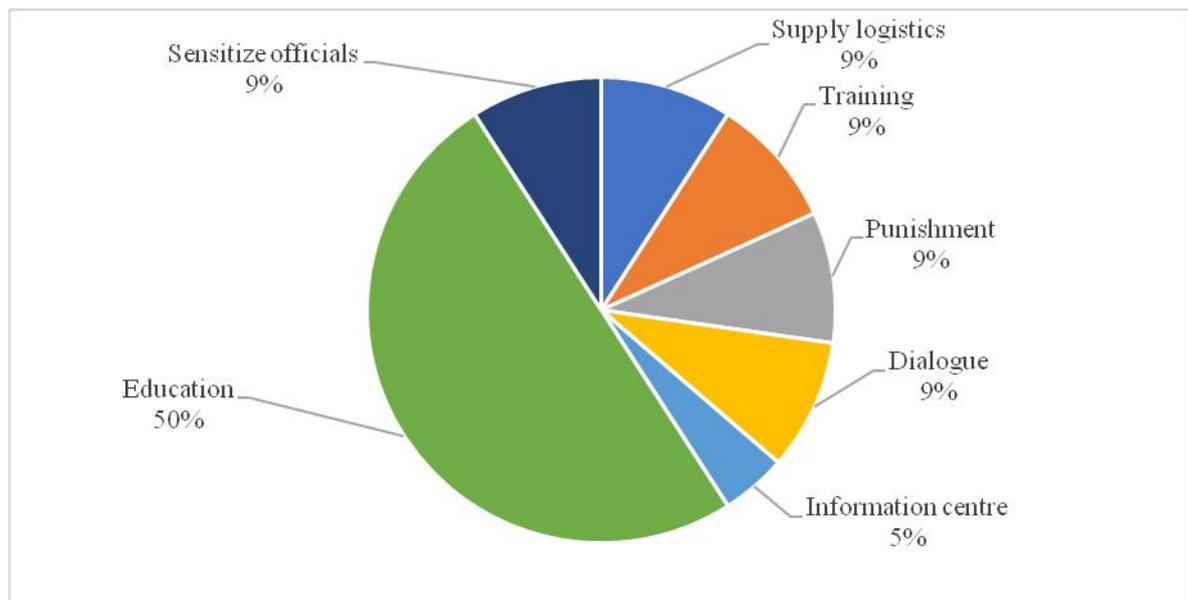


Figure 8: Collaborative role of civil society, private sector and governments

**Theme 9: A greater cooperation and coordination among countries in controlling intra-regional trade could help in promoting economic growth**

To reconcile border control and intra-regional trade to promote economic growth in West Africa, the following were recommended by respondents; joint control, common infrastructure, information sharing, punishment, education, reduction in customs barriers, efficient documentation, reinforcement of ECOWAS protocol, avoidance officials who are traders, training of officials, and reduction in the language barrier at the borders (Figure 9).

***Information sharing***

A significant number of respondents, seven representing 34% indicated that information sharing will help to reconcile border control and intra-regional trade to promote economic growth. Data sharing between countries when goods are coming from one country to the other could for example fast track the process of validation of customs clearance procedures thereby assist in reducing delays at the borders.

***Joint controls***

Joint controls involve cooperation and coordination of activities between countries. Customs from different countries in joint control could do all physical checks together through deploying common infrastructure across all borders. Five (5) respondents representing 27% of the sample interviewed proposed joint controls at borders by officials from designated neighboring countries. This operation, involving border management agencies from designated countries and from other entry countries, will make the customs clearance process and procedures fast and smooth thereby easing congestion at

the borders. It will also reinforce trust between countries and solve the language barrier challenge among Anglophone and Francophone.

***Education, Training and Infrastructure***

In addition, trading partners must be identified so that training or education can be offered in zones. Commonly used infrastructure at the borders which involves the use of paper work should be better equipped to electronic devices to accommodate many more persons who transit through the border, especially at late hours when the borders might be closed. Two (2) respondents (3%) propose a common law across countries that will punish persons involved in illicit trading activities through concerted efforts by the three designated countries.

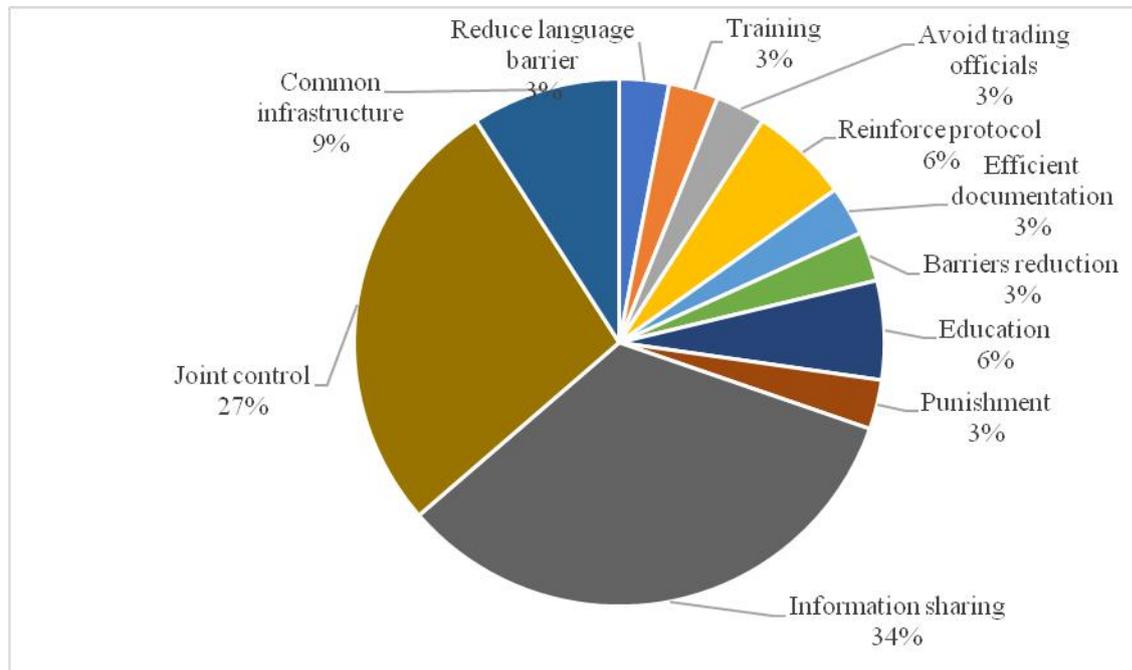


Figure 9: Reconciliation of border controls and intra-regional trade

**Chapter Summary**

Chapter four presented the findings of the influence of illicit trade on regional integration between Tema, Ouagadougou and Bamako. The primary

focus of ECOWAS is on the development of the sub-region to be fostered through intra-regional trade. However, though there are many security checkpoints along the Tema-Ouagadougou-Bamako corridor that restricts the free movement of goods and services in the sub-region, there are still illicit trade activities. The findings show that illicit trade activities are motivated by profit maximization in trade. Challenges identified in this study include; language barrier, delays, harassment or extortion, bad roads, conservation tendency, lack of uniformity at borders, lack of storage warehouses, different currencies used by countries, different customs systems, and many barriers or checkpoints. The major influence associated with illicit trade on regional integration was identified to be revenue leakage being suffered by governments of the designated countries.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

The purpose of this qualitative exploratory case study was to examine how illicit trade activities influence the economic growth and development of Ghana, Burkina Faso, and Mali from the perspectives of research participants who were expected to share personal experiences on how they have been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. To achieve the purpose of the study, the following research questions were used and provided guidance to the study:

- 1 Why are the much touted benefits of regional economic integration for the economies of Ghana, Burkina Faso, and Mali not being realized as envisioned in ECOWAS protocol on free movement of goods and persons?
- 2 Why is it that in spite of the existence of several security checkpoints along the highways of the designated countries, illicit trade activities still persist?
- 3 What factors perpetuate cross border illicit trade along the Tema-Ouagadougou-Bamako corridor?

In order to probe these research questions, the study adopted the theoretical framework of the neo-functional theories of Hass (1964) with focus on the concept of spillover effect. The collaborative nature of this theory to promote economic growth is the main reason for its choice for this qualitative exploratory case study involving three West African countries – Ghana, Burkina Faso, and Mali. This theory was relevant to the analysis because it

facilitates appreciation of how and why in spite of the many years of implementation of the ECOWAS protocol on free movement, intra-regional trade is not getting a significant place in the economic growth of member states.

The nature of the study is qualitative exploratory. In order to effectively address the research questions, a case study design was found to be more suited for this study because it facilitated understanding of the complexity of the single phenomenon of illicit cross border trade and how this influences the socioeconomic fortunes of citizens along the Tema-Ouagadougou-Bamako Corridor. Data were obtained within three months from 20 participants in Ghana, Burkina Faso, and Mali. Each of the twenty research participants was asked nine (9) semi-structured open-ended interview questions. Answers provided on transcription, resulted in nodes and themes which upon analysis, produced rich, thick, qualitative data that addressed the research questions. The NVIVO version 10 software package was used for data analysis. This chapter presents the summary of findings, discussion of findings and conclusions. Recommendations on how to address the various challenges that emerged from the findings of the study are also presented.

### **Summary of Findings**

Findings from this qualitative exploratory case study has established that the protocol on the free movement of persons, goods and services along the Ghana, Burkina Faso and Mali borders has not been achieved due to implementation challenges. This is because the various stakeholders in the implementation of the protocol have some challenges to overcome. Profit maximization, greed, bureaucracy, lack of information sharing among agencies

and countries, political interference, use of different currencies in the three countries, and reduction of time spent at the borders were some of the significant implementation challenges identified by research participants. Research question one was addressed through this finding.

In addressing research question three on factors that perpetuate cross border illicit trade along the designated corridor, research participants identified language barrier, delays, harassment or extortion, bad roads, conservation tendency, lack of uniformity at borders, lack of storage warehouses, different currencies used by countries, different customs systems, and existence of many barriers or checkpoints, as causal factors. It is also pertinent to note that customs and immigration officers who are supposed to implement the protocol are faced with a lot of challenges. These challenges are multifaceted and range from the lack of logistics to the lack of personnel as well as the existence of unapproved routes. The unapproved routes along the Ghana, Burkina Faso, and Mali borders make it difficult for both customs and immigration officers to effectively patrol these routes.

Majority of respondents were aware of common initiatives and policies being implemented between Ghana, Burkina and Mali. Types of cross border illicit trade found on the Tema-Ouagadougou-Bamako corridors include smuggling, human trafficking, under declaration of goods, and illicit payments. As a result of illicit trade, unemployment, smuggling, relationship and trust, consumers' health, conflict, corruption, terrorist attacks, and contraband goods were identified as challenges to regional integration.

Methods used by illicit traders include a combination of fake documents or invoices, bribing of corrupt officials, smuggling or diversion of goods, use

of porous borders or unapproved roads, under declaration, multiple transaction with a single document, make-believe to offer jobs to customs officials, and use of fake vehicle number plates. To ensure that traders and officials at the borders do not engage in illicit trade, civil society organisations, the private sector, and government, have roles to play. These roles participants suggested might include mounting of educational campaigns, sensitization of officials on the harmful effects of illicit trade on national economies, provision of information centres, engagement in dialogues with stakeholders, enforcement of rules and regulations, training and provision of logistics to border officials etc.

Research participants in assessing the extent to which illicit trade activities affect the economies of designated countries stated that the phenomenon does not only impact direct revenue losses but also indirect loss in opportunities for expansion of entire economies. This finding addressed research question 3 and reflects significant losses in direct incomes, jobs, and limited delivery of social goods and infrastructure by governments. Joint controls within common infrastructure zones, information sharing, application of sanctions, education, reduction in the number of customs check points, and barriers, were measures that research participants propose to curb illicit trade activities along the designated ECOWAS trade corridor.

### **Conclusions from Interview Data**

Policymakers worldwide have pointed out the positive impact that international trade has on economic recovery and sustainable growth (UNCTAD, 2003). To this end, effective customs administration is integral to economic growth (WCO, 2012). In this regard customs need to identify and

understand the key international, regional, and national strategic drivers, the nature of illicit trade, and ways in which such trade is conducted.

### ***Free movement***

Full implementation of the free movement protocol along the Tema-Ouagadougou-Bamako corridor is set to facilitate attainment of the objective of intra-regional trade within the ECOWAS sub-region. Findings from this study have shown that, the free flow of goods and services has the potential to enhance the socioeconomic wellbeing of citizens within the ECOWAS sub-region. The objective of the Protocol was to ease problems that people encountered in their quest to move into other countries within the sub-region. There is, however, evidence that attitudes, institutional weakness, language barrier, lack of awareness of the protocol, are the major contributors to the slow movement of persons, goods and services as well as the challenges to the implementation of the protocol as was experienced at the borders of Ghana, Burkina Faso, and Mali.

### ***Profit Maximization and Information Sharing***

Illicit trade activities persist because of greed and the quest by many business operators to illegally maximize profit along the designated corridor. Lack of information sharing among countries (Ghana, Burkina Faso, and Mali), as confirmed by research participants, also encourages illicit trade. Information sharing and communication among governments, stakeholder agencies, the private sector, and traders, have not been effective hence perpetrating the phenomenon of illicit trade along the designated corridor.

### ***Harassment and Infrastructure***

Challenges to the implementation that has been revealed at the borders of these three countries have not enhanced the expectations that were supposed to be derived from the protocol. Harassment of traders or persons at the borders also encourages illicit trade activities. The challenges to the implementation of the Protocol are invariably affecting the intended benefits that are supposed to be derived from the Protocol on free movement of persons, goods, and services at the border.

### ***Language barrier and Delays***

Language barrier and delays at the borders, as experienced by research participants, are factors that encourage illicit trade activities along the designated corridor. The differences in security checks at the designated borders by officials of Ghana, Burkina Faso, and Mali tend to create problems for both officers and commuters at the border hence promote illicit activities. Joint control by customs officer from different countries through deploying common infrastructure across all borders was suggested by six participants (27%) as solution.

In summary, the study revealed that the activities of illicit traders have implications on a country in terms of revenue leakages, unemployment, creating developing mistrust between neighboring countries, affecting citizens' health, criminality, corruption, and developing black market. Illicit trade activities also have an effect on individuals as well. Illicit products pose more serious risk to the health of consumers. When illicit trade activities result in health challenge, or increase in the scale of organized crime, tax fraud and so forth, governments or authorities tend to pay more attention to the problem.

Nevertheless, actions are required in all instances, regardless of the magnitude of the problem, because ultimately, the negative effects of illicit trade significantly outweigh the positive ones, producing a negative net impact on society. The overall opinion regarding the study is that these obstacles posed by illicit trade are to be addressed in a multiple agencies approach within the regional economic integration.

### **Recommendations**

Based on the findings and conclusions of the study, the following recommendations are made:

1. Institutions responsible for implementing the ECOWAS protocol on free movement of persons, goods, and services namely customs, intelligence, and security services should be well resourced and equipped with well trained staff and logistics to enable them carry out their mandate. Public enforcement agencies should continue to pursue formal and informal partnerships, not only among state agencies but also with relevant private sector organizations especially in areas relevant to cross-border activities such as traders' union, transport operators, and drivers' union, maritime lines, importers/exporters, and shippers' council, to name just a few. Additionally, multi-agency and multi-disciplinary task force approaches could be considered to deal with illicit cross-border trading activities.
2. Border management agencies should consider recruiting French/English-speaking officers and post them to the various borders to enhance communication with commuters at the border. This will greatly enhance efficiency and reduce the time spent at the border. It

will also reduce the unnecessary suspicion between officers and commuters at the border.

3. Policy, law enforcement, and regulatory agencies must explore approaches that place greater emphasis on prevention. A preventative approach is central to other recommended approaches, including multi-agency partnerships, and strategic research and planning. A greater implication and open co-operation from landlocked countries overseas representative will play a key preventive role.
4. There should be conscious national policies in the various ECOWAS countries aimed at educating people on the protocol on free movement of persons, goods and services. Educating people might ease the difficulties encountered in the implementation process. This is because people will be well versed in the requirements of the Protocol and will therefore go through the formalities at the border without experiencing the current challenges. The education process should be included in the curricula of schools from basic to tertiary levels.
5. Ghana, Burkina Faso, and Mali should exchange information on analysed statistics of the general trends in risks that confront border security officials. Enhance cooperation between customs and related stakeholders, including law enforcement agencies, might facilitate effective execution of the mandate of state officials to fend off activities of illicit traders. Harmonisation of procedures and automation on all sides of the borders in the three countries should be carried out so that customs data and intelligence on cargo is shared by Ghana, Burkina Faso, and Mali. Such collaboration might facilitate and

encourage the concept of pre-clearance so that trucks carrying less risky consignments do not spend too much time held up at the borders. The quality and quantity of operating infrastructure at the ports should also be considered to improve revenue collection as well as the promotion of cross border trade. An integrated customs system should be adopted by Ghana, Burkina Faso, and Mali to ensure effective information sharing on the profile of goods leaving the ports of Ghana. This might help to reduce the activities of informal operators who are making money at the expense of states. The level of smuggling might also be reduced as a result with consequent improvement in the revenue generating capacity of governments. In addition, representatives of Burkina Faso, and Mali in Ghana should provide feedback on goods consigned to agencies in Ghana to reinforce trust between these counties in doing business.

6. Public awareness will enable the implementing agencies to overcome current challenges that hinder their work. Local means of disseminating information (public education) at border towns of the three countries should be adopted to explain the intent and practical application of the protocol to stakeholders. Customs, immigration officers, drivers, commuters, and border communities should be invited from time to time to educate the public on what is required of them under the protocol. Expected increased awareness of the protocol will reduce or eliminate the challenges confronting the implementation of the protocol and thereby reduce illicit trade activities.

7. Periodic engagements through seminars and workshops geared towards equipping officers with stipulations of the protocol on the free movement of persons, goods, and services is advocated to reduce implementation challenges experienced by research participants. Such engagements should be designed to incorporate programmes aimed at sensitizing local institutions and agencies at the borders on the protocol on free movement. More communication and information sharing among governments and the trading community should be regular to help solve challenges that arise at the borders during transactions. These programmes should be organized under the direction of the ECOWAS commission.
8. Combating transnational illicit activities demands a coordinated effort among a number of different agencies at international level, both within and outside of the criminal justice sector (World Bank, 2011). Among ECOWAS member states, there must be decisive efforts to promote greater cooperation and coordination among enforcement and intelligence agencies that transcend domestic and international jurisdictions. This includes partnerships between government enforcement agencies, revenue and tax agencies, national security or foreign intelligence agencies, economic and commercial fraud units, police, customs and excise, enforcement, regulatory and government policy bodies, and private sector corporations and associations.

### **Suggestions for Future Research**

The focus of this qualitative exploratory case study was limited to investigating the broader problem of illicit cross-border trade in legal goods,

which escape the regulatory framework, such as avoidance of payment of certain taxes and other statutory fees between Ghana, Burkina Faso, and Mali. Findings from the opinions of 20 participants from 5 categories of stakeholders associated with cross-border activities confirmed the negative impact of cross-border illicit trade activities on intra-regional trade and thus, the economic growth in West Africa. This research study is not exhaustive and thus it recommends further research on illicit trade activities within the entire ECOWAS sub-region. A full quantitative study is particularly required in order to shed light on the quantity of revenue leakages and also to illuminate the impact of customs union through an integrated information system.

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## **APPENDIX A**

### **Interview Protocol**

The proposed qualitative exploratory case study into assessment of illicit trade activities on the integration agenda of the ECOWAS sub-region is in partial fulfillment of the requirements for the award of a Master of Arts Degree in International Relations and Development by Nyansapo College, Accra (under affiliation arrangement with University of Cape Coast), Cape Coast.

The following protocol and interview questions will guide the preparatory process of data collection through to application of semi-structured open-ended interview questions:

1. Ensure certainty of access to research site and participants.
2. Obtain permission to access the proposed research site and participants.
3. Pre-test interview protocol to validate interview questions and recording equipment.
4. Revise/adjust interview questions where necessary.
5. Schedule appointments for the main interview.
6. Prepare and ensure availability of interview tools of audio tape recorder, interview protocol checklist, and note pad.
7. Get to the interview site early enough to avoid being late for scheduled time for the interview.
8. Observe courtesies and protocols of greeting participants including introduction of yourself and purpose for the interview.
9. Show approved formal consent for data collection and for the use of premises to authorities at the research site.
10. Get interviews underway by first starting the digital recorder and then begin from the first question down to the last. Take notes as the interview progress to cross-check key issues raised.
11. To ensure accuracy, summarize main themes to participants and obtain their concurrence.

12. Stop the digital recorder after taking any questions from participants after going through all interview questions.
13. Thank the participant and leave the interview site.

## APPENDIX B

### Interview Questions

**Date:**

**Time:**

**Place:**

**Participant Code:**

**Position of Participant:**

1. What have been the benefits of trade facilitation within ECOWAS?
2. What have been operational challenges faced by traders since the implementation of the protocol on free movement of goods and services within ECOWAS? And how do these challenges affect intra-regional trade?
3. Are there common initiatives and policies in place between Ghana, Burkina Faso and Mali to effectively deal with cross border illicit trade activities on legal goods? If any what are the challenges they have encountered?
4. What types of cross border illicit trade on legal goods can we find along the Tema-Ouagadougou-Bamako Corridor? And what is the modus operandi of illicit traders?
5. What may be the reasons for traders' engagement in cross border illicit trade?
6. What are some of the security implications of illicit trade activities for the countries and its citizens?
7. What strategies can be put in place by states agencies to fight cross border illicit trade?
8. What role can Civil Society Organizations and private sector operatives play in addressing cross border illicit trade?

9. What can be done to reconcile border control and intra-regional trade in order to promote economic growth in West Africa?

Thank you for your cooperation

## **French Translation of Interview Questions**

**Date:**

**Heure:**

**Place:**

**Code du Participant:**

1. Quels ont été les bénéfices de la facilitation des échanges commerciaux dans l'espace CEDEAO?
2. Quelles sont les difficultés opérationnelles liées à la mise en œuvre du protocole de la libre circulation des personnes et des biens dans l'espace CEDEAO? Et comment affectent-elles le commerce intra-régional?
3. Existe-t-il des initiatives ou politique commune entre le Ghana, le Burkina Faso et le Mali de lutter contre le commerce illicite? Si oui, quelles sont les difficultés liées à leurs fonctionnalités?
4. Quels sont les types d'activité de commerce illicite transfrontalier existant sur le corridor Tema-Ouagadougou-Bamako?
5. Quels sont les modes opératoires ou méthodes utilisés par les opérateurs du commerce illicite?
6. Quels peuvent être les raisons qui motivent l'engagement des commerçants dans les activités de commerce illicite?
7. Quelles sont les conséquences ou implications des activités du commerce illicite sur la sécurité nationale et la sécurité des citoyens?
8. Quel rôle peut jouer les organisations de la société civile et les opérateurs du secteur privé pour lutter efficacement contre le commerce illicite transfrontalier?

9. Que peut-on faire pour réconcilier le contrôle des frontières avec la libre circulation des personnes et des biens afin de promouvoir la croissance économique et le bien-être des populations des pays de l'Afrique de l'Ouest?

Merci de votre coopération

## APPENDIX C

### Letter of Introduction

Ghana Shippers' Authority  
Accra  
June 15, 2017

Dear Sir,

Request for use of premises - Introduction of Mr. Abdoulaye Coulibaly.

I write to formally introduce to you the above named Mentee/student of Nyansapo College. In partial fulfillment of the Requirements for the Degree Master of Arts in International Relations and Development (MAIRD), Mr. Coulibaly proposes to conduct a study into the Impact of illicit trade on regional integration: a case study of Tema-Ouagadougou-Bamako Corridor, and would appreciate your support in granting him permission and access to the designated research site.

The purpose of this qualitative exploratory case study is to examine how illicit trade affects the economic growth and development of Ghana, Burkina Faso, and Mali from the perspectives of research participants who are expected to share personal experiences on how they have been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. State officials and private sector stakeholders from Customs Services –Ghana, Burkina Faso and Mali, Ghana Ports and Harbours Authority (GPHA), National Petroleum Authority (NPA), National Security, Bureau of National Investigations (BNI), Ghana Shippers' Authority (GSA), Ghana Community Network (GCNet), Borderless Alliance, Chambre de Commerce et d'Industrie du Burkina Faso (CCI-BF), Conseil Burkinabé des Chargeurs (CBC), Entrepôts Maliens au Ghana (EMAGHA), clearing agents, and drivers from the three designated countries will be surveyed through one-on-one digitally recorded interviews to provide their personal perspectives on the problem statement. Subjects' confidentiality shall be assured (please see Appendix B). Proposed interview questions are attached as Appendix A.

Grateful to have your approval for Mr. Abdoulaye Coulibaly to conduct the proposed research results of which shall contribute new knowledge to the world of academia as well as enhance strategies to curb illicit trade along the Tema-Ouagadougou-Bamako corridor by signing the enclosed/attached permissions form.

Counting on your cooperation.

Yours sincerely,

**Alexander K Archine**  
/s/ Dr. Alexander Kwame Archine

Mentor (Dissertation Chair)  
Nyansapo College  
Email: dean@nyansapocollege.edu.gh  
Alternative Email: kwamepaintsil@gmail.com  
Cell Phone: 0277869765

## APPENDIX D

### Informed Consent Form

#### **Title of Study**

Impact of illicit Trade on Regional Integration: case study of Tema-Ouagadougou-Bamako Corridor

#### **Researcher**

My name is Abdoulaye Coulibaly and I am a student of Nyansapo College (affiliated to University of Cape Coast) working on a Master of Arts in International Relations and Development.

Phone: +233577497833

Email: abdcoul@yahoo.fr

#### **Purpose of Study**

You are being asked to take part in a scientific research study. Before you decide to participate in this study, it is important that you understand why the research is being done and what it will involve. Please read the following information carefully. Please ask the researcher if there is anything that is not clear or if you need more information.

The purpose of this qualitative exploratory case study is to examine how illicit trade affects the economic growth and development of Ghana, Burkina Faso, and Mali from the perspectives of research participants who are expected to share personal experiences on how they have been affected by illicit trade along the Tema-Ouagadougou-Bamako corridor. State officials and private sector stakeholders from Customs Services –Ghana, Burkina Faso and Mali, Ghana Ports and Harbours Authority (GPHA), National Petroleum Authority (NPA), National Security, Bureau of National Investigations (BNI), Ghana Shippers' Authority (GSA), Ghana Community Network (GCNet), Borderless Alliance, Chambre de Commerce et d'Industrie du Burkina Faso (CCI-BF), Conseil Burkinabé des Chargeurs (CBC), Entrepôts Maliens au Ghana (EMAGHA), clearing agents, and drivers from the three designated countries will be surveyed through one-on-one digitally recorded interviews to provide their personal perspectives on the problem statement.

#### **Confidentiality**

Your responses to this interview will be anonymous. Every effort will be made to preserve your identity and confidentiality of the information you will be providing through the following measures:

- Alpha numeric code numbers shall be used in place of participants names

- Notes, interview transcriptions, and code numbers identifying participant information will be kept in a file cabinet in the personal possession of the researcher and shall not be made available to third parties beyond authorised officials of Nyansapo College.

### **Contact Information**

If you have questions at any time about this study, or you experience adverse effects as a result of participating in this study, you may contact the researcher whose contact information is provided on the first page. If you have questions regarding your rights as a research participant, or if problems arise which you do not feel you can discuss with the researcher, please contact the College Dean on telephone number 0277869765.

### **Voluntary Participation**

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be marked “withdrawn” and not be made part of the data for analysis and inclusion in the final report.

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### **Consent**

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

Participant's signature \_\_\_\_\_ Date \_\_\_\_\_

Researcher's signature \_\_\_\_\_ Date \_\_\_\_\_