What are the Real Chances for Africa to Develop its Trade?

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Abstract  
Despite the importance to researchers, managers, and policy makers of how African trade contributes to regional development, there is uncertainty about the strategy and its implementation for sustainable trade in the continent. Through an integrative review of the literature summarizes past empirical or theoretical literature to provide a more comprehensive understanding about African trade. We develop a model for African trade development that integrate the various inputs (capacity building; financial and capital; policy and market environment) that are necessary for African trade improvement and others socio-economic outcomes. We apply the framework to synthesize what is known about African trade and provide a blueprint to guide future research by developing propositions and suggestions for a research agenda. It is known that inter-African trade is valuable for the regional’s economic development, but the impediments are all interconnected and need complementary actions as well as a competitive macro environment.  
Keywords: Africa, Trade, development

1. Introduction

Africa is the continent on which appeared the first man and de facto the preliminary trade activities took place on this continent. From antiquity through the Middle Ages until the modern times, different models or forms of transactions were under stringent conditions. Traders did not have all the technology we have today. These days, most of regions are using infrastructure, ICT and human capital to improve the competitiveness of their trade and thus participate to the global value chain (GVC).

The history of trade development of Africa needs to be developed. Most of African countries could not use trade as a lever of economic development. Africa is the second largest continent in the World and covers approximately 30 million square kilometers and more than three times of the size of the United Stated. A population of 819 million, 12, 2 per cent of the world population, but its economic activity is small, contributing only 1, 7 per cent to world production (Vickers, 2012). However, viewed from the economic perspective the continent is still too small. The total economic size of the entire Africa is equal to that of Canada, then Africa needs more strategy to fully participate to the global market (Murphy & Walsh, 2013).

Indeed, after the wave of African independence, most African countries are classified as LDCs (Least Developed Countries) with a low level of human development (PNUD, 2013). Economic and social structure of these countries is mainly characterized by an agrarian economy of the traditional type, a weak state and a highly unequal social structure. Several socio-economic trends attempt to explain the realities of the Third World mostly made by African countries; either by indexing their colonial past of their high population growing or low level of specialization in international trade (Abodohoui, Su, & Da-Silva, 2013). The economic development policy and business strategy based on import substitution industrialization (ISI) (Samir, 1973); structural adjustment programs (SAPs) of global financial institutions and strategies for poverty reduction could not breathe commercial dynamism in business activities in African countries (Abodohoui et al., 2013). Most of these different strategies undermined the economic diversification efforts and led to the erosion of industrial infrastructure in Africa (Mkandawire, 2005; Soludo, Ogbu, & Chang, 2004; Sundaram & von Arnim, 2008).

The assertions concerning the marginalization of Africa in relation to the production, trade and its ability to attract foreign investment are outdated, limited and are challenged by the new African economic...
outlook. Africa is currently ranked as the second most attractive regional investment destination in the world. Indeed, in recent years, the transition economies have emerged as an important source of FDI. In 2011, the share of cross-border investment activities in Africa is tilted by 6.2% in 1980 to 31.8% with an intensification of regional investments. Many countries have liberalized their trade activities through the promotion of foreign investments in industrial projects to stimulate economic growth. FDI flows to developing countries increased by 11% or about USD 684 billion (Abodohou et al., 2013). The human capital is improving by achieving the different objectives of Millennium development Goals by the African governments which realize that sustainable and inclusive economic growth are necessary for the continent to lift out of the poverty (Murphy & Walsh, 2013).

Recent years have seen renewed regional and international focus on African development. Some authors and scholars focused their research about how African countries could increase its intra-trade and others involved in the strategies that African countries could use to participate to the global value chain. There are some progresses about the reduction of the conflicts, improvement in governance. However, the continent is still in dire poverty (Ndulu, 2007). In the past, the diversity in geography, history and institution of African countries were seen as a great threat or challenges for the whole of the continent development but nowadays could be seen as opportunities. Nevertheless, there are still some problems related to the political tension, conflict and violence (for instance Boko Haram violence in Nigeria, AQMI in Mali), corruption, linguistic barriers, high rate of illiteracy, cultural diversity (ethnic fragmentation for instance) and also the different fees related to Doing Business in Africa diminish the capacity for African state to engage in intra-continental trade (Muluvi, Kamau, Githuku, & Ikiara, 2012) or improve their abilities to participate to the new international division of labor (NIDL).

In addressing the question of the chances for Africa to develop its trade, this paper is structured as follows. First, it outlines the methodology that is used to build this research. Second, it presents the different bottlenecks that are at the same time, the issues that decipher the profile of African trade. Third, after discussing about some opportunities that abound African trade, the briefly specifies the conceptual framework that could be implemented to promote African business and ensure in the future its participation to the GVC. Fourth and finally, the paper concludes by making some observations about relevant challenges for the African trade reinforcement.

2. Methodology
This research was developed based on gray literature. It is therefore inherently qualitative and descriptive. We based on articles published in specialized journals. Thus, we developed an integrative review that summarizes past empirical or theoretical literature to provide a more comprehensive understanding about African trade. There are different types of literature review such traditional literature review (qualitative or narrative review), meta-analysis and systematic review. The integrative review method is an approach that allows for the inclusion of diverse methodologies (qualitative and quantitative) and has a potential a greater role in evidence-based for the field of the study (Whittmore & Knafl, 2005). This approach of conducting literature reviews began with the health care and has been used since 1970. It also allows synthesizing the findings from discrete primary studies to increase the generalizability of data and phenomenon (Henderson & Gibson, 2013; Jackson, 1980). Since 1990s, integrative was started to be used in management. According to Hart (1992), an integrative approach would be greatly beneficial to the field of management. In order to enhance rigor, this study uses well-defined search strategies and therefore limited the bias. We use two databases to build our research. EBESCO (Business source complete) is the database that we use. It provides a lot of papers about organizational and management. Secondly, we use Science Direct that provides academic papers in four sections: engineering, life sciences, health sciences and social sciences and humanities. We collected articles related to African trade published during December 2003 and 2013. The research used the keyword with boolean connectors (such as Afric* and opportunit* or chanc* or develop* and trad* or business*). The boolean connector allow for instance to have different radical of the word (e.g. develop*: develop, development, developing, etc). We selected in total 172 articles. By scrutinize the title, the abstracts and eliminate the duplicate papers by using the software endnotes, we finally come out with 27 articles. These articles were then classified according to their methodologies, findings, implications and values in excel sheet. Most of these papers are classified according to their journals (table 1)
Table 1. Selected reviews for the literature

<table>
<thead>
<tr>
<th>Academic journals</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Development</td>
<td>6</td>
<td>22.3</td>
</tr>
<tr>
<td>Irish studies in International Affairs</td>
<td>1</td>
<td>3.7</td>
</tr>
<tr>
<td>Global Trade</td>
<td>3</td>
<td>11.1</td>
</tr>
<tr>
<td>Africa Growth Initiative</td>
<td>1</td>
<td>3.7</td>
</tr>
<tr>
<td>ELSEVIER LTD</td>
<td>4</td>
<td>14.8</td>
</tr>
<tr>
<td>Management Futures</td>
<td>1</td>
<td>3.7</td>
</tr>
<tr>
<td>UN Economic Commission for Africa / China-DAC Conference</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>The World bank</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>International Trade and Economic development(ITED)</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>World Economics</td>
<td>2</td>
<td>7.4</td>
</tr>
<tr>
<td>Economic Commission For Africa et African Union</td>
<td>3</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

Created by the authors from selected database

3. Bottlenecks and the development of Africa trade

Most of African countries are trapped in a development vicious circle (poor strategy and performance leads to poor progress and development): the predominance of subsistence, low consumption further inhibits investments; 65% of African continent after some significant progress can access to clean water whereas in East Asia and Pacific and Latin America, the percentage is respectively 87% and 91% (Kaberuka, 2011; Vickers, 2012). However, it would be difficult or unnecessary to establish a hierarchy of problems that the commercial sector is facing. Each misidentified and misdiagnosed obstacle causes poor performance across the sector. The literature mentions infrastructure problems, lack of connectivity business in regional and especially the archaic nature of the primary sector (agriculture).

3.1 Infrastructural problems and Africa trade

Most African countries face infrastructure problem (Othieno, 2012). According to the Africa Infrastructure Country Diagnostic (AICD), the region requires US$93 billion per year to improve the continent level of infrastructure. Different research show that the urbanization is increasing but it still has some problem of trade development. Apart some medical service that have been highly improved, fewer than 40% of African have access to electricity whereas Spain generates more electricity than the whole of Sub-Saharan countries combined (Kaberuka, 2011).

Only 25% of the road network is paved. According to World Bank Rural Accessibility Index; only 34% of the rural population in Sub-Saharan lives with two kilometers of a road that is passable in all weather. Most of the 64 African ports have the poor capacity and performance to support the trade policies (Abodohou, Guihua, & Pingfeng, 2010). African maritime ports do not respect the international norm (Kimenyi, Lewis, Routman, & Initiative, 2012). A Cross-borders tax (high fees) and the condition of the road between countries constitute some obstacles to implement some regional activities. For instance, according to United Nations Economic Commission for Africa; “shipping a car from Japan to Abidjan costs $1,500 USD, while shipping that same vehicle from Addis Ababa to Abidjan would cost 5,000 USD” (Africa & Union, 2010). Africa inland waterways present an excellent opportunity to connect cities and countries (Taiwo, Moyo, & Initiative, 2012) but this advantage is misused for the trade development. All of these situations do not improve the ease of doing business in African countries as displays the table 2. A comparison made of different rows occupied by the country for ease in doing business shows the gap between regions (OHADA, Latin America, East Asia-Pacific, OECD). Thus, according to 2013 and 2014 and making a comparison between the first five countries in each region we find that the OHADA countries, which are in majority Africans countries, are at the bottom. Whereas ease of doing business ranks economies from to 1 to 189, with first place the best.
Table 2. Comparison of the ease of doing business between Africa and others regions

<table>
<thead>
<tr>
<th>Regions</th>
<th>Countries</th>
<th>Rank per years 2013</th>
<th>Rank per years 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHADA</td>
<td>Mali</td>
<td>151</td>
<td>155</td>
</tr>
<tr>
<td></td>
<td>B.Faso</td>
<td>153</td>
<td>154</td>
</tr>
<tr>
<td></td>
<td>Togo</td>
<td>156</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>Comores</td>
<td>158</td>
<td>158</td>
</tr>
<tr>
<td></td>
<td>Cameroon</td>
<td>162</td>
<td>163</td>
</tr>
<tr>
<td>Latino-America</td>
<td>Chile</td>
<td>37</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Peru</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Colombia</td>
<td>45</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Mexico</td>
<td>48</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>Panama</td>
<td>61</td>
<td>79</td>
</tr>
<tr>
<td>East-Asia Pacific</td>
<td>Singapore</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>H.Kong</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Taiwan</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>OECD</td>
<td>N.Zealand</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>U.states</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Denmark</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Norway</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>U.kingdom</td>
<td>7</td>
<td>9</td>
</tr>
</tbody>
</table>

Created by the authors from World Bank database

3.2 Agriculture and African trade

African’s agriculture sector lacks technology, managerial skills, financing (access to the capital), logistics of trading, marketing, and storage (Collier & Dercon, 2013) and only 5% of agriculture is under irrigation (Kaberuka, 2011). African countries could exploit various trade preferences such as United States’ African Growth and Opportunity Act (AGOA), European Unions’ Economic Partnership Agreements (EPA) and different bilateral cooperation acts to promote its competitiveness in the global market. According to table 3 most of African countries are not using these opportunities to improve their international trade. Except Côte d’Ivoire and South Africa, most of other countries are not taking advantage of using AGOA as a tool to import to American market. There is also the safety of food products, which refers to problems of quality food products. In general, African agriculture is subject to several constraints. There is the land constraint imposed in virtually all countries in sub-Saharan Africa, the problem of ecological sustainability of horticultural production systems and animals (difficult reconciling the imperatives of low production costs, minimizing inputs of chemical inputs, disposal or recycling of organic waste); the difficulties of placing on the market of certain products (poultry farming, local food) and especially the lack of industrialization of agriculture (Moustier, 2004).
Table 3. AGOA status and selected African countries and U.S trade facts

<table>
<thead>
<tr>
<th>Countries</th>
<th>Exports from US</th>
<th>Total (millions US$)</th>
<th>Imports to US</th>
<th>Total (millions US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>Vehicles, Nuclear Reactors, Boilers, Meat, Textile Art</td>
<td>607</td>
<td>Edible Fruit and Nuts, (cashews) Live Animals, Art and Antiques</td>
<td>3</td>
</tr>
<tr>
<td>Cape Verde</td>
<td>Machinery, Meat (poultry)</td>
<td>9</td>
<td>Apparel Articles and Accessories, Beverages, Toys</td>
<td>2</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>Machinery, Plastic Vehicles, Iron and Steel Products and Electrical Machinery</td>
<td>168</td>
<td>Cocoa, Rubber, Mineral Fuel (oil), Edible Fruit and Nuts (cashew nuts), Wood</td>
<td>1.0</td>
</tr>
<tr>
<td>Ghana</td>
<td>Vehicles, Machinery, Mineral Fuel (oil), Meat (poultry) and Cereals (rice)</td>
<td>1.1</td>
<td>Cocoa, Mineral Fuel (oil) Wood, Rubber and Vegetables (yams)</td>
<td>366</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Mineral Fuel (petroleum coke), Machinery, Iron/Steel Products, Vehicles and Fats and Oils (soybean oil)</td>
<td>306</td>
<td>Ores, Slag and Ash (titanium ores), Precious Stones (rubies), Edible Fruit and Nuts (cashew nuts), tobacco and, Special Other (returns)</td>
<td>76</td>
</tr>
<tr>
<td>South Africa</td>
<td>Machinery, Precious Stones (gold), Vehicles, Electrical Machinery and Optic and Medical Instruments ($362 million).</td>
<td>7.3</td>
<td>Precious Stones (platinum and diamonds), Vehicles (cars), Iron and Steel, Ores, Slag, Ash and Machinery</td>
<td>8.5</td>
</tr>
</tbody>
</table>

Created by the authors from United States Trade Representative (USTR)

3.3 ICT and African trade

The Information communication technologies (ICT) are another component that can facilitate the progress of business activities. The percentage of B2C (Business to Customers) in the Middle East and Africa in 2016 will be 2,3%\(^1\). In recent years many efforts have been made in the sector; however the costs of these services are high and hinder the development of commercial activities both nationally and internationally. The power cost (14 USD per kilowatt), the mobile telephone cost (14 USD per month) and internet (cost, availability, illiteracy) are still higher compared to other regions (Abodohoui et al., 2010). Until now Africa is still very far away from being in a position where all those who want to shop online, can and do it easily. Whereas China leads in buying and selling online through (Tmall, Alibaba, etc.) since the size of Chinese e-market is always growing (Hu & Xie, 2014).

African leaders know that infrastructure is the key of the continent development. Since some years different policies have been sharpened to improve the level of the continent infrastructure. For instance, according to Donald Kaberuka, the president of African Development Bank, improved infrastructure would boost the competitiveness of domestic and international trade, enhance African participation to the global value chain and promote better human development outcomes (Kaberuka, 2011).

3.4 Cross-borders trade in African countries

The level of internal trade between African is really low. The table 4 below show until 2011, the percentage of African intra-trade was roughly 10 per cent whereas intra-European trade was 72 per cent, intra-Asian trade (52 per cent), intra-North American trade (48 per cent), intra-South and Central American trade (26 per cent)(Gereffi & Frederick, 2010).

Table 4. Evolution of percentage of intra-African trade (2002-2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td>10</td>
<td>9</td>
<td>9-10</td>
<td>8-10</td>
<td>8-10</td>
<td>9</td>
<td>9-10</td>
<td>10-11</td>
<td>10-12</td>
<td>10</td>
</tr>
</tbody>
</table>

Created by the authors from UNCTAD

Integration can help the region’s industries become more competitive by creating economies of scale

\(^1\) http://www.statista.com/statistics retrieved on 30 May 2014
and weeding out producers that are less productive in the marketplace. It will also establish and strengthen product value chain and facilitate the transfer of knowledge via spillover effects according to Kimenyi et al. (2012). Effective regional integration is the real opportunity for African countries to export to near neighbors, to extend the market size of the firms and then support Africa’s industrialization (Page, 2011). However, first overall, business must be able to exploit domestic markets and develop competitive edges before expand regionally or internationally (Johanson & Vahlne, 1977; Taiwo et al., 2012). The integration will help people to be able to move to different part of the region in order to explore and determine the feasibility of effort to engage in trade. According to Anne Kamau, the concept of “integration” is too simple. He preferred functional cooperation that encompasses both economic and other aspects of human and social development. Even this concept is not new, it brings sustainable development, as evidenced by the improved incomes, economic structures, health education, safety nets, governance and quality of life in the countries and the community (Kamau, 2011).

By comparison to major regional hubs, African economic space remains a very heterogeneous group in terms of skills, resources and level of development. However, it is clear that there is great complementarity between countries, from the perspective of industrial development. It would be very beneficial to develop intra-regional division of labor in certain industries. In our time the explosion of world trade supported by the fragmentation of production processes worldwide, African countries should seek to share their interests with the rest of the world and this can only be done by industrial development and not by selling off commodities.

4. Opportunities for African trade development

At the end of the readings taken so far, the commercial development of African countries has been fueled by a variety of visions and strategies to make this sector a source of jobs and a lever for economic growth. The economic news is rich in debates on the role of the commercial sector not only in industrialized nations but remains as searing forever in those developing. It is a vehicle for development and a source of national and regional pride for many countries to export products. Commercial activities represent a country, a major challenge for national economic security. There is therefore no doubt that the secondary sector offers the greatest opportunities in terms of sustainable growth, employment and poverty reduction in Africa. Hence, technology and innovation are essential to economic development. They help alleviate poverty and improve human development, job creation and technological development of Africa through a transformation of African economies (Gertner, 2011).

The number of people living on less than $ 1.25 a day fell from 43.1 percent in 1990 to less than 22.7 percent today in all developing countries (Severino & Ray, 2010). The reproductive health services implemented by several countries have led to improved well-being of families especially children and their mothers. Africa now has a young population with 60 percent under 20 years old and can play a key role in economic development. For many international banking and financial institutions, sub-Saharan Africa has improved its good socio-economic performance in recent years (2006-2011). This reality is reflected in the statistics on economic growth, efforts by nations to reduce chronic poverty and the impact of regulatory and institutional reforms (Gambotti, 2013). For the same period, it is respectively 5.8 per cent against 2.4% in the North (ADB, 2011) Africa. The rate of urbanization has improved. It is currently around 35 percent and expected to reach 40 percent in 2015. This is important for the manufacturing sector because it is also proved with staff when the population of a country grows and urbanized, we must increase employment in the manufacturing sector to absorb labor no longer working in agriculture. The research and development of manufacturing enterprises are encouraged by the African states since promotes the diffusion of new technologies in other sectors of the economy. In Chindiafrique, la Chine l’Inde et l’Afrique feront le monde demain, the authors Jean-Joseph Boillot and Stanislas Dembinski argue that the continent has several advantages in power such as demographic window of opportunity, brain-gain human capital and especially the improvement of the educational system that could make it in the 2030s, one of the most prosperous areas of the globe (Boillot & Dembinski, 2013). Africa has the duty therefore better positioned for this economic recovery. In the ongoing quest to fit into the new global environment, African countries should also seek strategic directions that may enable them to boost their industry while taking into account the development models that have been proven in other regions or countries.

Indeed, in recent years, the transition economies have emerged as an important source of FDI. In 2011, the share of cross-border investment activities in Africa is tilted by 6.2% in 1980 to 31.8% with an intensification of regional investments. Many countries have liberalized their trade activities through the promotion of foreign investment in industrial projects to stimulate economic growth (Fedderke, 2010). FDI flows to developing countries increased by 11% or about 684 billion.

Thus, in this context, the classical definition of the intensive industry labor, the capital intensive industry and that intensive knowledge is not the only reference for applying the international division of labor. The latter is more a function of the value added generated by the various stages and activities of the value chain of a product. Countries that have a different level of development will therefore have more opportunity and
interest to work together.

![Pathway of product](image-url)

**Figure 1. Prospecting place for African industrial products on the "smile curve"
Source : Adapted de Su (2009)**

Trade flows, relocations, re-industrialization policies and differential global costs of labor should enable Africa to find its place on the "smile curve" (Figure 1 above) which indicates the various meaningful activities such as design, distribution, production of key parts and assembly. Globalization by Anil K. Gupta (2008) is accompanied by the geographical dispersion of activities in the value chain and a priori Africa must find its place in this decomposition. The smile curve begins with the emergence of the Western industrialized countries already enjoying a high capacity design and technological innovations. In a political development of the manufacturing industry, African countries should consider how to position themselves on the curve to increase their added value. Also, globalization has shown to play a major role in bringing people together. It promotes the hegemony of the global economy by developing countries' comparative advantages, improving the workforce (OECD, 2010), maximizing the profitability of foreign direct investment (FDI) and especially the development of science and technology in the fields of energy, transport and communications. Globalization is evidence of industrial development in some Asian states and is the basis for a new division of labor (Su, 2010).

### 4.1 Diaspora investment and firm export performance in selected Sub-Saharan African countries

Due to the globalization, products, good, services and even people have opportunities to move across borders. During 1960-2000 the total of global migrant stock increased from 92 to 165 million. This phenomenon is interpreted differently by the scholars. In Sub-Saharan Africa, it is seen as brain drain whereby well-educated people and more skilled members of countries leave in search of higher conditions of living (Hamada & Bhagwati, 1975). Some others scholars argue that migrants become more skillful and could invest in their home-country. These migrants become what the scholars call Diasporas. What is Diaspora? Diaspora is “ethnic minority groups of migrant origins residing and acting in host countries but maintaining strong sentimental and material links with their countries of origins – their homeland” (Sheffer, 1986). Thus Diasporas can contribute to the development of their home countries by investing their capital in existing business or setting up new ventures in their countries-of-origin (Amadou Boly and al., 2014). The researches about some Asian countries (China, India, and Thailand) explain that how the local governments provide special zones for the establishment for the diaspora activities. It is well-known that skilled migrants could create enormous benefits for their countries of origins and could impact also positively in attracting foreign direct investment (FDI) from the diaspora. So the Diasporas play an important role in development of the origin countries. They contribute to the financial flows to their home countries through private money transfers (remittances) to family members (Ratha et al., 2011; Fahinde, Abodohoui, zhan, 2014). The World Bank estimates that Sub-Sahara African countries could potentially raise up to US $5-10 billion per year through diaspora bonds. Diasporas could facilitate the domestic
firms accessing to technologies and skills through professional associations, temporary assignments of skilled expatriate in origin countries (Amadou Boly, 2014). For Elie Chrysostome, most of members of Diaspora become entrepreneurs by opportunities because they have success in the host country and they would like to develop the same service and activities in the countries of origin (Chrysostome, 2014). Boly, Coniglio, Prota, and Seric (2014) find that Diaspora firms have higher probability of exporting but also gain a higher share of exports in total sales than the domestic ones. They added that Diaspora entrepreneurs have an information advantage as confirmed by the fact that they are more familiar with international and regional trade agreement than both domestic and foreign multinational firms.

5. Discussion and conclusion

Over half a century after the wave of African independence, it is clear that the majority of African countries are classified as LDCs (Least Developed Countries) with a low level of education (Bost et al, 2012; UNDP, 2013). Economic and social structure of these countries is mainly characterized by an agrarian economy of the traditional type, a weak state and a highly unequal social structure. The Millennium Development Goals (MDGs) have provided an impetus for most of African countries to push for Universal Primary Education (UPE) but the curriculum of these programs does not equip African with the skills needed for self-reliance, entrepreneurship spirit, rural livelihoods, etc. The quality of education in most African as stated Ruth Wedgwood (2007) has been so poor that many of the potential benefits of education have not been realized. Due to multiple agricultural resources of the African continent, the development model for agriculture in the region need to be revisited.

Africa has not started modern industrialization therefore must implement policies to respect the environment in the design of its machines or plants. The use of wind turbines and solar energies, the eco-conception are many alternatives for environmental sustainability. It is important to make dynamic commercial activities but it is also more appropriate to do it in compliance with the rules of the green revolution and the preservation of a sustainable environment for future generations. Another issue is the maintenance of the infrastructure. It is the time to start thinking about how infrastructure could become a priority of the countries. Different institutions such as New Economic Partnership for Africa’s Development (NEPAD), Program for Infrastructure Development in Africa (PIDA), and some Bilateral or Multilateral Treaties for Investment (BIT) need to reinforce their policies for Africa development.

As shown the figure 2, for the development of business in African countries, critical infrastructures are indispensable. In the framework, we try to produce the environment of African trade and we made the link between each of them. Firstly, the development of African trade needs a factor of capacity building skill (knowledge and transfer), which needs at the same time ICT and ICT in their turn, needs African countries and trade improvement for result. Secondly, financial and capital factors should be connect with bilateral factor all of this should be associate with socio-economic action. Thirdly, Policy and market environment will be associated with innovation to be improved. For example, in a country when people gets safety, they easily innovate, produce and that country’s economy grows.

Figure 2 conceptual frameworks for African trade development
Issues related to the development of economic activities in Africa have a depth historic and highly documented and continue to feed the fields of knowledge in socio-economic fields. The issues relating to the integration of intra-African trade, bilateral agreements or multilateral investment, connectivity and logistics sustainability (Internet Physics) according to the vision of a scholar Benoit Montreuil (Ballot, Gobet, & Montreuil, 2012; Montreuil, 2011; Montreuil, Rougès, Cimon, & Poulin, 2012), the implementation of an industrial policy, the improvement of infrastructure and the business climate are issues that challenge researchers in the context of globalization of value chains.

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