Integration of informal economic cross-border networks in West Africa

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Cross-border networks in West Africa

Networks are increasingly attracting attention

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

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

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

Focus on border markets = where integration takes place
Border markets in West Africa

Border markets in West Africa (2)
A combination of several scales

• Border markets are central places for both producers and consumers at the local scale

• They provide business opportunities to small traders who exploit border differentials between twin cities

• Offer a particularly favourable location for larger merchants willing to develop transnational routes
Social Network Analysis

Cross-border networks. Source: MetroNet 2011
Social Network Analysis 2

- Relational theories of social interaction and analytical tools developed by social network analysis (SNA)

- An interesting opportunity to discuss a series of issues related to cross-border trade networks

Brokerage roles. Adapted from Gould and Fernandez 1989
New research questions

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

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

What is the specificity of border markets?

→ Border markets offer a prime location for brokers.

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

→ Traders seek to strengthen their relationships with political actors, or to engage in politics, in order to develop their cross-border business.
Q1. The structural position of traders

- Networks founded on kinship, ethnic, and religious ties, help solve the technical problems of trade

- Embedded ties reduce risk, pool complementary skills, improve access to new markets, and safeguard property rights

But...

- A strong degree of embeddedness can also have disadvantages

- Trade networks have taken on a global dimension and traders have developed a more universal entrepreneurial culture
Q1. The structural position of traders (2)

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

→ SNA provides evidence of an agent’s brokerage or embeddedness by measuring different social network indexes (in- and out-degree centrality, betweenness, density, transitivity, reciprocity and brokerage).
Q2. The specificity of border markets

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

Q2. The specificity of border markets (2)

• Hypothesis: border markets can be considered as a prime location for **brokers** connecting foreign domestic networks

• SNA can help to provide an original measure of the importance of urban markets

• The centrality of cities does not correspond to the usual administrative or population hierarchies. It is linked to the presence of economic agents
Q3. Traders and local institutions

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

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

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

Traders will tend to prefer maintaining some border differentials
Conclusion

• Formal social network analysis could be used to better understand cross-border economic activities

• Analyze simultaneously the social role of economic actors and their spatiality

• SNA can hardly explain the intensity of ties and the evolution of the network without referring to more qualitative data

→ SNA approach to trade should be complemented with other approaches, in particular trader biographies
Related publications


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