THE IMPORTANCE OF THE BALI WORLD TRADE ORGANISATION (WTO) MINISTERIAL CONFERENCE ON THE ECONOMIC DEVELOPMENT OF AFRICAN COUNTRIES. A CASE STUDY OF ZIMBABWE.

BY

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CONTENT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Dedications</td>
<td>iv</td>
</tr>
<tr>
<td>Acronyms and Abbreviations</td>
<td>v</td>
</tr>
<tr>
<td>Abstract</td>
<td>vi</td>
</tr>
</tbody>
</table>

**CHAPTER 1: INTRODUCTION**

1.0 Introduction                                      1
1.1 Background of the Problem                         1
1.2 Statement of the Problem                          3
1.3 Hypothesis                                        4
1.4 Objectives                                        4
1.5 Study Questions                                   4
1.6 Justification of the Study                        5
1.7 Limitations                                       6
1.8 Delimitations                                    7
1.9 Dissertation Structure                            7
1.10 Conclusion                                       7

**CHAPTER 2: THEORETICAL FRAMEWORK AND LITERATURE REVIEW**

2.0 Theoretical Framework                             9
2.1 Literature Review                                 11
2.2 Trade Facilitation and Technology                 12
2.3 Aid-for Trade Flows in Trade facilitation Table   17
2.4 Agriculture                                       18
2.5 Development                                       21
2.6 Table of Countries that Grant Duty-Free Quota Free Preferences 23
2.7 Conclusion                                        25

**CHAPTER 3: METHODOLOGY**

3.0 Introduction                                      26
3.1 Research Design                                   26
3.2 Study Area                                        26
3.3 Targeted Population                               27
3.4 Sampling                                          27
3.5 Methods of Data Collection                        27
3.6 Documentary Search                                28
3.7 Key Informant Interviews                          28
3.8 Data collection Schedule Table                    29
3.9 Self- Administered Questionnaires                 29
3.10 Email-Administered Questionnaires                30
3.11 Data Analysis and Presentation                   30
3.12 Thematic Analysis                                30
3.13 Content analysis                                 30
3.14 Descriptive Analysis                             31
3.15 Conclusion

CHAPTER 4: MAJOR FINDINGS AND DATA ANALYSIS

4.0 Introduction

4.1 Response Frequency Table

4.2 Pie-Chart – Importance of the Bali Package

4.3 Delegation to the Bali Ministerial Conference

4.4 Ratification of the Bali Package by December 2015

4.5 WTO Bali Package and Zimbabwean Economic and Trade Policies

4.6 Importance of Trade Facilitation to the Zimbabwean Economy

4.7 Response Frequency Table

4.8 Graph- Importance of Trade Facilitation

4.9 Zimbabwean Trade Trends Table

4.10 How Can TF Contribute to Reaching Development Goals

4.11 Image of Vehicles waiting to be cleared at Beit-Bridge Border-Post

4.12 Image of the State of Roads in some Highways

4.13 Implementation Measures Since 2013

4.14 Effects of the Bali package to other Sectors outside the Range of Producers

4.15 Pie chart- Benefits of the Bali Package to all sectors

4.16 Implications for Non-Ratification

4.17 Image of Dilapidated Industries in Bulawayo

4.18 Conclusion

CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.0 Conclusion

5.1 Recommendations

5.2 Implications for Further Study

BIBLIOGRAPHY

APPENDICES
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DEDICATIONS

This dissertation is dedicated to my mother, Sikhanyisiwe Moyo and my siblings. Thank you for your support!!
<table>
<thead>
<tr>
<th>ACRONOMYS AND ABBREVIATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMS</td>
</tr>
<tr>
<td>ACP</td>
</tr>
<tr>
<td>AGOA</td>
</tr>
<tr>
<td>CSOs</td>
</tr>
<tr>
<td>COMESA</td>
</tr>
<tr>
<td>DDA</td>
</tr>
<tr>
<td>DFQF</td>
</tr>
<tr>
<td>DRC</td>
</tr>
<tr>
<td>DIFID</td>
</tr>
<tr>
<td>EBA</td>
</tr>
<tr>
<td>ECOWAS</td>
</tr>
<tr>
<td>EPAs</td>
</tr>
<tr>
<td>EU</td>
</tr>
<tr>
<td>FDIs</td>
</tr>
<tr>
<td>FOCAC</td>
</tr>
<tr>
<td>GATT</td>
</tr>
<tr>
<td>GDP</td>
</tr>
<tr>
<td>GPA</td>
</tr>
<tr>
<td>IBRD</td>
</tr>
<tr>
<td>ICTs</td>
</tr>
<tr>
<td>IDC</td>
</tr>
<tr>
<td>IGOs</td>
</tr>
<tr>
<td>IMF</td>
</tr>
<tr>
<td>I-TIP</td>
</tr>
</tbody>
</table>
ITA  Information Technology Agreement
LDCs  Least Developed Countries
NGOs  Non-Governmental Organisations
NAMA  Non-Agriculture Market Access
OECD  Organisation for Economic Cooperation and Development
PPP  Public Private Partnership
RoO  Rules of Origin
SA  South Africa
SADC  Southern African development Committee
SACU  Southern African Customs Union
SMEs  Small and Medium Enterprises
SPSS  Statistics Package for Social Sciences
TISA  Trade in Services Agreement
TRIPS  Trade Related Intellectual and Property Services
UN  United Nations
UNCTAD  United Nations Conference on Trade and Development
UNESCAP  United Nations Economic and Social Commission for Asia and Pacific
USA  United States of America
USD  United States Dollar
UZ  University of Zimbabwe
WTO  World Trade Organisation
ZIA  Zimbabwe Investment Authority
ZIMASSET  Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMRA  Zimbabwe Revenue Authority
ZNCC  Zimbabwe National Chamber of Commerce
ABSTRACT

World Trade Organisation Ministerial conferences provide a platform for member states to discuss issues that affect international trade. Since the inception of WTO up to date nine ministerial conferences have been conducted. Out of eight of these Ministerial conferences the Bali Ministerial conference which was held in Indonesia from the 3rd to the 6th of December 2013, has been hailed as the most successful initiative due to the ability of member states to reach a consensus during the negotiations. The Bali initiative covers four key issues that affect international trade mainly Trade facilitation, Technology, Agriculture and Development issues. These areas also known as the Bali issues have been applauded by most scholars as key to economic development and smooth flow of trade. Scholars such as Bendini (2013) predicted an estimate of four trillion US Dollars’ worth of export gains if initiatives like TF would be implemented and reduction of cost of trade in developing countries by 13 to 15 percent. However there has been another crop of analysts who argue that the Bali package serves more the interest of the developed countries as compared to the Developing and the least developed countries. According to these scholars Bali initiatives such as TF will strengthen the economic hegemony of the rich countries as it will further open markets for their products whilst enlarging the begging bowels for the least developed countries. These arguments have been presented in detail in chapter two of this research. Given this background this dissertation sought to examine the relevance of the Bali package to the economic development of African counties with special reference to Zimbabwe. The study also aimed at scrutinising the implications for ratification and non-ratification of the deal to the least developed countries like Zimbabwe. A cost and benefit analysis that is associated with the implementation of the deal was done as well as identification of various stakeholders that are affected by the package. Through the use of both qualitative and quantitative methods of data collection in-depth information about the importance of the Bali package on the economic development of Zimbabwe was collected. The researcher employed various research methods that entail key informant interviews with relevant ministries and organisations, documentary search, e-mail and self- administered interviews to increase validity of the findings. These findings would be presented in detail in chapter four. As it is going to be noted in the presentation below, most respondents identified various defects that are associated with the implementation of the Bali package. However, there was a general consensus from the findings that emerged that it is impossible for Developing countries such as Zimbabwe to insulate their economies from the effects of the Bali package. The researcher also gathered that, whether Zimbabwe ratifies the Bali initiative or not, the country will be affected equally by international economic shocks that will emanate from the implementation of the Bali package due to rapid globalisation. As a result the study also provides for relevant recommendations that could contribute to the economic development of Zimbabwe as well as minimising the vulnerability of Zimbabwean economy from the effects of the package particularly TF. It is believed that this will revive the country’s position as an active player in international trade.
CHAPTER 1: INTRODUCTION

1.0 INTRODUCTION

This dissertation is about examining the importance of the Bali WTO ministerial conference on the economic development of African countries with special reference to Zimbabwe. This chapter presents the background of the study, statement of the problem, objectives and research questions, hypothesis, justification of the study, limitations as well as delimitations.

1.1 BACKGROUND OF THE PROBLEM

The ministerial conference is the top decision making body of the World trade organisation (WTO). Bendini (2013:6) stipulates that these ministerial conferences provide a platform for member states to discuss problematic issues that affect international trade and global economy. Since 1996 to 2013 nine ministerial conferences have been conducted.

The inaugural conference was held in Singapore on the 9th to the 13th of December 1996. According to IMF(2014:18), “the Singapore ministerial conference primary aim was to initiate an international effort among global trading nations to over haul the structure and mechanisms of the General Agreement on Tariffs and Trade”. 120 countries graced the occasion. Sichinga (2014:03) observes that the conference entailed an exhaustive discussion on Trade Facilitation (TF), Transparency in government procurement, Trade and investment competition and to a lesser extent agriculture and textiles arrangements. To B20 Coalition (2014:23), serve for the completion of Information and Technology Agreement (ITA) and Integral Plan of Action on further Assistance to the Developing countries the conference reached a stale mate paving way for the Geneva conference.

On the 30th to the 2nd of December 1998, the second ministerial conference was convened. According to the WTO Report (1999), “the agenda of the congress was to further negotiate what was known as the Singapore issues”. Food import bills and Production and Processing methods also topped the discussions. No agreement was made leading to the launching of the third WTO ministerial conference.

The third conference was held in Seattle in Washington on the 30th to the 3rd of December 1999. The Agenda of the summit was to further negotiate agricultural issues and Rules of Origins
amongst the Singapore issues (Bellman 2014:08). WTO report (1999) however observes that the outcome was disappointing. 150 countries attended the summit.

The fourth ministerial conference was held in Doha, Qatar in 2001. European Commission memo (2013:4) observes that the Doha Development Agenda (DDA) was an important initiative as it laid the foundation for the Bali initiative in which issues such as agriculture, development as well as trade facilitation were brought into the agenda of WTO. The DDA encompassed GATTs, Agriculture, market access commitments, food security, Tariff Rate Quotas, Sanitary and phytosanitary measures, Trade Related Intellectual Property services (TRIPS) only to mention a few (Ibid). Even if the initiative was not fruitful as member states failed to reach a consensus most of the Doha round laid a foundation for the 9th ministerial conference.

The 5th WTO Ministerial conference was held in Cancun Mexico in 2003 on the10th to 14th of September. According to the WTO report (2010) the summit aimed at setting up a framework on how to implement the DDA and the rest of the WTO concessions. No agreement was reached. Members agreed to implement DDA by 2005. 147 countries attended the conference.

The sixth Ministerial conference was held in Hong Kong in 2005 on the13th to the 18th of December. According to the EU Memo (2013:10), the goal was to direct member-states about NAMAs, Domestic support, and export subsidies amongst all the other Singapore issues. However the outcome was disastrous. 10 000 protestors led by the Hong Kong People’s Alliance thronged into the WTO summit leading to the arrest of 910 people (Ibid). From the 30th of November to the third of December 2009, the 7th Ministerial commenced in Geneva, Switzerland. The global financial crisis and multilateral issues dominated the discussion (Ibid). Jatkar (2013:15) notes that member states pledged to implement the DDA by 2010 however no meaningful agreements were made. The 8th Ministerial conference was held in Geneva again. Membership of Montenegro and Samoa into the WTO organisation was approved. Out of all the WTO concessions, only the Integrated Trade Intelligence Portal (I-TIP) and Plurilateral Government Procurement Agreement were reached (Ibid). However in all these ministerial conferences member states failed to reach a consensus.

After a series of uncompromising stances that continuously culminated in collapsed negotiations and less than optimum outcomes, the Bali Ministerial conference marked the first substantive
breakthrough for the WTO since the launch of the Doha round in 2001. In December 2013, multilateral trading system was resuscitated when WTO members agreed on a package that included at least four interrelated issues which are agriculture, trade facilitation, technological issues as well as development issues (Bellman 2013:05). As noted above, these issues had been debated for years particularly in the Doha Round of 2001 without success.

According to Chatterjee and Jatkar (2013:23), trade Facilitation is an agreement that seeks to reduce red tape and streamline customs. This initiative includes the establishment of rules and procedures that will reduce red tape as well as to ease trade amongst member states. Trade facilitation also requires a certain level of technological innovation like computerisation of customs union.

According to Bendini (2013:08), the Bali conferences also tackled some of the major barriers to international trade such as development of infrastructure like roads, rails, transport, ports among other trade related infrastructure that will increase the rate of trade amongst the member states. In addition, agricultural issues such as public stock holding for food security, tariff rates and quota administrative provisions of agricultural products as well as export competition were brought into the agenda. Some of the issues that were discussed also include the development issues of the Less Developed countries.

Under this initiative member states pledged to award preferential rules of origin for the least developed countries, operationalization of waiver concerning preferential treatment to services and service suppliers to the less developed countries that will be extended for the next 15 years from the negotiation day and these issues were also extended to duty free and quota free market for the least developed countries as well as monitoring mechanisms on special and preferential treatment (Bendini 2013:08). All these issues were believed to bring about an increase in trade, economic development as well as to incorporate the developing countries into the global economy. This study therefore sought to evaluate the importance of the above mentioned issues into the developing countries looking at Zimbabwe in particular.

1.2 STATEMENT OF THE PROBLEM

Over the years international trade system has experienced a significant geo-economic changes incited by a number of factors which range from increasing rate of technological innovation
particularly emerging from the developed economies and the global financial crisis. In an era of rapid spread of globalisation these changes have a great impact on the economies of the developing countries and Zimbabwe is not an exception to that. Given this background the Bali package has been viewed as a channel for implementation of rules that are expected to have large benefits for the global economy with some scholars such as Bendini (2013:20) estimating export gains ranging at around four trillions of dollars. It is against this backdrop that the researcher sought to analyse the importance and the benefits of the Bali package to the economic development of the developing countries with special reference to Zimbabwe.

1.3 HYPOTHESIS

The breakthrough for economic development of African countries lies in the implementation of the Bali package.

1.4 OBJECTIVES

• To analyse the extent to which the Bali package benefit the economic development of the African countries with special reference to Zimbabwe.
• To investigate whether the African countries and Zimbabwe in particular have the capacity and resources to implement the Bali agreements such as trade facilitation.
• To identify other stakeholders outside the gamut of producers like consumers who can be affected by the Bali package.
• To proffer some recommendations that might result in the implementation of the Bali package without doing great damage to the interests of the African countries.

1.5 STUDY QUESTIONS

• To what extent does the Bali package contribute to the economic development of African Countries particularly Zimbabwe? Is trade facilitation a necessary requirement for economic development of these countries?
• What are the challenges that can be faced by African countries in the implementation the Bali agreements such as trade facilitation?
• How does the Bali Package affect various stakeholders outside the range of producers?
• What are the measures that can be taken by African states to enable the implementation of the Bali package and at the same time protecting their interest?

1.6 JUSTIFICATION OF THE STUDY

In most of the developing countries the cost of trade is estimated to be above 10% the cost of trade of the developed countries. According to the European commission Memo (2013:02) the cost of trade in most of the developing countries ranges from four to five per cent of the overall costs. In some instances from 27 to 40 customs documents are involved in a single export operation (Ibid). Such issues hinder the flow of trade, undermine accountability and increase the cost of trade. For example for a motor vehicle to be transported from Durban Port to Zimbabwe the cost might be above 80% of the actual price of the vehicle. Apart from catalysing inflation, such related issues shun foreign direct investors who play a pivotal role in reviving the industries which is the mainstay for economic development in Zimbabwe and in Africa as a whole. Thus TF has been applauded by most scholars for reducing the cost of trade, increase efficiency, accountability as well as necessitate easy flow of trade. According to Jarkata and Mumba (2013: 40), if implemented, trade facilitation is projected to reduce the cost of trade by 13 to15% in the developing countries. The figure might seem to be minimal but this it will culminate to the reduction of the global costs of trade.

As indicated above the Bali package also included a provision on Information and Technology such as computerisation of customs union. This has the advantage of linking up data bases of member states, enabling the adoption of single administrative documents as well as simplifying appeal procedures (IMF 2014:96). Apart from reducing discrimination in TF will also enhance regional economic arrangements such as the SADC trade Protocol initiative, COMESA amongst others as lack of technology stand as a stumbling block. In addition, this this will also reduce red tape as well as minimising government expenditure if vast human labour can be replaced by technology. Some scholars such as Bendin (2014:40) commend the package for minimising corruption in the customs union which costs the government large amounts of revenue.

In addition, the Bali package also entails agricultural issues such as public stock holding, general services, and review on tariff rate and quota administrative provisions of agricultural products as well as the aspect of trading of cotton (Jatkar etal 2013). Considering the fact that agriculture is
the mainstay of the most African economies, and contributes a considerable percentage to trade, addressing these issues will play a formidable role to the economic development of African countries. Over the years African countries have been struggling to access overseas markets due to some complex procedures that entail tariff related issues as well as phyto-sanitary measures among others. Thus if these issues are implemented it will result in considerable amount of opening up of markets for African products hence leading to economic turnaround for these states. More so the Bali package also provide for the elimination of subsidies on agricultural products such as cotton. Thus considering the fact that Zimbabwe is also one of the producers of cotton addressing such issues will contribute immensely to the economic development of African states.

From the above argument, one can note that it is crucial to evaluate the importance of the Bali Ministerial conference to the economic development of the African countries and using Zimbabwe as a case study. Whilst certain challenges might emerge such as the lack of resources, flooding of African markets with the external goods, considering the rate of globalisation it is impossible for the African countries to avoid implementing the Bali issues hence the need to embrace them. One has to note that there is development always comes with a cost.

It is hoped that this study will go a long way in assisting the Ministry of Trade and Industrial Development, Ministry of Finance and Economic Development, as well as the Ministry of Foreign Affairs who are directly involved in the implementation of the above mentioned projects. In addition the ministry of Agriculture and mechanisation will also benefit as the Bali package includes agricultural related issues. Government departments such as the Zimbabwe Revenue Authority are to benefit as the Bali package provides for trade facilitation which covers the aspect of customs procedures. In addition the findings that will emerge will also benefit other organisations that are involved such as WTO which is the facilitator of the above project and the general populace of Zimbabwe and Africa as a whole as this has a direct impact to the face of the economy.

1.7 LIMITATIONS

Accessibility of other non-state actors such as WTO, EU commission relevant to this particular topic was a challenge. The researcher overcame this challenge by using Email-administered
questionnaires. The researcher also faced some bureaucratic constraints to get approval to conduct the research which delayed the data collection process. As a result, the researcher had to embark on call-back which is a tactic that involves constant follow-up of the targeted personnel. Other alternative methods such as documentary search were also employed to complement the key informant interviews. In availability of key respondents was also one of the impairments faced by the researcher during the study. This delayed the data collection process particularly with the bureaucrats from the Ministry of Trade and Industrial Development as well as Finance and Economic development who had busy schedules. In addition, non-responses also affected the effectiveness of email and self-administered questionnaires. The researcher had to constantly remind the participants which improved the response rate. The researcher also noted with concern the possibility of bias from the respondents, therefore triangulation method was adopted enabling the various methods to complement each other hence increasing the validity of findings.

1.8 DELIMITATIONS

This research focused on the importance of the Bali WTO Ministerial conference on the economic development of African Countries. However, it is worthy to note that whilst the bulk of the analysis is based on African countries in general, the case of Zimbabwe was used for analytical purposes. The research did not cover the nexus of other international trade deals such as the Economic Partnership agreements (EPAs) between EU and ACP countries, African Growth and Opportunities Act (AGOA), FOCAC amongst others.

1.9 DISSERTATION STRUCTURE

Chapter 1: This Chapter presents introduction, background and statement of the problem, research objectives and questions, justification of the study as well as limitations and delimitations.

Chapter 2: This Chapter presents theoretical framework and literature review.

Chapter 3: This Chapter consists of different research, sampling and data analysis methods used.

Chapter 4: This Chapter presents an analysis findings and data analysis
Chapter 5: This Chapter consist of general conclusions drawn from the study, recommendations and implications for further study.

1.10 CONCLUSION

The above presentation reveals that the WTO Bali package is a significant phenomenon in the economic and development issues of African countries. From the goals and objectives exhibited above, the analysis of the Bali Package to the economic development of African countries with Zimbabwe being the case study was a relevant exercise. However this would have been impossible without exploring relevant theories to the study as well as available literature on the subject being studied. Chapter two therefore consists of an in-depth discussion on the theoretical framework and literature review.
CHAPTER 2: THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.0 THEORETICAL FRAMEWORK

This study is going to be grounded on the integration theory. Alina-Stefania (2010:16) stipulates that integration theory places intergovernmental organisations at the centre of international relations. Thus in this study WTO is viewed as an instrument that regulates the trade relations amongst member states at a global scale. According to the integration theory states sacrifice a degree of sovereignty to these IGOs which facilitate rules and procedures that are legally binding to every member states and are of benefit to everyone (Steans and Pettiford 2001:30). In light of this study the Bali package is a model of such rules and procedures that bind member states.

However for the purposes of this study, the concept of intergovernmentalism which falls under the scope of the integration theory was used. Alina-Stefania (2010:17) observes that intergovernmentalism is a reaction to neofunctionalism and claims that states voluntarily choose to be members of these organisations. This strand of debate has two roots which are neorealism and liberal intergovernmentalism. Neorealism points that representation in IGOs is based on the distribution of capabilities amongst member states therefore inducing differences of power (ibid). Implied above is that IGOs like WTO are used by the powerful states to further their national interest and to consolidate hegemony. WTO in this case lays a platform for the countries from the core to control the strings of trade in the international community. For instance Dubey and Biswajt (2014:04) observes that one of the reasons for the failure of the previous WTO ministerial conferences was the failure of member states to negotiate in good faith and to enhance reciprocity. The developing states complained about numerous arrangements that focused much on the reduction of tariffs and liberalisation. Whilst at first value these initiatives were justified on the grounds of boosting smooth flow of trade, the developing countries argued that the benefits incurred were not reciprocal as they favoured the developed countries the most.
From the neorealist point of view initiatives such as the Bali package can be analysed through the lenses of extension of economic power by the powerful states. Bendhin (2014:03) observes that trade facilitation one of the key issues of the Bali negotiation ensures unimpeded markets for overseas companies such as Lenovo, Toyota and Nokia in African soils. Global issues (2014) reported in one of its bulletin that most African countries were not happy with the implementation approach of trade facilitation and preferred provisional implementation as according to paragraph 47 of the Doha declaration. However ibid reported that Africa was under unprecedented pressure from European countries and US to implement the TF to the extent that US threatened to cut off preferential access provided under AGOA.

Analysing the above information one can deduce that in a way WTO endeavours can be used by the powerful to pursue their national interest in international relations as coined by the neorealist. However as it is going to be revealed below it is not always the case that IGOs only benefit the powerful. In other words due to the rapid spread of globalisation it is impossible for any player in international relations to shield itself from the economic shocks that are brought by such arrangements as the Bali package. Hence the need for the research to use the other available strands of debates within the integration theory to explain the importance of the Bali package on the economic development of African countries with special reference to Zimbabwe. Against this backdrop the researcher seeks to ascertain whether the Bali package as an initiative of WTO is an instrument used by the powerful states to exploit the weaker states.

In this study the most referred vision of intergovernmentalism is the liberal approach which was coined by scholars such as Moravsik and influenced by the works of Keohane (Rosamand 2001:16). This approach focuses on the interaction of states, in which IGOs are used in pursuit of common objectives. This strand borrows a lot from complex interdependence in which organisations such as WTO are viewed as instruments for necessitating global trade for the interest of all member states. Implied above is that, regardless of who benefit the most such initiatives are necessary for the smooth flow of international relations. Reflecting back on economic relations, one can draw us back to the history of the formation of these international Organisations that mainly focused on regulating international economic relations.

According to Mansbach (1994:281), “the impetus of the formation of the economic institutions came with the chaos generated by the pervasive protectionism of the 1930s that plunged the
Western States into a terrible economic depression that lasted for a decade.” In other words the great depression can be blamed much on protectionist policies such as the beggar thy neighbour policy of United States, Smooth Hawley tariff policy amongst others. The major question is why such protectionist policies were so prominent in the 1930s? One of the key responses is that there was no international organisation like WTO that regulated international relations hence the countries embarked on unfair practise such as protectionism. It is from such adverse impacts of individualism that statesmen advocated for the creation of economic institutions so as to induce reconstruction and to foster global market based on liberal capitalism (Sandiford 2003:14). These economic institutions entail the Bretton Woods institutions namely IMF and IBRD the current World Bank, the Havana Charter drawn under the premise of International Trade Organisation (ITO) of 1947. Although the Havana charter was never implemented it laid a foundation for the General Agreement on Trade and Tariffs (GATT) of 1947. Even if GATT membership was generally drawn from the West, it has been applauded for setting the basis for the WTO, the first economic international organisation with global representation in 1994.

This brief history of economic IGOs is a true reflection of the commitment by member states to cooperate with each other in eliminating obstacles to international trade and economic development. The transition of the GATT to a more global organisation in 1994 shows that maximum cooperation by all stake holders was required in order to eliminate possible obstacles to economic development. Thus the impetus of the birth of the international economic institutions can be best explained by the neoliberal approach of integration theory which places much weight on intergovernmentalism and complex interdependence.

From the above discussion one can deduce that there is no best strand of integration theory that can solely describe the impact of the Bali package on the economic development of African countries. A collective approach rather should be taken in explaining its effects. One has to take into consideration that any activities in international relations are always debated, inciting conflicting views from the liberalist and realist school of thoughts. Thus it is the duty of the researcher therefore to evaluate the Bali initiative using all the strands under the integration theory. For the purposes of this argument the researcher borrowed some sentiments from the dependence school of thought among other related theories.
2.1 LITERATURE REVIEW

Since the success of the Bali negotiations in 2013, various analysts received the outcome with mixed feelings. There has been a debate amongst scholars about the effectiveness of the Bali package on the global economic development. Bellman (2014:04) stipulates that the Bali was a leap forward towards serving the Doha talks. Bellman (2014:05) hails the WTO 9th ministerial conference for being the, “first truly multilateral agreement negotiated under the auspices of the 20 year old organisation.” As noted in the above introduction the Bali package covered four trade dimensions which are believed to be pivotal not only to international trade but to the economic development of Less Developed Countries (LDCs). These four areas include trade facilitation, development, agriculture and technology. Punke (2014:02) describes these arrears as “low lying fruit that is ready for consumption.” In other words the above mentioned issues have reciprocal effects to the entire WTO hence the likelihood of the member states being eager to come into a consensus on the mentioned packages. The major question therefore is whether the Bali package has reciprocal effects on WTO members as these above authors claim. If not so whose is going to get the largest portion of the fruit in this global deal and at most is the Bali package of any benefit to the least developed countries particularly African countries?

2.2 TRADE FACILITATION AND TECHNOLOGY

Of the most important of the Bali packages is trade facilitation. Jarkata (2014:09) notes that trade facilitation have been on WTO ministerial agenda since the Singapore ministerial conference and have been the focal point in other conferences that followed. However this initiative was not adopted by the WTO members as they failed to reach a consensus hence the deal became a flop. B20 coalition report (2014:10) stipulates that trade facilitation rests on three pillars namely, “improving transparency, standardising documentation requirements as well as trade related fees and lastly streamlining border procedures with specific disciplines on issues such as transit goods, single window clearance and customs benefits.”

Most scholars project that massive benefits are to be realised from the successful implementation of TF. WTO report (2013:05) qualifies some of these benefits as harmonising customs rules and procedures, boosting international trade, reducing red tape, eliminating corruption, reducing the cost of trade and elimination of non-tariff barriers to trade. In elaboration of the above, Bellman
(2014) predicts that TF if implemented will increase the global Gross Domestic Product by up to 1 trillion dollars and create 21 million jobs. OECD report (2014) on the other hand anticipates that a, “combined comprehensive TF reform will reduce the total cost of trade by almost 14.5 per cent for low income countries, 15.5 per cent for the middle income countries and 13.2 per cent for the upper countries.” However it is worth noting that at the moment TF has not yet been fully endorsed as the entire Bali Package will become functional after two thirds of the WTO members ratify it by 2015.

Analysing the above information it is beyond doubt that LCDs particularly African countries need to embrace TF in order to boost trade and economic development. According to Dubey et al (2014:06) in Nigeria alone the government lose over 40% worth of revenue to corruption at the border. According to OECD report (2014) in Chad it would take 100 days to import an item and in Lesotho before the establishment of one stop border it used to take seven days for goods to cleared at the border and at least 23-40 paged documents had to be signed. This combined with other factors such as multiple road blocks and high tariff rates increases the cost of trade. For instance Sichinga (2014:03) confirms that the price of a product might be 100 per cent more than the actual cost by the time it reaches the consumer in most landlocked countries such as Zimbabwe and Zambia. Most of the cost incurred during the transportation of the product is usually accrued from high tariff rates, corrupt deals, road blocks, toll fees amongst other exercises. This in turn result to inflation and shuns away investors which are crucial to economic growth.

In a comparative note, Hon R.K.K Sichinga, Minister of Commerce and Industry of Zambia in his speech delivered at High Level International Workshop in June 2014, applauded the adoption of existing TF procedures which were implemented prior the 2013 Ministerial conference for yielding good results as far as the reduction of the cost of trade and time taken during clearance is concerned. These initiatives entail establishment of one stop border post which is usually a bilateral development between countries. In his speech Sichinga commended the Chirundu one stop border post between Zimbabwe and Zambia for reducing the time spent in the border from nine days to nine hours. The minister also availed the plans to endorse such initiatives other borders surrounding Zambia such as Kaumbule Su with DRC, Kazungula a border between Zambia and Botswana, Mwami that borders it with Malawi and Katima Mulilo in the Namibian
side. Thus such commitments to TF related programmes by some of the African counties are an evidence of the advantages that can be realised by African countries during the exercise.

Bellman (2014:10) reveals that TF became more pronounced in economic relations long before the 2013 WTO Ministerial conference even though such arrangements evolved at national, bilateral and regional levels. This is evident in some of the sentiments echoed in the national trade policies of WTO members which entailed eliminating non-tariff barriers to trade as well as boosting science and technology that is directly linked to international trade. According to article 4.6 of Zimbabwe national Trade Policy, the government of Zimbabwe pledged its commitment, “to enhancing trade facilitation in order to expedite trade flows by streamlining and simplifying exporting and importing procedure, eliminating customs delays and improving customs administration.” Therefore the Bali Package can be viewed through the lenses of harmonising the trade laws from a national to international level so as to ensure smooth flow of trade as well as to boost global economic development. In other words TF is in harmony with the municipal laws of member states hence it is easier for the interested stakeholders to incorporate it into existing national trade policies.

In addition to the above, a number of states have signed a series of arrangements that enhance trade facilitation at both bilateral, plurilateral as well as regional levels. These arrangements have been used as a framework for multilateral liberalisation and setting of global standards (South Centre 2014:04). In other words TF can be regarded as an initiative to complement and enhance efforts by member state to buttress smooth flow of trade that already exist outside the gamut of WTO negotiations. Some of these arrangements include Agreement on Government Procurement (GPA) which was signed in April 6, 2014. According to B20 coalition report (2014:18) GPA seeks to promote transparency, competition and good governance, procurement of goods, services and capital infrastructure. Fifteen states that entail USA as well as EU states participated. Countries such as China, Moldavia and Ukraine are currently negotiating for membership. Information and Technology Agreement (ITA) is also one of the adhoc arrangements with the TF components. Bellman (2014:16), observes that ITA was initiated in 1997 and covers over four trillion US dollars in annual global trade. By 2013, 78 WTO states were reported to have been signatories of ITA.
In addition, an adhoc coalition of 51 WTO members called, ‘Really Good Friends of Services’ negotiated for Trade in Services Agreement (TISA) in March 2013 (B20 coalition 2014:07). TISA negotiations cover services ranging from e-commerce, maritime transport, and financial services amongst others. An analysis of all the above mentioned arrangements reveals efforts by WTO members to enhance smooth flow of trade even outside WTO initiatives. Ibid also observes that the above mentioned arrangements provide a platform for likeminded countries to move ahead with specific issues on IT as well as government procurement within as well as outside the context of WTO. This presents a critical mass within sector and eliminates some of the constraints that are associated with waiting for the entire membership to endorse such programmes. However they are numerous shortfalls that are associated with international trade being entirely regulated by such adhoc agreements.

Bellman (2014:11) stipulates that although the above mentioned arrangements are only binding to states parties to these treaties they encourage free riding as well as spill over effects to non-member parties. In other words the results accrued from such agreements have a tendency of affecting the entire global village hence the need to adopt a multilateral binding approach which can be made possible if the Bali package is ratified and incorporated into WTO framework.

Closely related to the numerous international trade treaties are regional and inter-regional trade arrangements that seek to improve trade, reduce tariffs, open up markets with the aim of boosting trade amongst member states (Jarkata etal 2014). Such arrangements include ECOWAS, an organisation that seeks to promote trade, cooperation and sustainable development throughout West Africa, COMESA and SADC Trade Protocol amongst others. Furthermore they are other inter-regional arrangements such as US AGOA Act of 2000 which offers trade benefits between US and eligible African countries amongst them elimination of tariffs, duty fees as well as opening up markets for specific products. Whilst all these initiatives are fashioned in different forms and governed by different terms and conditions they are movements which seek to enhance trade facilitation between member states.

This usually results in what the B20 coalition report (2014:06) describes as a, “spaghetti bowel of rules.” This implies that multi-international arrangements create a mirage to the involved states on how to implement these agreed arrangements. The situation is also worsened by multi-membership of these states to initiatives that usually contradict with each other in their
operations. For instance South Africa in implementing SA-EU Trade Development Cooperation Agreement, SA is likely to violate its commitments to the SADC Trade Protocol and SACU or AGOA in which it is a member to. Thus the Bali Package can be viewed as a step towards eradicating these obstacles by providing uniform procedures and harmonising activities. TF will also go a long way in eradicating multi-dimensional protectionist traits that emanating in the trade milieu.

Dubey etal (2014:05) observes that TF as the major stake for the Bali package comes with a large cost, a challenge which LCDs might not be able to overcome. TF involves an overhaul of technology such as computerised customs union, human capacity development, change of legislations to incorporate new trade policies amongst other factors. This might be a burden to the economies of the African countries which are malfunctioning and depend largely on foreign aid for most of their development programmes. In elaboration to the above Bellman (2014:08) notes that in most LCDs countries where TF reforms have been implemented the initial expenses for purchasing equipment, training officials and putting in place new measures has been largely met by International assistance. This alone shows that without aid streaming into African countries, the Bali reforms will only exist on paper as the African countries lack adequate resources and political will to implement such initiatives.

Sichinga (2014:03) notes that there has been a widespread outcry from LCDs that most of the donor countries fail to honour their commitments. Bellman (2014:09) observes that in, “2012, donor commitments directed at simplifying and modernising border procedures exceeded 460 million in US dollars which is a significant increase from the average of 27 million US dollars recorded during 2002 to 2005.” However as revealed in the table below, there are great disparities between the pledges and the actual disbursements. Ibid notes that the largest share of donor pledges was directed to Africa, however the region shows that there is a difference between commitments and actual disbursements. As a result of failure to honour trade related aid commitments, LCDs are now reluctant to embrace initiatives in fear of lack of funding. There is also another crop of scholars such as Jarkata etal (2014) and Bendini (2014) who argue that the developed countries are likely to neglect their role of funding social services and channel available resources to TF. This move is likely to worsen the situation in African countries which
depend on foreign assistance for its budgetary allocation. For instance it is alleged that about 60 per cent of Malawi annual budget comes from the foreign donors (Global issues 2014).

Below is a graph that shows the differences between aid commitments and disbursements in August 2012. One can observe the gap between pledges and disbursement of funds. For example in 2012 about 280 million USD was pledged to Africa yet only 180 million USD was disbursed and 270 million USD was committed to LCDs yet only 80 million USD was disbursed (Bellman 2014:06).

2.3 Aid for Trade flows in Trade Facilitation

(All amounts in million USD)

Source: Bellman (2014:06)

Jatkar and Mukumba (2014:07) note that the developed countries have been always in the forefront of championing trade facilitation which was tabled since 1996. According to Ibid the main reason why the developed states supported trade facilitation is because it benefited them the most.
as it opens up markets for their products. On the same note, these scholars believe trade facilitation will undermine industrialisation in the developing world as their goods will fail to compete with the bulky, cheap goods from the developing world. On the same note, Global issues (2014) states that trade facilitation will ensure unimpeded market access for companies such as apple, general electric, caterpillar, Samsung, Sonny, Toyota only but to mention a few. In other words what Africa needs at the moment is industrialisation and value addition to its raw materials than trade facilitation. If it LCDs open up their markets their products are minimal and of less quality hence they cannot stand the influx of oversees products. This is likely to turn Africa into ware houses instead of being industrial hubs for adding value for their vast raw materials. Thus TF will enlarge the begging bowels for African States. However whilst the researcher acknowledges these factors it is also worth to consider that African states cannot shield their economies from these global issues hence the need to investigate measures that can be taken to enable African countries to benefit from such arrangements.

Bendhin (2013) observes that the Bali package does not shed much light on how other parties other than producers are going to be affected by the Bali arrangements such as trade facilitation. This comes after noticing that these issues have direct implications on various stakeholders such as Small and Medium Enterprises as well as consumers who can be indirectly affected by various Bali arrangements. Thus against this background the research sought to identify as well as to analyse how other stakeholders in African countries can benefit from the Bali arrangement. For example considering the fact that most of the economies in the developing countries including Zimbabwe are led By Small and Medium enterprises. This study therefore aimed at extending its scope to the primary effects of the Bali package to various stakeholders.

According to the European Commission Memo (2013) intergovernmental organisations such as Organisations for Economic Cooperation and Development (OECD), United Nations Economic Social Commission for Asia and the Pacific (UNESCAP) and United Nations Conference on Trade and Development (UNCTAD) argue that the cost incurred in the implementation of the TF agreement may be high for many developing countries due to the differences they may encounter in undertaking some of the time bound commitments owing to their resource limitations, capacity constraints and challenges. However Ibid observes that they are numerous benefits which accompany the implementation of the package which entail reduction in the cost
of trade, increase in efficiency and accountability, simplification of rules and procedures, infrastructure development, and addressing agriculture related this issues. Thus given this background this paper sought to analyse the gains that can be realised by African countries from this deal particularly Zimbabwe.

2.4 AGRICULTURE

In addition to TF and technological innovation, available literature also confers that agriculture was one of the issues negotiated on the Bali agenda. Under agriculture trade related issues that entail public stock holding, Tariff-Rate Quota Administration on agricultural products, export competition as well as cotton were explored during the 9th WTO ministerial conference (Bendin 2014:18). Considering that agriculture still remains the mainstay of the economy for most African states with Zimbabwe included, the research would be incomplete if the discussions on agriculture are not explored.

Jaktar et al (2014:12) stipulates that, “of all the documents tabled on the Bali negotiations, the proposal on public stock holding proved to be the most difficult to finalise.” Public stock holding review is based on the G33 proposal raised at the informal meeting of the special session on the committee on agriculture in 2012 (ibid). This proposal was not new in the phenomenon of international relations, it was first tabled in the Uruguay round but it gained momentum in the Bali round. According to the South Centre report (2014), Public stock holding is usual done by states for food security reasons and is in line with article 11 of International Covenant on Economic, Social and Cultural rights that calls states to fulfil the right to food. Ibid observes that according to WTO rules food purchased by the government should be at the current price. In the event that government desires to make any changes for public stock holding purposes the difference between the procurement price and the current domestic price should be accounted in the calculation of Aggregate Measurement of Support (AMS) rated according to the 1986-88 benchmark. Thus the value of subsidy to the food prices which government provide has to below 10 per cent of the value of the total agricultural production (Bellman 2014).

If the government sticks to the above mentioned procedures, under WTO rules it is regarded as none or minimally distorting and is rated under the green box of WTO (Dubey et al 2014:05). If the government exceeds the above mentioned limits, its activities are rated under the amber box,
which covers all potentially distorting measures and can be dragged to the dispute settlement committee (ibid). Most of the developing states were not happy with this stringent arrangement due to the fact that the 1986-88 AMS rate is now out-dated considering the fluctuations of the world food prices (Bellman 2014). In other words most of the states were bound to violation of the above measurement hence called for a more flexible arrangement. At the core of the negotiations was India which argued that the AMS contradicted with its Food Security Act that aimed at providing cheap grain to 70 per cent of the Indian population. Whilst a permanent solution was not reached during the Bali negotiations, a peace clause was signed with the aim of concluding the matter by December 2017 (Global issues 2014:07).

Analysing the above information, it is beyond imagination that Public Stock Holding is one of the controversial issues in African economic relations. Africa is one of the continents that harbours states with a large poor rural population that cannot afford grain at a competitive market price, combined factors that entail climate changes, lack of technological innovation, poor farming methods, poor soils, lack of sufficient funds combined together with sporadic civil wars for example in Egypt, Mali and numerous political crisis has threatened food security in Africa more than in any other continent. Currently, most African states cannot cater for the food requirements for their growing population and import most of the grains. For instance Zimbabwe currently imports much of its grain in Zambia. Thus, given the above background, a proper diagnosis of Public Stock Holding with reference to Zimbabwe in particular is very important.

According to Bendhin (2014:16) one of the agricultural issues that were brought into the WTO agenda is the call for elimination of excessive agricultural subsidies also known as export competition. Again this initiative was mainly championed by LCDs who blamed the developing countries for destroying the competitive market base with their subsidised products. Global Issues (2014:04) observes that for a long time the government subsidies on agricultural products was categorised under green box. These subsidies are multi-dimensional and addressed in different forms ranging from direct payments to producers, payments to landowners regardless of whether they produce or not, insurance payments, structural adjustment for retiring farmers, increased government procurement prices amongst others (ibid). Only the developed states could meet the above mentioned expenses as compared to the LCDs as illustrated in the paragraph below.
Bellman (2014:18) observes that the, “WTO AoA represents a historical inequity providing different rules for developed countries.” Statistics shows that in US alone, agriculture subsidy accelerated from 61 billion dollars USD in 1995 to 130 billion USD in 2011 (ibid). Southern Centre (2014:10) further stipulates that the EU agricultural subsidy was 90 billion Euros in 1995, decreased to 75 billion in 2002, inflated to 90 billion in 2006 and stood at 79 billion Euros in 2009. On the same note the OECD report (2014) reveals that the agricultural subsidy figure steadily increased from 350 billion in 1995 to 406 billion USD in 2011. The above statistics are true indications of the acceleration of agricultural subsidies in developed countries a culture that affect export competition. This implies that farmers from the Developed countries have the resources to produce in excess at a minimal cost than their counterparts there by flooding the market a move which disadvantages their counterparts. Thus a detailed analysis of the contribution of such initiatives to the economic development of African states is pivotal as agriculture immensely contributes to economic development.

Another issue that rocked negotiations on agriculture is the removal of subsidies on cotton. According to Bendhin (2014:20) the issue was first brought into agenda by four LCDs namely Chad Benin, Burkina Faso and Mali in Cancun WTO ministerial conference in 2003. These countries complained that cotton subsidies destroyed their economies and claimed compensation to the economic damage caused by these subsidies. Jarkata etal (2014:18) also argue that most of the commitments made by the developed countries in the Hong Kong ministerial conference in 2005, towards addressing the conflict on cotton were still hanging leading to the issue to resurface in the 2013 agenda. Member states agreed to address cotton related issues by January 2015 (ibid).

In addition transparency and monitoring mechanisms on trade aspects related to cotton were put in place, developed states promised to increase development assistance on the production of cotton as well as to establish biannual discussions on cotton production and trade so as to enhance reciprocity (B20 coalition 2014). Whilst scholars such as Jarkata etal (2014) and Bellman (2014) applauded this move as a leap forward towards economic development of Africa, the million dollar question is whether these parties involved are going to honour their promises? Are these export subsidies going to be removed by the developed states? Reflecting back on fig 1, one can note that there is always a great difference between commitments and the
actual deliverance of those. It is one of the objectives of this research to try to link the benefits of the package to the actual situation on the ground.

2.5 DEVELOPMENT

Bendhin (2014:20) observes that the Bali package also covered a number of undertakings which were considered to be superlative for Less Developed Countries. These commitments include Duty Free-Quota Free (DFQF) market for less developed countries, operationalization of the service waiver, review of Rules of Origin (RoO) as well as Monitoring Mechanisms on Special and Differential treatment.

Jarkata et al (2014:18) stipulates that that the provision of DFQF to the products from LCDs was first tabled in the 1996 Singapore ministerial conference. In 2005 in the Hong Kong ministerial conference a decree was passed including an annex which explicitly stated that any members who considered themselves to be in a position to provide preferential market access to at least 97 per cent of products from the LCDs were independent to do so(Ibid). However as it is going to be noted in the discussions below very little has been realised since 1996 towards the expansion of DFQFs to the LCDs. This incited the developing countries to bring back this issue in the Bali ministerial conference in 2013. On the same note the B20 Coalition (2014) observes some of the concessions that were raised by states during the Bali ministerial conference. These include expansion of DFQFs in order to facilitate greater market access for LCDs, members to liaise with the Committee on Trade and Development to ensure transparency when implementing and to conduct annual reviews in order to monitor and evaluate member states activities.

Bellman (2014:18) argues that the Bali decision represented a highly political commitment on WTO members to assist LCDs to integrate in the multilateral trading system. This implies that WTO members are not legally bound by this political declaration, they are no mechanisms put in place to enforce the implementation of the deal. In other words implementation is voluntary and failure to oblige is not questionable. This is very unfortunate for the LCDS considering the fact that currently they are not realising much benefits from international trade. The Peterson Institute for International Economics (2014) had projected that if DFQf market access was expanded to 100 percent it could gain 8 billion USD in export gains, increase the GDP for LCDs by 7 billion USD and create about 746,000 new jobs for LCDs. Whilst the above projections seem to be
enticing they are likely to remain figures if legal framework is not put into place for the implementation of DFQF.

In addition to the above, Jarkata etal (2014:18) stipulates that since 2000 a series of arrangements were made by individual states to provide preferential access to LDCs. These include the US AGOA initiative which provides preferential market access to textiles and apparels as well as other selected products from the so called AGOA eligible countries in African countries and EU Everything but arms initiative and India Duty Free Tariff Preference Scheme.

2.6 The table below shows the countries that have granted DFQF and the margin of the preferences.

<table>
<thead>
<tr>
<th>Preference granting country</th>
<th>Description</th>
<th>Coverage/ margin preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Duty-and quota-free entry (Entry into force: 01/07/2003)</td>
<td>All products</td>
</tr>
<tr>
<td>China</td>
<td>Duty-free treatment for LDCs (entry into force: 01/07/2010)</td>
<td>Granted zero-tariff treatment to 4,762 tariff lines. Accounts for nearly 60% of its total tariff line</td>
</tr>
<tr>
<td>EU</td>
<td>GSP-Everything But Arms (EBA) (entry into force:05/03/2001)</td>
<td>Since 01,2009, the EBA has been granting DFQF access for all products from LCDs (except for arms and ammunitions)</td>
</tr>
<tr>
<td>India</td>
<td>Duty Free Tariff Preference Scheme (DFTP) (entry into force:13/08/2008)</td>
<td>Duty free access on 85% tariff lines at HS 6digit level by 2012. Intends to expand it to 92.2%</td>
</tr>
<tr>
<td>United States</td>
<td>GSP for Least developed beneficiary developed countries (LDBDC). (Entry into force 01/01/1976)</td>
<td>3,511 products available for DFQF for all GSP beneficiaries. (38 designate sub-Saharan countries and 43 LDBDCs(April 2013)</td>
</tr>
<tr>
<td></td>
<td>African Growth Opportunities Act (AGOA) (Entry into force 18/05/2000 extended until 30/09/2015)</td>
<td>1,835 products , available for duty free treatment , in addition to products designated for duty free treatment under GSP (eligible African countries including 24 LDCs) DRQF for most products including apparels. The Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE) Act of</td>
</tr>
</tbody>
</table>
2006 provided new trade benefits for, especial apparel imports from Haiti.

Source: WTO secretariat (2013), “Market access for products and services of export interest to LCDs”

Commenting on the above table, Jarkata et al. (2014:18) observes that the exercise of offering DFQFs to LDCs is often manipulated by the Developed such that the little benefits that are associated with it are often eroded. For example the US AGOA initiative has failed to meet the target of 1,835 products available for DFQF scheme. As a result of the AGOA eligible policy most of the African countries like Zimbabwe cannot benefit from this scheme. In addition to the above even those parties that offer 100 percent coverage to all LCD products such as EU EBA scheme often use restrictive rules of origin (RoO), phyto-sanitary measures to determine the eligibility of the product such that very few LCDs can qualify (Bendhin 2014:20).

Jarkata et al. (2014:18) further argues that it is so unfortunate that whilst international trade constitutes for 62 percent of the global GDP, LCDS only account for one percent of global trade. Implied above is that a number of WTO rules need to be reviewed in favour of LCDs. Global issues (2014:05) called for member states to put mechanisms into place in order to fast track the implementation of the decision made at the Bali ministerial conference to review the guidelines for the rules of origin that WTO members should apply in their non-reciprocal schemes. Currently individual parties are independent to come up with the methodology to determine the RoO of the product. Ibid observes that the method used to calculate the ad valorem percentage of value addition which is the formula for determining the external input for the final product such as freight insurance and international transportation costs should be more flexible if the LCDs are to be fully incorporated into international trade.

According to Bellman (2014:18) LCDs participation in global trade in services is still minimal. Ibid observes that global trade in services (TIS) alone accounts for 70 percent of the world GDP and 45 percent in global employment. Contrary to this, LCDs service exports stand at 0, 6 percent whilst they import 1,7 percent of the global services. Juxtaposing the amount of contribution of the LCDs to the trade in services with the total figures for global percentage, it is very clear that LCDs are not benefiting much from trade in services. In the Bali ministerial conference member states agreed to adopt an operationalization of the service waiver for LCDs.
in order to fully incorporate them into multilateral trade in services (Jarkata et al 2014:18). The service waiver scheme originates from the development provision of article 1V of WTO General Agreement in Trade and Services. This provision calls for member states to facilitate increased participation of developing countries whilst it emphasise that first priority should be given to LCDs. As noted above TIS contribute a large chunk to the global GDP hence the need for LCDs particularly African states to mobilise themselves in order to partake in this important exercise.

Monitoring Mechanism on Special and Differential treatment is also one of the accomplishments discussed under the Bali development agenda. Bendhin (2014:20) states that Monitoring Mechanisms on special and differential treatment range from increasing trade opportunities, safeguarding the development interests of the LCDs, granting LCDs a longer transition as well as proving technical assistance of the LCDs. This initiative is the crucial part of the Doha Development Assistance (DDA). If the above mentioned objective is realised it will go a long way in enhancing the incorporation of African countries to international area. Again the above initiative like others is not legally binding implying that compliance is voluntary. Thus the success of the Bali development agenda largely depends on the political will of the members.

2.7 CONCLUSION

From the above literature, it is beyond doubt that the Bali package has great implications on the economic development of LCDs. However the research seeks to narrow the discussions to African countries with Zimbabwe as the case study. For the above mentioned objective to be a success various research methods which entail both qualitative and quantitative research methodologies were used in the study. Chapter three gives a detailed presentation of these research, sampling and data analysis methodologies that contributed to the findings that emerged.
CHAPTER 3: METHODOLOGY

3.0 INTRODUCTION

The basic aim of the research is to analyse the possible effects of the Bali ministerial conference on the economic development of African countries with Zimbabwe being the case study. This required the use various research methods for gathering findings that subsequently emerged. This chapter gives an overview of the various research tactics that were employed by the researcher and that contributed to the success of this project.

3.1 RESEARCH DESIGN

Triangulation method was used in this study. This refers to a combination of both qualitative and quantitative methods (Silvermen 1993:01). The aim of the researcher was to ensure the validity and the truth fullness of the findings hence triangulation method was employed so that these two strands of research methods would complement each other. These research tactics enabled the researcher to present and disseminate data. Quantitative methods that were used entail numerical data such as graphs, tables and statistics that were extracted from different published works. Qualitative methods that were used include key informant interviews in which the researcher interacted with different individuals from relevant institutions and ministries such as lectures, personals from the Ministry of Trade and Industry, Ministry of Finance and Economic development Foreign affairs among other related departments such as Industrial
Development Cooperation (IDC) amongst others. E-Mail and self-administered questionnaires were also used during the research.

3.2 STUDY AREA

The survey for this project was done in Harare. This is because of the centrality of the city which is the capital city of Zimbabwe and hence it houses most of the strategic departments which are necessary to the success of this research. The researcher targeted government institutions such as the Ministry of Trade and Industry, Finance and economic development, Foreign Affairs. Institutions such as Industrial Development Cooperation (IDC), Zimbabwe National Chamber of Commerce and Zimbabwe Investment Authority were also included in the survey. Academic institutions such as University of Zimbabwe and websites from International trade institutions such as WTO, IMF and World Bank reports, EU Economic Forum were regularly visited.

3.3 TARGETED POPULATION

To Babbie (2010) a population refers to the people who have specialised knowledge about the problem under study. On this note the researcher targeted the people from government institutions that deal with trade and with specific data about the Bali Ministerial conference and international relations. Cooperatives and NGOs that contribute to economic analysis and policy making were targeted in the survey. The population also encompassed the academia, particularly post graduate students and lecturers from Administrative studies and economics departments. To conclude, various websites and publications on Bali Ministerial conference and Zimbabwean economic issues played a formidable role to the findings that emerged.

3.4 SAMPLING

Babbie (2010:15) describes sampling as the systematic selection of a part of the population small enough to represent a whole. For the purposes of this study the researcher used purposive or judgemental sampling. This refers to the use of personal verdict to select suitable respondents from a given population (Ibid). In this project the researcher selected various cooperatives, academic institutions, economic NGOs and relevant ministries. These institutions were selected on the basis of them being the most resourceful departments with relevant information and records about the Bali initiative on the economic development of African Countries as well as
Zimbabwe in Particular. These institutions also provided the researcher with in-depth literature on the subject under study. Since documentary search is also one of the research methods that have been used in the study, the researcher identified various publications from relevant, reliable and valid authorities such as WTO websites, EU memos, IMF reports Zimbabwean national policies and the media among others.

3.5 METHODS OF DATA COLLECTION

Burns and Groove (1997:383) defines research methods as a systematic way of gathering data which is relevant to research questions, objectives and the purposes of the study. In this case the researcher used documentary search, key informant interviews, e-mail and self-administered questionnaires. The survey questionnaire was a major tool used to solicit relevant information and enabled the analysis of data.

3.6 DOCUMENTARY SEARCH

Scott (1990:54) describes a document as an artefact which has its central feature an inscribed text. In-depth information was drawn from different published works. These documents entail government records on the economic and trade trends, institutional documents on the 9th WTO ministerial records, newspapers, library literature, journals as well as different electronic publications about the subject under study. The researcher selected these documents based on their relevance, validity and authenticity of these publications to the research. Quantitative data such as graphs and statistics indicating the trends of economic development and trading activities of developing countries was drawn from these documents. This also contributed much in painting a picture of state affairs of the current situation about the extent to which the Bali issues have changed the global economic outlook since their endorsement in December 2013.

Documentary search proved to be the cheapest, fastest, reliable and easily accessible technique of gathering data about the implications of the Bali ministerial agreement to the economic development of the developing countries. Furthermore, considering the ever changing milieu that surrounds global economy and trading activities, the researcher was able to solicit up to date information about the subject under study. However the researcher observed that, these methods were overshadowed by the views of authors and reporters hence being too subject to be generalised to the entire population. In addition, documentary search was also limited as the
researcher could not probe further, seek for clarity and capture non-verbal modes of communication. As a result the researcher had to had to consider key informant interviews as one of the research techniques.

3.7 KEY INFORMANT INTERVIEWS

To Scott (1990) a key-informant interview is loosely structured conservation with people who have specialised knowledge about the topic you wish to understand. This is the most dynamic method that enabled the researcher to obtain information that could not be obtained from the general population. The researcher interacted directly with specific personals from relevant ministries and organisation. Below is a table that shows the list of the key informant interviews that were conducted.

3.8 DATA COLLECTION SCHEDULE FOR KEY INFORMANT INTERVIEWS

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Date</th>
<th>Name of the organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representative (African Desk)</td>
<td>19/12/2014</td>
<td>Ministry of Foreign Foreign Affairs</td>
</tr>
<tr>
<td>Principal Project Officer</td>
<td>05/01/2015</td>
<td>Industrial Development Cooperation of Zimbabwe (IDC)</td>
</tr>
<tr>
<td>Human Resources Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Economist</td>
<td>06/01/2015</td>
<td>Ministry of Finance and Economic Development</td>
</tr>
<tr>
<td>Deputy Director Human resources Department</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Economic analyst (WTO Desk)</td>
<td>11/01/2015</td>
<td>Ministry of Trade and Industry</td>
</tr>
<tr>
<td>Project Officer</td>
<td>12/01/2015</td>
<td>Zimbabwe Investment Authority (ZIA)</td>
</tr>
<tr>
<td>3 lecturers</td>
<td>11/01/2015</td>
<td>University of Zimbabwe (UZ)</td>
</tr>
<tr>
<td>12/01/2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief economic Analyst Project Officer</td>
<td>13/01/2015</td>
<td>Zimbabwe national chamber of Commerce (ZNCC)</td>
</tr>
</tbody>
</table>

Source: field work

An open ended questionnaire served as an instrument to solicit specific information from these key informant interviews. These interviews allowed the researcher to probe and clarify about the nature, scope and magnitude of the contextual variables. In addition to this, non-verbal modes of communication were captured. However the researcher acknowledged the likelihood of bias
from these discussions in which the respondents could have inclined their views in line with the objectives of their organisations hence undermining the truthfulness of the study. The researcher had to use other alternative research methods.

3.9 SELF-ADMINISTERED QUESTIONNAIRES

In order to solicit in-depth information about the study the researcher also used self-administered questionnaires. This is the use of structured questionnaire guide with standardised wording and instructions (Babbie 2010). Detailed uniform data was gathered through this method. This allowed the researcher to make quantitative presentations about the topic under study. Initially the researcher had distributed 18 questionnaires to students, intellectuals and personnel with knowledge on economic relations and only 12 participants responded to the questionnaires. Although this served to be an easier method of data collection since the researcher was not obliged to seek authority to do the surveys, it had its demerits. The researcher could not probe as the questionnaires were filled in the absence of the researcher. In addition some of the questions were omitted and five of the respondents did not attempt the questionnaire. The researcher had to counter for this by using email-administered questionnaires.

3.10 EMAIL-ADMINISTERED QUESTIONNAIRES

Email-administered questionnaires were used in order to reach those respondents that were out of reach. The researcher posted five questionnaire electronically to EU Development Forum, Swedish embassy website, TRALAC Trust, American Friends Service Committee and DFID. Only three out of five of these organisations sent feedback. However all of these organisations did not go through the questionnaire systematically as instructed but sent vast up to date literature and debates on the topic under study. This played a critical role in documentary search and the survey in general.

3.11 DATA ANALYSIS AND PRESENTATION

Yun (1994:41) defines data analysis as, “examining, categorising, tabulating and recombining evidence to address the initial position of the study.” The researcher used thematic, content as well as descriptive analysis.

3.12 THEMATIC ANALYSIS
According to Rica and Ezzy (1999:258), thematic analysis “involves the identification of themes through careful reading and rereading of data”. The researcher identified sentiments that kept on reoccurring during the surveys. These were coded and grouped into related themes. A template was designed by the researcher to record the themes. This made it possible for the researcher to analyse the data systematically through SPSS and Microsoft excel. Information was disseminated according to themes and subthemes in chapter four. Statistics, graphs and pie charts and in texts were used to disseminate information.

3.13 CONTENT ANALYSIS

To Babbie (2010:467) content analysis involves the, “the study of recorded human communications such as books, websites, paintings and laws.” In this study the researcher identified issues that kept on reoccurring about the importance of the Bali package on the economic development of African countries and Zimbabwe in particular, from the various publications that were explored in the documentary search. These were coded and recorded into themes that kept on reoccurring. SPSS and Microsoft excel were used to analyse data. The researcher used statistical numerations, tables, and charts to present the variables that subsequently emerged.

3.14 DESCRIPTIVE ANALYSIS

According to Babbie (2010: 467), this is the, “use of statistics to inscribe large amounts of data in a way that is manageable and understandable to make data useful in answering research objectives.” for the purposes of this study data was coded numerically and processed into graphs with the help of SPSS. This was an accurate, reliable, and faster method of analysing both qualitative and quantitative data hence increasing internal and external validity.

3.15 CONCLUSION

The above mentioned methods contributed a lot to the findings that emerged. Information gathered would be presented and analysed in Chapter four through the use of tables, graphs, pie
charts, pictures amongst other illustrations. These findings would be categorised and presented according to the themes and subtopics in the following chapter. However, the researcher faced some challenges of bureaucratic constraints which delayed data collection process during key informant interviews, in availability of targeted participants, and bias also affected the surveys. In addition case of non-responses for self and email-administered questionnaires were also recorded the researcher managed to overcome these challenges by using the triangulation method in which various methods that complemented each other were adopted.

CHAPTER 4: MAJOR FINDINGS AND DATA ANALYSIS

4.0 INTRODUCTION

This chapter presents an analysis of findings that were obtained from the key informant interviews, email and self-administered questionnaires as well as documentary search. The researcher used a questionnaire as a tool to solicit information. The major aim of conducting the research was to investigate the importance if the WTO ministerial conferences with special reference to the Bali ministerial conference on the economic development of Zimbabwe. Merits and demerits of Zimbabwe ratifying the package formed the basis of the study. The researcher also sought to investigate other variables that are associated with economic development of Zimbabwe other than endorsing the four Bali initiatives namely TF, technology, agriculture and agricultural issues. Thematic analysis method was then done in which the narrations that kept on reoccurring from various interactions were grouped into themes which will be disseminated below. Information gathered is going to be presented into sub-themes as outlined in the questionnaire. The major findings that subsequently emerged reveal that whilst endorsing the Bali package has its short comings Zimbabwe cannot afford to ignore hence the need to adopt various measures that will improve Zimbabwean industrial production, trade and economic development
4.1 IMPORTANCE OF BALI PACKAGE ON THE ECONOMIC DEVELOPMENT OF ZIMBABWE: FREQUENCY TABLE

Out of 30 responses that were gathered

<table>
<thead>
<tr>
<th>Motion</th>
<th>frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>22</td>
</tr>
<tr>
<td>Strongly agreed</td>
<td>03</td>
</tr>
<tr>
<td>Disagreed</td>
<td>05</td>
</tr>
<tr>
<td>Overall response</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: field work

4.2 PIE CHART

Source: Field work
The above table presents the responses that transpired during the survey. Out of a total of 30 respondents, 22 agreed that to a greater extent the package is of benefit to Zimbabwe although there are some reservations. Three of the respondents strongly agreed that the package is a good deal with very minor or no negative impact to the economy whilst only five of the responses disagreed and viewed the package as of no benefit to Zimbabwe with minor or no merits.

This brings it to a total of 73% people who agreed that the Bali package benefits Zimbabwe, 10% strongly agreed and 17% disagreed. This shows that the overall assumption was that the Bali package should be implemented.

4.3 DELEGATION OF THE BALI MINISTERIAL CONFERENCE

Zimbabwe was part of the 160 countries that attended the Bali ministerial conference on the 3rd to the 6th of December 2013. The Principal Economist from the Ministry of finance and economic development confirmed that Zimbabwe sent a delegation that compromised of the Minister of Trade and Industry, Mike Bimha, accompanied by bureaucrats from his ministry, Ministry of Finance and Economic Development and Ministry of Agriculture and Mechanisation. Some of the representatives were fetched from ZIMRA and AFRODAD an economic NGO escorted the delegation as an observer. However the Principal Economist observed that the Zimbabwean delegation like other less developed countries was very small as compared to the other countries like India and Brazil only but to mention a few. He noted that lack of resources by the government to ferry many technocrats culminated to this. This resulted to the conference being largely dominated by the Developed countries that had huge panels and significant voices.

According to ZNCC Chief Economist, the government had extended the platform to the Private sector and Civil society organisations (CSOs). The Chief Economist alluded to the fact that most CSOs received invitations from the government to complement the delegation to the Bali Ministerial conference. However most of these organisations were not able to grace the occasion citing lack of funds to cover travelling and accommodation expenses. He also noted that negotiation of international agreements is the prerogative of the bureaucrats and the role of other players is solely to observe. As a result most of the interested stake holders opted to contribute meaningfully to the preparatory meetings that took place in Harare before the delegate left for Bali. The Project manager from ZIA confirmed that the government facilitated pilot workshops
in preparation of the WTO ministerial conference in which interested stakeholders from sectors were called to participate.

4.4 RATIFICATION OF THE BALI PACKAGE BY DECEMBER 2015

The Bali initiative currently waits for 2/3 ratification by WTO member states by 2015 for it to come into full force. Quizzed about the stance of Zimbabwe towards ratification of the initiative, the bureaucrats from the Ministry of Trade and Industry were very optimistic that Zimbabwe is going to ratify the initiative. These administrators argued that the Bali issues namely TF, technology; agriculture and development are not a new phenomenon in the politics of international trade and are not novel to Zimbabwe. Note the text below.

*Source: field work*

In another encounter, an Economics lecturer from the University of Zimbabwe observed that already Zimbabwe is a signatory of a number of both regional and bilateral trade arrangements that compliment TF such as SADC Trade Protocol, COMESA, Chirundu one stop border post with Zambia and currently participating in the EU-ACP trade interim. A Master of Science in International Relations student from UZ also argued that Zimbabwe as a less developed country is likely to endorse the Bali initiative to avoid further isolation in international relations. According to the student, international arrangements like the Bali initiative are in many instances a podium used by the Developed countries to echo their interest and for an LDC to challenge the arrangement brings more harm to its development than endorsing it. Such sentiments were also echoed by the ZNCC who noted that ratification of the Bali by Zimbabwe might be used as an instrument of building a bridge to the Western countries as failure to do so might paint a wrong diplomatic picture about Zimbabwe in international relations.
However, the question of Zimbabwe ratifying the Bali package still remains debatable as the final decision is largely dominated by Politicians. An Administrator from Foreign Affairs under African Affairs desk hinted that the debate of Zimbabwe endorsing the Bali initiative is hinged upon its national interest. As a result the country is still doing a cost-benefit analysis of whether Zimbabwean national interest is not threatened by the ratification of the Package. In other words, Zimbabwe is going to take a calculated approach in which the results are going to be based on protecting the interest of the country.

4.5 WTO BALI PACKAGE AND ZIMBABWEAN TRADE AND ECONOMIC POLICIES

Before an in-depth analysis of the benefits that are associated with the ratification of the Bali initiative one has to measure the radius of Zimbabwean national interest from the Package. This was made possible by carrying out a synopsis of the current Zimbabwean trade policies in comparison with the provisions of the Bali initiative. In the Zimbabwean National Trade Policy (2012-2016), one of the core objectives cited is the expansion of regional markets. The government of Zimbabwe pledged to enhance TF, in order to expedite trade flows by reducing or eliminating trade barriers to trade. Section 4.6 of the national economic policy reveals the intent of the government to negotiate for one stop border posts of entry within the context of special development initiatives and North-South corridor.

In the 2015 National Budget statement of Zimbabwe, the Minister of Finance and Economic Development Patrick Chinamasa, unveiled that for the ZIM ASSET targeted GDP growth rate of 6 percent by 2015, significant foreign and domestic investment in infrastructure, new equipment machinery and more modern technology is necessary. This is closely related to the Bali concept of technology and development. Other related policies include the Strategic Grain Reserve agricultural act which was enacted as a government priority to food security in Zimbabwe an area provided for under the agricultural aspects of the Bali. Whilst all the economic related policies cannot be cited, these are some of the key Zimbabwean policies that reveal that the Bali package compliments Zimbabwean economic policies.

However it is worth noting that international relations consist of numerous players with conflicting interest. As a result the Bali package as an international instrument cannot be in
complete uniform with all the Zimbabwean economic policies like the Indigenisation policy. The reciprocity of the Bali package itself depends on how all the other international players implement the package.

Commenting on the above, the IDC Principal Project facilitator, argued that even if they are policies that accommodate TF in particular, Zimbabwe like other African countries is at unequal scales of development with the Developed countries hence it was going to work for the best of African countries if they commit much in perfecting TF at regional level. However the global winds of change do not accommodate such recommendations as African countries themselves have polarised interest and some are likely to be more-keen to ratify the Bali package. Thus for a land locked country like Zimbabwe with a very fragile economy, measures should be taken to revamp industries, restore the economy and gear the nation towards being a competent international trade player.

4.6 IMPORTANCE OF TRADE FACILITATION TO THE ZIMBABWEAN ECONOMY

The above question stirred debate amongst the respondents and was received with mixed emotions. However there was a general consensus throughout the study that regardless of the demerits associated with the package, it is important for Zimbabwe to endorse it. This conclusion was made after a thematic analysis of findings which will be summarised in the bar graph below.

4.7 FREQUENCY DISTRIBUTION TABLE ON THE IMPORTANCE OF TF

<table>
<thead>
<tr>
<th>Motion</th>
<th>Percentage frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF is of benefit to Zimbabwean economy</td>
<td>83</td>
</tr>
<tr>
<td>TF is of no benefit to Zimbabwean economy</td>
<td>17</td>
</tr>
</tbody>
</table>

*Source: field work*
From the above illustration one can note that 83% of the respondents observed that the Bali Ministerial conference is the key to economic development although some negative implications were identified. Only 17% of the respondents dismissed TF and called for non-implementation.

Trade facilitation: 83% of the respondents noted that if implemented the Bali package will reduce the cost of trade. The respondents agreed that trade contribute immensely to the GDP.
Statistics from IMF (2014:78) reveal that trade contributed 91.9% to the overall GDP of Zimbabwe in the year 2014 only. Unfortunately from the 91.9% trade figure, Zimbabwe exported 30.1% worth of goods and services whilst it imported 61.8% worth of goods and service in the year 2014 only. In the 2015 National budget statement, the Minister of Finance and Economic Development noted that in the year 2014 the government spent at least 2million USD worth of fees on the procurement services of grain from the producers to the grain marketing board.

Source: field work

Implied above is that high trading fees increase government expenditure and the cost of living. Thus TF can be a positive initiative for an import-based Zimbabwean economy

4.9 ZIMBABWE TRADE TRENDS

(percentage of the GDP)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>24.8</td>
<td>25.1</td>
<td>27.5</td>
<td>29.1</td>
<td>31.0</td>
<td>22.1</td>
<td>36.7</td>
<td>42.8</td>
<td>32.7</td>
<td>29.1</td>
<td>30.1</td>
<td>30.9</td>
</tr>
<tr>
<td>Imports</td>
<td>29.9</td>
<td>31.8</td>
<td>35.8</td>
<td>35.7</td>
<td>50.9</td>
<td>76.1</td>
<td>61.5</td>
<td>78.4</td>
<td>62.9</td>
<td>61.9</td>
<td>61.8</td>
<td>61.3</td>
</tr>
<tr>
<td>Total</td>
<td>54.7</td>
<td>56.9</td>
<td>63.3</td>
<td>64.8</td>
<td>81.9</td>
<td>98.2</td>
<td>98.2</td>
<td>121.2</td>
<td>95.6</td>
<td>91</td>
<td>91.9</td>
<td>92.2</td>
</tr>
</tbody>
</table>


The above table shows the contribution of trade to the Zimbabwean GDP since 2004 to 2015. Note that since 2004 Zimbabwean exports surpasses its imports with export figures estimated to increase by 0.8% in 2015. From this table one can also observe that over the years trade constitutes the largest chunk of the GDP
TF was also perceived as a pulling factor for FDIs in Zimbabwe. According to the ZNCC Chief Economist excessive trading fees shun away investors. The Economic analyst noted that, “the purpose of doing business is to make profit hence if the cost of investing outweighs the benefits, doing business becomes irrelevant”. According to IMF (2014) for a Mozambican company to cross over Zimbabwe it has to pay road user fees worth 25 USD per 100km, entry charge worth 30 USD, insurance charge of 300 USD valid for three months and guarantee cost of 120 USD a year. These administrative costs shun away investors thus TF since it entails the aspect of harmonised procedures can act as a pulling factor for FDIs. In turn this will enable Zimbabwe to achieve development goals such as Poverty reduction, employment creation and economic growth. The illustration below summarises the benefits of TF.

4.10 HOW CAN TF CONTRIBUTE TO REACHING DEVELOPMENT GOALS

EXAMPLES OF TF INTERVENTION
Better border and customs management, improving infrastructure, open and competitive markets in logistics and services sector, harmonised regional standards
TF was also applauded by most respondents for reducing the bureaucratic constraints, red tape, and minimising the time spent doing trade. Bureaucrats from the Ministry of Trade and Industry argued that, unnecessary formalities at the border diminish market access. For example because of the multi-window system at the Beitbridge border between SA and Zimbabwe goods can take a seven days to be cleared. This fuels corruption from rent seeking administrators escalating the overall cost of trade in Zimbabwe.

4.11 VEHICLES WAITING TO BE CLEARED AT ZIMBABWE-SOUTH AFRICA BEITBRIDGE BORDER-POST

Source: www.sabcnews.org  (23 December 2014)

Note the lengthy queues at the border. Goods can take 3to 7days to be cleared fuelling corrupt activities. TF has been identified as alternative solution to these delays

There was a general consensus from the respondents that improved cooperation between customs and other relevant authorities will bring clarity on import and export licences. Most of the personnel from institutions such as ZIA, ZNCC and IDC confirmed that bureaucratic constraints and in availability of up to date information online complicates the process of procuring Import
and Export licences. IDC Principal Project officer stipulated that it took 178 days for the government to approve the licences for a company called Surface Investment. In addition to shunning away investors this opens a channel for rent seeking bureaucrats.

However most of the respondents acknowledged that implementation of TF have its shortcomings. According to the Foreign Affairs representative TF will result in the influx of local markets with foreign goods a move which undermines industrialisation.

Technology- responses gathered from the academia, bureaucrats, economic analysts and written records indicated a general over view from the participants that the success of TF depends on a great deal investment in technology. This was viewed as a positive step for Zimbabwe so that it matches with the global trading environment. This requires computerisation of all trade related government institutions, human capacity building, increasing internet services and importing up to date soft wares just to mention a few.

Whilst the quest for technological innovation in Zimbabwe is eminent, the cost of implementing these measures is huge and the government expenditure cannot meet the demands. According to the Bureaucrat from the Ministry of Finance Zimbabwe has a huge external debt and lack balance of payment support from institutions such as IMF and World Bank. Statistics from IMF (2014) reveals that in 2014 the government debt had a share of 58.5 of the GDP. Contrary to this the total government revenue excluding grants claimed only 29.2% of the GDP (Ibid). Implied above is that government expenditure cannot meet the demands of the populace let alone TF.

Development issues- an analysis of findings that subsequently emerged shows that there was a general consensus amongst the participants that the Bali development agenda has a positive emerge on the economic development of Zimbabwe. A reflection of the contents of the package shows that the Developed WTO members pledged to increase trade related Aid for the LCDs in exchange for the implementation of TF. The ZNCC Economist noted that if Zimbabwe had to receive aid it will contribute a lot to infrastructure development such as roads, ICTs, dilapidated electricity power plants namely Hwange and Kariba power plants. This has been identified as a move that will reduce the cost of production in return.

*Fig 4.12 shows the state of some of the roads in Zimbabwe. If Zimbabwe receives Development assistance such projects as infrastructure development can be implemented.*
4.12 STATE OF ROADS IN SOME OF THE HIGHWAYS

Source: internet (15 January 2015)

The above image shows the state of some of the roads in Zimbabwe which increases the cost of production and trade. Whilst the Bali package covers development aid for LCDs, it is not definite that Zimbabwe is going to benefit from the scheme. Implementation depends on the political will of the developed countries.

4.13 IMPLEMENTATION MEASURES SINCE 2013

Although they are strong assumptions from key ministries like Ministry of Trade and Industry as well as Finance and Economic Development that Zimbabwe is going to ratify the Bali package, at the moment the Political leaders have not gazetted the stance of Zimbabwe. Economic analyst from the Ministry of trade and Industry confirmed that the government has not yet publicised the road map for the implementation of the package since it is still under surveillance. However he noted at the moment the government has since facilitated some workshops that are meant to equip various interested stakeholders about the nitty-gritties of the package as well as
implementation strategies. These workshops however have been delayed due to lack of funds and the government has applied for WTO funding.

Elaborating to the above, the Project facilitator from IDC noted that the duty of the African countries is to implement TF and to celebrate that Public Stock Holding for Food security purposes which is now classified under the WTO green box issues, a subject that was imported into the Bali Agenda by India and supported by most of the LDCs, Zimbabwe included. Implied above is that it is no longer illegal for developing countries to procure grain at a higher subsidies price from the local farmers and reselling it at low cost that can be afforded by vulnerable population. This initiative was meant to support agriculture and simultaneously ensuring food for all. To add, the bureaucrat from Foreign Affairs argued that successful implementation of the larger part of the package which entail development and the rest of the agriculture initiative entirely rest on the willingness of the Developed countries to fund these projects and change the rules of the game.

On the other hand, the Principal economist from the Ministry of Finance and Economic Development expressed his optimism on the ability of Zimbabwe implementing some of the TF initiatives if the Bali package is endorsed. He argued that the fact that Zimbabwe under some of regional initiatives like COMESA and SADC Trade Protocol had endorsed some of TF measures like Chirundu one stop border post with Zambia and has eliminated some of the tariffs and duty fees on specific regional products shows that TF is not novel to Zimbabwe. Furthermore ZIMRA use of ASYCUDA software which enables harmonisation of customs procedures with other countries by ensuring the availability of commodity prices for export and imports amongst other essential trade related information on the data base that can be accessed by various consumers across the globe is a positive step towards TF.

The Bureaucrat from Foreign Affairs also noted that currently Zimbabwe is participating in the Economic Partnership Agreements between EU and East and Southern Africa (ESA). This agreement will enable African products to reach EU markets duty free quota free. Thus from the above presentation one can deduce that as difficult as it might be, Zimbabwe has a stepping stone as far as implementation is concerned.
4.14 EFFECTS OF THE BALI PACKAGE TO ALL THE SECTORS OUTSIDE THE RANGE OF LARGE SCALE PRODUCERS

Trade facilitation - It is worth noting that any economic changes have some spill over effects and affect almost all the national zones. The Bali package received widespread condemnation from most of the respondents and the published materials for being insensitive to the other sectors outside the gamut of large scale producers. 57 percent of the responses are of the view that pillar of the package TF, will benefit the most large scale producers and MNCs a move which threatens the existence of SMEs that are mushrooming in Africa.

4.15 FREQUENCY PIE CHART

![Pie Chart](image)

*Source: Field work*

The above illustration shows the different responses about the benefits of the package to other sectors outside the gamut of producers. 57% of the respondents noted that the package does not benefit all the sectors, only 30% agreed whilst 8% strongly agreed. Note that 5% of the respondents did not attempt the question.

The Personnel from ZIA noted that over the years the government of Zimbabwe has been putting a lot of emphasis on the development of SMEs. Thus TF is likely to erode these realised gains as liberalising markets will lead to an influx of foreign high quality products into the market which
the Zimbabwean SMEs cannot compete with. In addition, at the moment the ability of the SMEs to export its products is not yet substantive considering the quality and the price of their products. Bureaucrats from the Ministry of Trade and Industry also elucidated that TF if not monitored can undermine the process of Industrialisation a move that has a negative impact not only economically but socially as well.

However most respondents concurred that Zimbabwean SMEs at the moment have remained informal and segmented such that their contribution to the GDP and overall international trade is so minimal. They called the government and all interested stakeholders to mobilise and cluster them into notable production zones. A great deal of human capacity building and capital is required for the SMEs to participate fully into the economy.

There was also a general consensus among the respondents that TF will enable the general population to access high quality products in their local market at a cheap price hence reducing the cost of living and minimising inflation rate. However this always comes with a cost as it often undermines local markets.

Agriculture and development issues-In addition to the above, development issues might result to infrastructure building like roads, railways, ports amongst other trade related infrastructure. Agricultural issues like public stock holding also comes as temporary measure for food security. However Zimbabwe does not have the funds to implement all these measures. Thus these measures might remain in theory if Zimbabwe does not receive development aid.

The overall assumption across the field is that the Bali has both positive and negative implications to the other sectors outside the producers. Since it is difficult for the government to shield the nation from global shocks that are associated with the international deals such as the Bali package, measures should be adopted to minimise the harm.

4.16 IMPLICATIONS OF NON-RATIFICATION

even if Zimbabwe does not ratify the deal, by the virtue of the country being a WTO member if the package is ratified by 2/3 majority of the IGO, the contents of the package will be legally binding on Zimbabwe and the effects of the package will be felt By Zimbabwe just like other African countries.........Foreign Affairs representatives
Findings that subsequently emerged revealed that most respondents came into a consensus that failure to ratify the package might have negative impact on Zimbabwe. The researcher also gathered that even if Zimbabwe does not ratify the package, it will be legally bound by its terms if 2/3 of WTO members endorse it.

One of the sentiments that kept on resurfacing during the survey is the geographical position of Zimbabwe which makes it dependant on the ports of its neighbouring countries for the bulky of its trade. Zimbabwe is a landlocked country that depends on Tanzanian, SA, and Mozambican ports for its trading activities. As a result if the above mentioned countries implement the package particularly TF this will reduce the cost of trade that Zimbabwe incurs when doing its trading activities. At the moment Zimbabwe imports about 60% of its products from South Africa (IMF 2014). Thus reduced cost of trade and harmonised customs union will be an advantage for a land locked country like Zimbabwe.

According to the ZNCC economic analyst, failure to ratify the package will pace up the isolation of Zimbabwe in international community. The Economist noted that considering the level of globalisation it is impossible for an LDC like Zimbabwe to shield its economy from the effects of multilateral deal like the Bali package. He hinted that most probably the largest Zimbabwean trade partner, SA might endorse the deal considering its series of arrangements with global economic giants such as EU, US and the BRICS association. In addition China just like SA needs TF in order to secure markets for their products. At the moment Zimbabwe is a participant in the current EPA agreements between EU and African countries. This economic interim on its own is a reflection of TF and ignoring the Bali package will be a contradiction to Zimbabwean actions.

In-addition most of the respondents agreed that TF is not the cause for de-industrialisation in Zimbabwe. The picture below shows the current state of most industries in Zimbabwe country wide. Implied above is that they are vast reasons for the underdevelopment of African economies with Zimbabwe included that are independent from TF. Hence to blame TF for de-industrialisation of Zimbabwe would be a gross exaggeration.
Take note of the dilapidated industries in Zimbabwe. Most of these have shut down or relocated to other countries. TF has been noted as a pulling factor for FDIs to invest in Zimbabwe. This view is buttressed in the text above.

Source: Field work

Zimbabwean economic woes did not come as a result of the TF. Deindustrialisation took place long before the Bali Ministerial conference. They are a series of factors that culminated to the melt down of the Zimbabwean economy such as economic mismanagement, war veterans’ compensation, participation in the DRC war, the land reform programme, negative economic policies like the Indigenisation policy, Western economic sanctions that have been in existence long before the Bali package. ....UZ
4.18 CONCLUSION

The above information reveals that a protectionist approach to international trade is impossible in the global village. Implied above is that Zimbabwe cannot insulate its economy from the Bali package economic shocks. Thus the government of Zimbabwe is encouraged to come up with long term solutions to address economic crisis and gear the nation for the ever-changing global economic trends. Some of these possible recommendations would be provided for in Chapter five which entail economic policy reforms, overhaul of government institutions, and good governance issues amongst others. Chapter five also gives an overall summary of findings as well as implications for further studies.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.0 CONCLUSION

Information presented in the previous chapter reveals that it is beyond doubt that the WTO package agreed in the 9th ministerial conference also known as the Bali initiative has both negative and positive implications on the economies of African countries with Zimbabwe being the unit of analysis. Respondents from various ministries agreed that TF will largely benefit the economies of the developed countries that have the capacity to produce in bulk and sophisticated machinery to do so. The respondents also raised concerns of perpetrated dependency of the African countries on their developed counterparts as this will influence them to seek trade related aid from their counterparts. Most respondents also came into a consensus that the aspect of agriculture under the Bali should also include opening of markets and removal of subsidies to all other agricultural products none other than cotton. Issues to do with the unavailability of resources to implement TF and development of infrastructure, lack of reciprocity of the package as African countries, Zimbabwe being the focal point are at different stages of economic development from the developed countries. Implied above is that what Zimbabwe needs at the moment is to revive its industries and value addition to its raw products more than TF.

However there was a general consensus amongst the respondents that despite the above identified factors Zimbabwe cannot protect its economy from the effects of the Bali package. Most respondents moved a motion that economies thrive at a high level of globalisation where the global economic changes affect all the players in international relations. In addition, for a landlocked country like Zimbabwe which imports most of the products it is beyond doubt that the Bali initiative affects the Zimbabwean economy. It is also worth noting that most of the issues raised in the Bali package compliment Zimbabwe economic policies for example the National Economic Policy the government pledged its commitment to TF. The findings that also emerged also revealed the need for Zimbabwe to continue to improve trade related infrastructure as exports are estimated to constitute in 30.9% of the GDP (IMF 2014:78). Thus despite of the negative effects of the Bali, in this global village, Zimbabwe cannot successfully insulate its
economy from the effects of the Bali package. However, Zimbabwe has a burden to invent means of accruing benefits from the Bali package as well as improving its economy.

5.1 RECOMMENDATIONS

Below are possible measures that can be adopted by Zimbabwe to improve its trade, enhance economic development as well as maximising benefits from international trade deals such as the WTO Bali initiative.

Invigoration and development of industry- there is a need for Zimbabwe to invest a lot in revitalising its industry. Whilst efficient trade is the key to economic growth, trade alone cannot bring favourable economic results. For trade to be efficient, it has to be supported by competent economic sectors such as industrial production in all sectors as well as agriculture. In addition to employment creation, this will enable the export competency of the country. This initiative will require a combined effort from the government, the academia and the private sector to identify the strategic sectors that are critical for economic turnaround and invest much on them. For example a collective effort from all stakeholders to eliminate illegal gold panning might result in increased trade in the mining sector.

Value addition - there is a need for adding value to Zimbabwean raw products before export. For Zimbabwe to maximise benefits in international trade there is a need for it to maximise its production. Value addition will strengthen the industrial base; reduce the cost of trade as it is more expensive to export crude products than processed ones as well as increasing revenue generation. For this to be a possible there is a need for investment in science and technology and human capacity building. Whilst this requires a lot of players including external players it is possible for Zimbabwe to achieve that. Zimbabwe should learn from the case studies of neighbouring countries such as South Africa. This will also require a number of interrelated factors that will be cited below as part of the recommendations.

FDIs- The success of the above mentioned recommendation is embedded on the ability of the government to attract Foreign Direct investors. As noted above the local players and the government are incapable of invigorating the industry on their own without the assistance from
the external players. In order for the government to attract FDIs there is a need to endorse policies that will lure them into the country. Commitment to trade facilitation will also be a great leap forward towards attracting investors into the country as it reduces the cost of production. This however requires a great deal of factors that entail reduction of the cost of production and working towards a stable political environment.

*Development of trade related infrastructure*- is also one of the major dynamics that Zimbabwe has to address in order to enhance its competence as an international trade player and reduce the cost of production. Poor infrastructure such as excessive electric power cuts, high cost of internet services in Zimbabwe, in availability of machinery and spare parts in the local markets as well as high transport costs and water shortages have been identified as one of the elements that culminate to poor production in all sectors of the economy. For the above challenges to be addressed the government has to take into consideration some of the factors that are going to be cited below.

*Governance issues*- In order for FDIs to invest their resources in Zimbabwe they need a secure environment with good governance indicators such as rule of law and property rights. At the moment Zimbabwe is classified as one of the countries with highly volatile governance systems. Since 2002, after the land invasions the government of Zimbabwe endorsed a series of reforms that jeopardise property rights such as the indigenisation policy. Maladministration along the bureaucratic streamline has also fuelled rent seeking within structures hence threatening transparency and the cost of procuring company licences. It is beyond doubt that Zimbabwe needs to strengthen its governance indicators. However it is so unfortunate that such an initiative purely depends on the political will of the Zimbabwean leaders to do so.

*Improve diplomatic relations*- there is a need for Zimbabwe to improve its diplomatic relations with all countries particularly the Western countries. In other words Zimbabwe foreign relations should be designed in a manner that accommodates the entire global village whilst paying special interests to the needs of the country and for the economic development of the nation. This initiative requires a great deal of political will as well as bargaining. Strained Zimbabwe relations with Western countries brought adverse effects on the Zimbabwean economy. Imposition of EU-US sanctions culminated to the shut-down of numerous industries. Zimbabwe also requires a lot of funds for its development projects which Eastern friends like China cannot
sufficiently quench on their own. In addition, if Zimbabwe improves its relations with the Western countries there is a possibility of unlocking opportunities for Zimbabwe to assess funds from IMF and World Bank

*Overhaul of government institutions* responsible for the implementation of economic and development policies is necessary in order for Zimbabwe to fully utilise any international trade agreements and develop economically. In other words government institutions should be premeditated in a way that suits the ever changing global economic milieu. The measures that can be employed entail establishing innovative research departments in ministries like The Ministry of Finance and Economic Development which at the moment does not have an outstanding research department. Those ministries that already have such departments like the Ministry of Trade and Commerce needs more funds and human personnel to carry out research projects. Meaningful research will contribute much to policy making and will also enable the delegates to make meaningful choices when bargaining at international level.

*Public-Private Partnership* should be considered in order to necessitate the implementation the economic projects. Whist this aspect is echoed in most of the government policies over the years good relations between the government and private players has been eroded. The government should engage other players such as the academia, the media, intellectuals and Economic NGOs in research, in analysing economic statutes from multilateral agreements as well as policy making. Such practises will lessen the strain on the government which more often has inadequate funds and lack enough human capacity to carry out all the duties.

In a nutshell the, external and internal factors should be considered for Zimbabwe to benefit much from the Bali initiative. As noted above, it is unlikely that Zimbabwe can successfully shield its economy from the global economic impacts. What is required therefore is collaboration of local and internal players to facilitate Zimbabwe economic development. Local players should consist of the government, the public as well as private players. However one has to consider that for all the projects to be a success political will from the government of Zimbabwe to spear heard the economic campaign is necessary as well as the contribution from all the other players to complement government efforts.
5.2 IMPLICATIONS FOR FURTHER STUDY

Based on the findings of this research, there is a need of in-depth study of the factors that attract FDIs which will culminate into deindustrialisation of Zimbabwe. Further studies on institutional capacity development and policy reformation are also necessary to complement efforts to develop the economy of Zimbabwe.
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Diagrams and Tables

