



Contribution of the Common Market for Eastern and Southern Africa in Poverty Alleviation: A Case of Trade Liberalisation in Zambia

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ABSTRACT

Background: This study was undertaken due to high levels of poverty in the Common Market for Eastern and Southern Africa (COMESA) Member States. The overall objective of the study was to explore the contribution of COMESA in the fight against poverty in Africa, a case study of Zambia from 2010-2021. The specific objective in this article was to explore the Contribution of the Common Market for Eastern and Southern Africa in Poverty Alleviation, a case of trade liberalisation in Zambia. The study employed qualitative approach with an exploratory research design and critical case sampling to choose 13 key respondents to explore the contribution of the Common Market for Eastern and Southern Africa in Poverty alleviation in Zambia from 2010-2021. Primary data was analysed from 13 key respondents selected purposively using an interview guide to support secondary data. Data was analysed using thematic and content analysis. This study found that COMESA was established by a treaty in December 1994 as a basis for trade liberalisation. The aim of trade liberalisation was to remove tariffs and non-tariff barriers to reduce the cost of doing business to create employment hence contributing to poverty alleviation. Zambia embarked on trade liberalisation and received financial support from COMESA and its international cooperating partners of development to achieve trade liberalisation. The study established that COMESA had been significant in the fight against poverty in Zambia. However, despite the trade reforms implemented, the study established that poverty levels in Zambia had not reduced since 2010 instead there had been an increase from 54.4 % in 2020 to 60.3 % in 2021. Zambia requires a clear regulatory framework predictable for business planning with a conducive legal business environment that promote trade through innovative policy framework targeting various sectors of the economy to generate income activities and employment. There must be regular review of the trade liberalisation rules to ensure coherence and compliance with COMESA rules in order to realise the gains of trade.

Key Words: COMESA, Zambia, Poverty alleviation, Trade liberalisation, Regional integration

INTRODUCTION

Contribution of the Common Market for Eastern and Southern Africa in Poverty Alleviation: A Case of Trade Liberalisation in Zambia

Studies have been conducted in the Common Market for Eastern and Southern Africa (COMESA) region on poverty and trade liberalisation comprehensively but the literature reviewed indicated no specific study was conducted on poverty relating to trade liberalisation as a means of poverty alleviation in Africa, a case of trade liberalisation in Zambia from 2010-2021. None of the existing studies had exhaustively explored the contribution of the Common Market for Eastern and Southern Africa in the fight against poverty in Zambia from 2010-2021 through trade liberalisation. However, poverty levels in most COMESA Member States had

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been increasing despite trade liberalisation. Poverty remains a serious problem among COMESA's Member States. COMESA was established under a new treaty in 1994 and has been implementing trade liberalisation which included creation of free trade area, customs union, among others with a view of economic development and poverty alleviation. Zambia is a member of the Common Market for Eastern and Southern Africa. However, the progress of domestication of key elements of economic development and poverty eradication had been slow largely because of individual country challenges. Trade liberalisation involves a country lowering import quotas and other forms of protection. One of the aims of trade liberalisation is to make an economy more open to trade and investments so that it can then engage more directly in the regional and global economy. Trade liberalisation carries substantial risks that necessitates careful economic management through appropriate regulations by government. COMESA Article 2 of the revised investment agreement designates COMESA region as a Common Investment Area (CIA) with the following objectives: promoting investments that support sustainable development in Member States, encouraging the gradual elimination of investment restrictions and conditions which may impede investment flows and the operations of investment projects in COMESA and promote a more transparent investment environment, promoting COMESA's investors in the conduct of their business with an overall balance of rights and obligations between investors and Member States in accordance with the Agreement, strengthening and increasing the competitiveness of COMESA's economic activities and promoting COMESA as an attractive investment area. In order to facilitate trade liberalisation and in conformity with the objectives stated in COMESA (1994), Article 3 of the treaty establishing COMESA, Zambia had agreed to adhere to a wide number of principles for its trade liberalisation process. These principles include, harmonisation of policies and programmes to COMESA, promotion of peaceful environment as a pre-requisite for economic development.

Based on COMESA principles of trade liberalisation, Zambia firmly embarked on trade liberalisation programmes to facilitate trade reforms with a view to reduce poverty. United Nations Conference on Trade and Development (2010) observed that trade liberalisation leads to trade openness and was found to be the most significant driver of trade and development performance especially in the case of developing countries. Gains from trade liberalisation come about in the long run. This is because as economies open up, imports use existing channels while new exports often come from different sectors that have to gear up production and find new markets. Some of the early proponents of trade liberalisation of free trade included the two British economists Adam Smith and David Ricardo who later developed the idea of free trade into its modern and recognisable form. From their advocacy, it was noted that trade was the reason why certain civilisation prospered economically. However, the main promoter of trade liberalisation is the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO). This is done by reducing tariffs and quotas which affect business transactions. The overall main objectives of trade liberalisation include boosting international foreign investment, industrial production and technology competitiveness and increasing a country's goods into the international markets.

Jane et al (2011) observed poverty is globally accepted a serious development challenge and noted that it was the reason why during the 1995 World Summit on Social Development in Copenhagen, that 117 countries adopted a declaration and programme of action which included commitments to eradicate absolute and reduce overall poverty. This summit defined absolute poverty as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. Poverty depends not only on income but also on access to social services. Overall poverty was defined as lack of income and productive resources sufficient to ensure sustainable livelihoods as well as other characteristics such as hunger and malnutrition, ill health, limited or lack of access to education and other basic services, increased morbidity and mortality from illness, homelessness and inadequate housing, unsafe environments and social discrimination and exclusion. Poverty is also characterised by a lack of participation in decision making and in civil, social and cultural life. The study by Jane et al (2011 ibid) gives a poverty situation analysis of COMESA. It was observed that there were

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various manifestations of poverty in the region including child malnutrition, high infant and under-five mortality rates, poor school attendance, higher prevalence of human diseases among others. However, the study does not highlight how COMESA had been fighting poverty in Zambia hence the need to explore the contribution of COMESA in the fight against poverty in Zambia from 2010-2021. Zambia embarked on trade reforms in order to eradicate poverty. However, COMESA (2014) annual report highlighted major factors contributing to lack of progress on the liberalization process in COMESA which also affected efforts on the process of poverty eradication in the region. Handley et. al (2019) in a research paper titled 'Poverty and poverty reduction in sub-Saharan Africa: An overview of the issues', argued that sub-Saharan Africa (SSA) was afflicted by many forms of poverty. Human Development Index (HDI) scores in most countries of SSA had stagnated or declined since 1990, leaving this region as the poorest in the world. Since 1990, income poverty has fallen in all regions of the world except Sub-Saharan Africa (SSA), where there has been an increase both in the incidence and absolute number of people living in income poverty.

Handley (2019) gives an over view of poverty in Sub-Saharan Africa (SAA) an illustration of trade integration with other factors as a possible solution to growth development and poverty reduction. Nonetheless this paper did not precisely talk about COMESA and poverty in Zambia. Oloruntoba (2015) in a paper titled Regional Integration and the challenges of Poverty Reduction in Africa: The Case of Southern Africa Development Community (SADC) observes that poverty and inequality remain the two most endemic socio-economic problems faced by African countries today. Although Africa has recently occupied a global spotlight as a region with the fastest economic growth rate, various strategies devised by countries at the national levels have done little to alleviate poverty or reduce inequality. Joseph (2011) in a study titled 'Blame it on the WTO' observed that poverty is the major cause of human misery in today's world. World Bank fgures indicated that 25 per cent of the world's population lived in extreme poverty, defined as US\$1.25 a day, calculated according to the dollar's purchasing power in 2005. Ongoing extreme poverty severely undermined their enjoyment of their human rights, and of itself might represent a human rights violation. The World Trade Organisation (WTO) promotes market freedoms and observed that trade theory, increase aggregate wealth, which should enhance the ability of all States to protect economic and social rights and alleviate poverty.

Joseph (2011) in her paper titled 'Blame it on the World Trade Organisation (WTO) illustrated the efforts of the WTO to global development and poverty reduction particularly among developing countries. The paper argued that through fair international trade, development was more likely to be realised and poverty reduced. However, this paper did not make mention of COMESA in poverty alleviation, hence there was need to conduct this study which precisely looked at contribution of COMESA in the fight against poverty in Zambia from 2010-2021. Hertel and Winters (2010) in publication tiled 'Poverty Impacts of a WTO Agreements: Synthesis and Overview' also highlighted the importance of international trade in reducing poverty in developing countries. Khandelwal (2013) in an article published by the American Economic Association entitled "Trade Liberalisation and Embedded Institutional Reform: Evidence from Chinese Exporter", volume 103, No 6' observed that trade barriers such as tariffs and quotas can obviously distort resource allocation along intensive and extensive margins and estimation of the productivity growth associated with their removal, but gains from trade liberalisation may be larger than expected if institutions created to manage the barriers imposed, additional dragon productivity.

Shafaeddin (2005) in his publication titled 'Trade Liberalisation and Economic Reforms in Developing Countries: Structure Change or De-industrialisation' observed that trade liberalisation measures were a reaction to the failure of traditional import substitution policies of the 1950s-1970s. The belief behind the reform programmes was the role of government in making decisions on resource allocation. The current belief is that the incentive structure should be in favour of exports through import substitution in order to follow an export promotion strategy. In this strategy, the private agents would be guided by the operation of market forces and would achieve the objectives of growth and diversification of investment outlays to

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productive sectors. Bigsten and Mkendu (2001) in their article titled 'Impacts of Trade Liberalisation in Zambia' observed that theoretically, trade liberalisation is supposed to increase incentives for exports so that resources are relocated to the rest of the rest of the economy to the for production of exportables. Trade reforms in Zambia started in 1991 and were meant to structure the economy moving away from dependence on mining especially copper. The idea was to diversify the economy to other sectors such as tourism and agriculture. Mitra (2016) in a World Bank Publication tiled 'Choosing and Estimating a poverty line', observed that trade liberalisation can reduce poverty when accompanied by appropriate policies and institutions. Trade can contribute to economic growth and eventually poverty reduction through employment generation and sustainable income generating activities for the poor. To achieve this scenario, the domestic environment has to be conducive with policies and institutions that include regulations to foster labour mobility, adequate financial development and good public infrastructure through various trade policies based on trade liberalisation principles. The World Bank Group in their publication tiled 'The Role of Trade in ending Poverty by 2030' observed that trade openness itself and lowering trade costs is essential for delivering gains for the poor'. This requires a range of trade liberalisation policies to maximise the gains of openness for the poor including policies related to human, physical capital, access to financial resources or credit, governance, institutions and macroeconomic stability. There is need for consultation with the poor in order to target their needs and requires deeper cooperation across sectors with better coordination. Geoffrey J. Banister and Kamau Thuge (2001) in their publication titled 'International Trade and Poverty Alleviation published by the International Monetary Fund (IMF) also noted that 'trade has been long been part of the arsenal of policies used to promote economic efficiency, development of new markets and growth. Sanja (2015) observes that 'trade liberalisation is the removal of tariff and non-tariff barriers in trade between or more nations. This means that if a country has more of these trade and non-trade barriers, its imports and exports get affected affecting the welfare of citizens. Trade has the capacity to create employment and income generating activities that eventually reduce poverty. Entrepreneurs through trade would have access to markets as well as simplified procedures through an harmonised system of trade.

The literature reviewed indicated that none of the existing studies had exhaustively explored the Contribution of the Common Market for Eastern and Southern Africa in Fight against t Poverty in Africa: A case Study of Zambia from 2010-2021. The studies conducted in the past had not fully contextualized the following key thematic areas of the Common Market for Eastern and Southern Africa in the fight against poverty in Zambia. The contribution of the Common Market for Eastern and Southern Africa in poverty alleviation in Zambia from 2010 -2021 in this article was anchored on one of the five specific objectives found in the study which included the following specific objectives of the study: contribution of the Common Market for Eastern and Southern Africa (COMESA) in the fight against poverty in Zambia trough trade liberalisation, the contribution of the Common Market for Eastern and Southern Africa (COMESA) in the fight against poverty in Zambia through trade facilitation, the contribution of Common Market for Eastern and Southern Africa (COMESA) in the fight against poverty in Zambia through cooperation in in agriculture and rural development, the contribution of the Common Market for Eastern and Southern Africa (COMESA) in the fight against poverty in Zambia through private sector development and the contribution of the Common Market for Eastern and Southern Africa (COMESA) in the fight against poverty in Zambia through the promotion of foreign direct investment.

It was anticipated that the research findings and recommendations from this study would have the following benefits: the findings and recommendations would add to the body of knowledge especially from the regional perspective focusing on Zambia, policy and decision makers may use the findings and recommendations for policy formulation and implementation in Zambia and beyond, the established deficiencies in the study could be used for policy decision and implementation.

Statement of the Problem

The study was undertaken due to high levels of poverty in COMESA Member States in particular Zambia.





None of the existing studies exhaustively explored the contributions of the Common Market for Eastern and Southern Africa in poverty alleviation, a case of trade liberalisation in Zambia from 2010-2021. This study

was the first in interrogating the contribution of the Common Market for Eastern and Southern Africa in poverty alleviation in Zambia from a regional perspective. It was noted that Zambia's high levels of poverty would persist unless significant new policies and programmes were developed in the context o trade liberalisation. In a quest to alleviate poverty, trade among African states has been among other solutions. The World Bank (2020) observed that poverty was one of the major challenges globally and noted that global extreme poverty rate as of 2017 was about 9.2 percent of the global population representing the equivalent of 689 million people living on less than \$1.90 a day. It was further noted that a number of people lived on less than \$1.90 per day and almost half of the poor people globally live in Africa. United Nations Conference on Trade and Development (2021) in their publication highlighted that in Africa 34% of the households were below the international poverty line and formed part of the most unequal societies in the world. It was also noted that poverty levels declined in most African countries on average, while the proportional of African households with a consumption level below the 1.9\$/day poverty line declined from 40% in 2010 to 34% in 2019 (Ibid). At below 3.2\$/day, the poverty rate fell from 63% to 59% and at below 5.5\$/day, it fell from 83% to 80% (Ibid). Beegle et al (2016) observed that as of 2012 there were more than 330 million people on the African continent living in poverty. Poverty reduction had been slowest in least developed countries and rural areas where most people remained much poor, although the urban-rural gap had narrowed. COMESA (1994), the treaty establishing the Common Market for Eastern and Southern Africa in Article 3 (b) observes that there is need to promote joint development in all fields of economic activity and joint adoption of macro-economic policies and programmes to raise the standard of living of its peoples and to foster close relations among Member States. Bwalya et al (2021) observed that Zambia remained a high-poverty country despite having attained middle-income status in 2011 and projected that the country's high levels of poverty was going to persist through to the middle of the century unless significant new policies and programmes were developed hence posing a huge challenge in incomes distribution and employment opportunities. The World Bank Group (2020) also observed that Zambia ranked among the countries with the highest levels of poverty and inequality globally. The incidence of poverty worsened with the onset of the Covi-19 pandemic. More than 61 % as at 2015 of Zambia's 19.6 million people earned less than the international poverty line of (\$2.15 per day compared to 41% across Sub-Saharan Africa and three quarters of the poor lived in rural areas. In view of this, there was need to have a specific objective to explore the contribution of the Common Market for Eastern and Sothern Africa in Poverty Alleviation, A Case of Trade Liberalisation in Zambia from 2010-2021 from a regional perspective focusing on Zambia.

Objectives

The overall objective of the study was to explore the contribution of the Common Market for Eastern and Southern Africa in the fight against poverty in Africa, a case study of Zambia from 2010-2021. The specific objective of this article was exploring the contribution of the Common Market for Eastern and Southern Africa, a case of trade liberalisation in Zambia from 20210-2021.

REVIEW OF RELATED LITERATURE

Habeenzu (2021) in a study titled "An Empirical Investigation into the Benefits of Regional Integration from COMESA for Zambia" argues that the world at large in the last three to four decades has shown greater impetus for regionalism, from Europe's European Union (EU), Southeast Asia's Association of South East Asian Nations (ASEAN), North America's North America Free Trade Area (NAFTA) and Africa's numerous Regional Economic Communities (RECs) among which eight are recognized as building

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



blocks for the now African Continental Free Trade Area (AfCFTA) among others. While for other parts of the world, the driving force to regionalism may be different, for Africa, Pan Africanism and African Renaissance have been the push forces behind regionalism. This study therefore took interest to look at the benefits of belonging to a Regional Economic Community (REC), with the ultimate objective of exploring the contribution of the Common Market for Eastern and Southern Africa in the fight against poverty in Africa, a case study of Zambia from 2010-2021. The other literature reviewed in this study indicate that much has been written on COMESA. However, there was no specific study conducted on the contribution of the Common Market for Eastern and Southern Africa in the fight again poverty in Africa, a case study of Zambia. Hence this study was conducted due high levels of poverty in COMESA Member States. A study by Khandelwal (2013) in an article titled "Trade Liberalisation and Embedded Institutional Reform: Evidence from Chinese Exporter", volume 103, No 6 observed that "Trade barriers such as tariffs and quotas can obviously distort resource allocation along intensive and extensive margins and estimation of the productivity growth associated with their removal, but gains from trade liberalisation may be larger than expected if institutions created to manage the barriers imposed, additional dragon productivity e.g. Arbitrary enforcement of quotas and tariffs. Zambia firmly began the liberalisation process based on COMESA principles with a view to eradicate poverty through various trade policies relating to the free trade. It had been noted that COMESA had been implementing trade liberalisation with its Member States which included creation of free trade area, customs union, among others. Trade liberalisation is the removal of tariffs and non-tariff barriers in trade and one of the aims of liberalisation is to make an economy more open to trade and investments so that it can then engage more directly in the regional and global economy. The COMESA Regional Investment Agency (RIA) was launched in 2006 with the objective of making COMESA one of the major regional and international investors while simultaneously enhancing national investment such as those in Zambia. The regional Investment Agency of COMESA undertakes activities in investment promotion, facilitation and advocacy. In conformity with the objectives stated in Article 3 of the Treaty Establishing COMESA (1994), Zambia had agreed to adhere to a wide number of principles. These principles included inter-state cooperation, harmonisation of policies and programmes, and promotion of peaceful environment as a pre-requisite for economic development. It was also noted that a number of regional associations of regulatory authorities had been established in order to facilitate policy and regulatory harmonisation as well as fostering capacity building and information sharing.

THEORETICAL FRAMEWORK

Regional integration encourages countries to work together to address common challenges and harness their shared strengths to realise their potential market. Schuman (2008) in a paper presented at the European Centre noted a number of classical theories of integration. For example, neofunctionalism, was identified which dominated the debate of the European Union integration in the 1950s until the early 1990s. Moravcsik (1991, 1993), in the 1990s developed a regional integration theory known as liberal intergovernmentalism to explain the process of integration in Europe suggesting the combination of a liberal theory to explain substantive outcomes. Moravcsik (1998) added to his theory, a third stage referring to institutional choice which referred to pooling and delegation of credible commitments as critical factors in the integration process. In the 1990s, further theories were developed relating to regional integration by various proponents in parallel with international relations debate concerning rationalist approaches vs. social constructivist approaches. These theories were combined and regional integration was defined as a process whose outcomes would lead to a certain state of affairs. Karl (1957) defined integration as the attainment within a territory with a sense of community. It was noted that the sense of community was assumed to have institutions and practices strong enough and widespread enough to assure for long time with dependable expectations of peaceful change among its population. Haas (1958) observed in his classical study of regional integration that institutions such as the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) were created to unite Europe and therefore, integration was defined as a process whereby political actors in several distinct national settings were persuaded to shift their

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royalties, expectations and political activities to a new center whose institutions possessed or demanded jurisdiction over the pre-existing national states. In this article liberal economic theory was selected as a guiding principle for discussion as it is also a guiding tool for COMESA in the fight against poverty in Africa through free trade. Trade Liberalism as advocated by COMESA to fight poverty in Africa takes the form of the promotion of trade liberalisation, trade facilitation and investment promotion, etc. Economic liberalism is a political and economic ideology that supports a market economy based on individualism and property in the means of production. In other words, it is based on the principles of personal property, private property and limited government interference. Economic liberalism is a philosophy as well as a way of conducting capitalism. Adam Smith (1723-1790), a professor of philosophy at Glasgow University in Scotland, is considered the father of economic liberalism. Economic liberalism includes strategies and programmes undertaken to promote a system of economic liberalism such trade liberalisation and trade facilitation. Woodward (1992) observes that poverty reduction can be achieved through economic liberalisation and noted that economic liberalism encourages government policies that promote free trade, regulation, elimination of subsidies, price controls and rationing system. In other words, it is a process of relaxation of trade rules and regulations of a country by the government which paves the way for economic growth and development. Trade liberalisation is significant to the global economy as it promotes free trade and contributes to globalisation.

Economic Liberalism Theory

As cited by Landry and Johnson (2018) in their publication titled 'Africa's Consumer Market Potential, Trends, Drivers, Opportunities and Strategies', observed that Africa was a home to roughly 1.2 billion consumers projected to increase to 1.7 billion by 2030 with a consumer expenditure on the continent which had grown at compound annual rate of 3.9 percent since 2010 and reached \$1.4 trillion in 2015. This figure was expected to reach \$2.1 trillion by 2025, and \$2.5 trillion by 2030. It is in this context that regional integration is encouraged by African countries to work together to address common challenges and harness their shared strengths to realise the continent's potential market. In this study, the liberal economic theory was selected to guide the study and as a guiding tool by COMESA in the fight against poverty in Africa. It is in this context that regional integration is encouraged by African countries to work together to address common challenges and harness their shared strengths to realise the continent's potential market. Therefore, economic liberalism is a philosophy of regional integration encouraging African countries to work together to address common challenges and harness their shared strengths to realise the continent's potential market. The World Bank (2021) is quite significant in collaborating with African countries and regional institutions to empower people, unleash trade and optimise shared natural resources and economies of scale to achieve Africa's transformation. Therefore, debates in regional integration can be explained through several theoretical frameworks depending on the context of a formation. In this article, the key theoretical perspectives were selected to guide the explanations in this study. The liberal economic theory was selected to guide the study as a guiding tool by COMESA in the fight against poverty in Zambia. Liberalism as advocated by COMESA to fight poverty in Africa takes the form of the promotion of trade liberalisation, trade facilitation, investment promotion, agriculture and rural development and development of the private sector. Economic liberalism is a political and economic ideology that supports a market economy based on individualism and private property in the means of production. Economic liberalisation is based on the principles of personal property, private property and limited government interference.

Classical liberalism emphasises liberty from government regulation. In this context this would include the elimination of restrictions on the choice of occupations or transfer of land. Liberalism asserts that self-interest is a basic component of human nature. In the economic arena, producers provide goods, not out of concern for our well-being, but due to their desire to make profit. Likewise, workers sell their labour and buy the producer's goods as a means of satisfying their own wants, this leads to the belief in a natural harmony of interest. By each individual pursuing their own interest, the best interests of a society are served.

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The forces of a free competitive market economy would guide production, exchange and distribution in a manner that no government would improve upon. The government's role, therefore is limited to the protection of contracts, providing public goods, and maintain internal and external security. Economic liberalism refers to the ideology that supports the idea of an economic system governed by individual rights. It means that the government refrains from engaging in industrial and commercial activities and that it should not interfere with the economic relations between individuals, groups of people, classes or entire nation. Wealth and property are the two pillars of economic liberalism. It is a foundation of capitalism and challenges the guiding policy while gaining from the state's preferences. Free trade, deregulation, tax reduction, privatisation and the flexibility of the labour market are all features present in an economically liberal country.

Economic liberalism promotes the notion that the government should refrain from engaging in commercial and industrial activities and should not try to interfere in economic relations between different classes of people and between different individuals. Adam Smith is regarded as the father of economic liberalism. The system is designed to be more productive, generate income and facilitate multiple exchanges. Economic liberalists support individualism and promote innovation and growth. However, economic liberalism has certain downside such as the growth of unwanted business dominance and poverty. Economic liberalism is a philosophy as well as a way of coordinating capitalism. Adam Smith (1723-1790), a Professor of philosophy at Glasgow University in Scotland, is considered the father of economic liberalism. In contrast to the neoliberalism, the liberalism is now known as Palaeoliberalism. It gave the market absolute precedence and was the dominant ideology in the founding countries during the 1830s and 1920s. Economic liberalisation includes strategies and programmes undertaken to promote a system of economic liberalism. One can summarise the core principles of economic liberalism as follows: individualistic idea of freedom, existence of natural order, competition as the steering wheel of economy, self-interest as the during force in the economy. Woodward (1992) observes that poverty reduction can achieved through economic liberalisation. Woodward further noted that economic liberalism encompasses the processes including government policies that promote free trade, deregulation, elimination of subsidies, price controls and rationing and often the downsising or privatisation of public services. In other words, liberalisation is process of relaxation of trade rules and regulations of a country by the government which paves the way for economic growth and development. The article by Wallstreetmojo Team revised by Dheeraj Vaidya, CPA, FRM refers to trade liberalisation to elimination or easing trade barriers between countries to promote free trade of goods and services. Examples of trade barriers are tariffs, import quotas, embargoes and non-tariff barriers. The removal or reduction of trade barriers is an important element of free trade agreement and increases the competition in the world market for goods and services. Moreover, integration into global economy is vital for nations to promote economic growth, industrialisation, urbanisation and prosperity. Trade liberalisation is significant to the global economy as it promotes free trade and contributes to globalisation.

METHODOLOGY

This study adopted qualitative research method. This method was employed because it relies mainly on human perception and understanding and therefore, the researcher during primary data collection was able to interact with participants using an interview guide in order to enhance credibility of the data. The study was conducted in Lusaka city within Lusaka Province of Zambia. The target population for this study included 13 respondents from COMESA, Ministry of Finance, Ministry of National Planning, Ministry of Commerce, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Bank of Zambia, Zambia Development Agency, Zambia Statistics Agency (Central Statistics Office), Zambia Revenue Authority, Economic Association of Zambia and Jesuit Centre for Theoretical Reflection. In this study, critical case sampling was used to select the informants. This sampling technique was used because the participants were experts in the subject matter. It was also used since this study is an exploratory qualitative





research with limited resources and is single case study with a small number of informants to explain the phenomenon of interest. It was also chosen because it had facilitated for an in-depth qualitative analysis of the phenomenon under investigation. Weller et al (2018) observed that the use of saturation as salience in determining sample size in qualitative research is ideal. In this study, 13 respondents from key institutions were selected by the researcher as saturation was reached at this point. Morse (2015) observed that saturation is the most common guiding principle for assessing the adequacy of purposive samples in qualitative research.

Research Instrument & Data Generation

Oliver (2010) observes that research instruments are tools that a researcher uses in collecting data. However, since the research was focused on secondary data, specific institutions were identified for data collection with specific methods. Creswell (2009) observes that primary data is a type of information obtained directly from first hand sources by means of survey, observation, focus and interviews or experimentation. In this study primary data was collected using an interview guide administered by the researcher. While secondary data was collected from the selected institutions either from books, Annual reports, articles, verified internet sources, etc. in order to get an in-depth understanding. Kasonde-Ngundu (2013) provides that in qualitative research, the main purpose of interviews is obtaining unique information or interpretation held by the person interviewed, collecting a numerical aggregation of information from many persons and finding out a 'thing' the researcher was unable to observe themselves. An interview guide was used to collect primary data as it contained pre-defined issues to be discussed in the interview during data collection.

DATA ANALYSIS PROCEDURE

In this study, the researcher used thematic and content analysis approach to analyse both secondary and primary data. Bryman (2012) observes that thematic and content data analysis is used to illustrate use of data in great detail and deals with diverse subjects via interpretations. Thematic and content analysis was also considered to provide a systematic element to data analysis. In addition, the study was qualitative in nature.

Data Cleaning and collation

In this study, to clean and collate the data, the researcher reformed the data, made corrections to the data and combined the secondary and primary data sets. In addition, duplicated data was purged to minimize errors. Data mismatch, incorrect data, corrupted and incorrectly formatted data and data inconsistencies were eradicated. This was done to ensure that no important data was missing and was not susceptible to contamination at the stage of data analysis. The researcher prepared the data using standardized data formats. In this study, data was cleaned by carefully going through the thematic areas that were created from the research objectives and interview guide administered by the researcher. The body transcripts for citing verbatims read properly to help readers make sense of them.

Delimitation of the Study

The 13 key respondents that were interviewed using an interview guide by the researcher were all located in Lusaka as the institutions were purposively selected based on their expertise. These included the following institutions: COMESA, Ministry of Finance, Ministry of National Planning, Ministry of Commerce, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Bank of Zambia, Zambia Development Agency, Zambia Statistics Agency (Central Statistics Office), Zambia Revenue Authority, Economic Association of Zambia and Jesuit Centre for Theoretical Reflection.





Ethical Considerations

The use of pseudo names facilitated the identification of each piece of information from the research questions using their titles rather than actual names. Cohen et al., (2011) observes that all research activity must be carried out in an ethical manner. Cohen further said that ethical concerns encountered in educational research in particular can be extremely complex and subtle and can frequently place the researcher in a moral predicament which may appear quite irresolvable. Creswell (2014) observes that researchers would harm the individuals or groups they studied when research participants experience anxiety, stress, guilty and damage to self-esteem during data collection and in the interpretation made from the data provided. Rana and Dilshad (2021) observed that ethics concerns two groups of people such as those conducting research who should be aware of their obligations and responsibilities and the researched upon who have basic rights that should be protected by consent. To ethically proceed, this study considered ethical clearance from the University of Zambia Ethical Committee by obtaining an introductory letter to facilitate data collection from targeted institutions. This was in order to give confidence to the researcher as being genuine and for identification purposes. During the period of data collection, integrity was promoted by respecting participants through obtaining consent from them before being interviewed. The study also upheld research ethics by respecting the rights of participants through making sure that they understood what the study was all about. The researcher observed strict ethical considerations that aimed at protecting participants in the research process by having ethical clearance to collect data. Participants were free to consent to being interviewed by the researcher using an interview guide administered by the researcher by emphasizing that it was academic research meant for the fulfilment of a doctoral programme in International Politics and International Relations at the University of Zambia.

Confidentiality

Creswell (2014) observes that confidentiality in research implies that identifying the participants that will not disclose information. Participants were protected by not having their names or any form of identification disclosed in any way to motivate them to give information using an interview guide administered by the researcher. Pseudo names using tiles were used from the target sample size. The rights and of participants were respected and participants were informed that participation in the interview was voluntary as they were at liberty to leave the study at any time if they wished to do so. Oliver (2010) observes that informed consent involves obtaining voluntary participation of people involved and informing them of the right to withdraw from the study at any time. With this in mind, the researcher assured participants of total confidentiality and their responses remained concealed by not disclosing their names. In this study the researcher ensured that the presentations of the findings did not lead to disclosure of names of participants and names of respondent from target organisations when writing verbatims. Codes were used with pseudo names using titles of respondents to represent participants and names of institutions when writing verbatims during data analysis.

Reciprocity

Office of Human Research (2015) observes the protection of human participants in research requires voluntary involvement of participation of participants in research and their generosity may be reciprocated by payments in cash from the researcher but payments should not be more than reimbursement of a documented out-of-pocket expenses. However, in this study, the researcher did not pay anyone as participants freely participated with their consent based on the introductory letter from the University of Zambia for identification of the researcher. Payment was also avoided to avoid compromise on data collection process in terms of responses using an interview guide administered by the researcher. The researcher in this study ensured that consent was obtained from all participants.

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



Health Considerations of Participants

As the study was conducted during Covid-19 period, participants were encouraged to wear face masks during data collection so that participants were not put at risk of Covid 19. All health standards were observed during interview such as social distancing. Some interviews were conducted through Zoom as some participants worked from home.

FINDINGS AND DISCUSSIONS

Findings

The findings were based on secondary data and primary data which included views, thoughts and perspectives of participants from the key respondents. The findings generated from the interview guide were aligned to relevant research objective and specific questions presented in the themes reinforced with participants' verbatim responses from the interview guide administered by the researcher. Verbal responses from the participants and their respective institutions were represented by pseudo names using their titles representing codes rather than numbers as codes for ethical considerations. The presentation of findings and discussions were based on themes created in the study. This article is based on the following the five themes identified in the study on the "Contribution of COMESA in the Fight against Poverty in Africa: A Case Study of Zambia from 2010-2021".

Results

Finings on Contribution of COMESA to Poverty Alleviation on Zambia

Dimaranan and Merve (2009) observed that the Common Market for Eastern and Southern Africa (COMESA) began as the Preferential Trade Area for Eastern and Southern Africa (PTA) signed in 1982 and was established as a new treaty in December 1994. Zambia was one the first nine (9) Member States that formed a Free Trade Area (FTA) on 31st October 2000 and eliminated their tariffs on COMESA originating products in accordance with the tariff reduction schedule adopted in 1992. This followed trade liberalisation programme that commenced in 1984 on reduction and eventual elimination of tariff and non-tariff barriers to intra-regional trade. COMESA Annual Report (2020), it was established that since the establishment of COMESA in 1994, the regional body has had 21 strong Member States. It was further noted that COMESA is a regional economic community which has continued to be a driving force through integration efforts of the African continent. Zambia received financial assistance from COMESA and from its international cooperating partners of development. The study established that in order to achieve trade promotion, COMESA was formed to achieve specific objectives such as (a) trade liberalisation, and customs cooperation and introduction of a unified computerised customs network across the region (b) improving the administration of transport and communication to ease the movements of goods, services and people between the countries (c) creating an enabling environment and legal framework to encourage the growth of the private sector and the establishment of secure investment environment and the adoption of common sets of standards and (d) the harmonisation of macro-economic and monetary policies throughout the region.

In order to enhance these objectives, the study established that COMESA offered Zambia a wide range of benefits which included the following: (a) a wider, harmonised and more competitive market (b) greater industrial productivity and competitiveness (c) increased agricultural production and food security (d) a more rational exploitation of natural resources (e) more harmonised monetary, banking and financial policies and (f) more reliable transport and communications infrastructure.

On the overall intention of COMESA, the study established that significant progress had been made in a

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



wide range of programmes implemented in Zambia within the vision of COMESA that included trade liberalisation, trade facilitation, customs management, transport facilitation, private sector development, promotion of foreign direct investment, agriculture and rural development, promotion of trade, gender equality and women empowerment, institutional development, technical cooperation and capacity development. However, there were some challenges relating to implementation of programmes in Zambia due to financial constraints. COMESA worked with international cooperating partners of development such as the European Union (EU), USAID, African Development Bank, World Bank and others to fund Zambia's trade reforms and implementation of its economic programmes. The study established that as a result of this financial support from COMESA's international cooperating partners of development, remarkable progress had been made in policy coordination, and co-operation in the productive sectors. Within this context this article presents the findings and discussions on the contribution of the Common Market for Eastern and Southern Africa in the fight against poverty in Zambia through trade liberalisation from 2010-2021. As stated already, COMESA offered Zambia a wide range of benefits which included (a) a wider harmonised and more competitive market (b) greater industrial productivity and competitiveness (c) increased agricultural production and food security (d) private sector development and promotion of foreign direct investment through various projects.

As such, Zambia like any other country in the COMESA region, had a task to ensure that it promoted investment and trade to achieve economic development through regional integration, which came with competition. However, this was to be done through trade liberalisation policies by aligning them to COMESA's trade liberalisation policies. It was noted that to achieve social economic development, a competitive market was an ingredient for economic growth and innovation. COMESA (2019) IN annual report it was noted that on 18th February 2019, the business community in COMESA Member States was set to benefit from Euro 10 million kitty provided by the European Union (EU), COMESA's international cooperating partner of development in supporting regional integration. COMESA worked with Zambia to support increased private sector participation in regional and global value chains. The study further established that a financing agreement between European Union (EU) and COMESA Member States, Zambia inclusive, was signed in 2019 to implement the Regional Enterprise Competitiveness and Access to Markets programme (RECAMP). Zambia was supported under the 11th European Development Fund to benefit from the Regional Enterprise Competitiveness and Access to Markets Programme (RECAMP). The agreement was signed by COMESA Secretary General and the Head of the European Union (EU) Delegation to Zambia and COMESA Ambassador during the period under review. The programme had two key results areas (a) to ensure competitiveness and market access of small and medium enterprises (SMEs) in the targeted value chains. The programme facilitated networking, access to knowledge, vital market information and support to formal business linkages between small and medium enterprises (SMEs) including key regional suppliers and lead firms. The study also established that the programme supported more formalised governance structures in the value chains and enhanced capacities of SMEs and other actors in adhering to sanitary and phytosanitary measures (SPS) and technical standards such as technical barriers to trade (TBTs) to comply with regional markets requirements.

The second area of support to Zambia focused on improving the business environment for small and medium enterprises (SMEs) and other firms in the selected value chains by complementing national strategies on economic transformation through industrialisation strategy. The study further established that supply side constraints were a major contribution to low competitiveness and productivity of industries in Zambia and the region, as well as inability of micro, small and medium enterprises (MSMEs) especially women and youth owned enterprises to participate in regional production networks. The study established that Regional Enterprise Competitiveness and Access to Market Programme (RECAMP) was another programme that gave financial support to Zambia under COMESA which lasted for five years focusing on three priority value chains namely: agro-processing, horticulture and leather and Leather products. The targeted value chains were selected for having high demand in Zambia as wells as the region and





international markets presenting the biggest opportunities for participation of women and youth led small and medium enterprises through development of strong partnerships with large corporations in the upstream of the value chains. The COMESA programme was intended to identify champions or lead firms within the selected value chains with linkages with small and medium enterprises (SMEs) and other intermediary firms to enhance coordination and reduce coordination failures and improve competitiveness. Zambia had realised these integral factors by subscribing to COMESA, an economic bloc which had played a positive role in the development of global trade resulting in deeper economic integration. Zambia was helped by COMESA to ease trade by improving the business climate and harmonising investment policies, procedures and regulations. COMESA fights poverty in Africa through its programmes and Zambia had benefited through trade reforms. Trade Liberalisation is a cardinal principle of the World Trade Organisation (WTO) adopted by COMESA which involves removal of tariffs and non-tariff barriers in trade and increasing trade in Zambia to the COMESA region. In other words, trade liberalisation refers to eliminating or easing trade barriers between countries to promote free trade of goods and services. Examples of trade barriers are tariffs, import quotas, embargoes and non-tariff barriers. Trade liberalisation leads to increase in foreign direct investments, reducing the monopoly of public sector, increase in employment opportunities, economic development of the nation, abolishing licensing system in the country and reduction in rates of interest and tariffs. The main aim of trade liberalisation is to make the economy more market oriented and expand the role of private sector and promotion of foreign direct investments. Policies that make an economy open to trade and investment with the rest of the world are needed for sustainable economic growth. Freeing trade frequently benefits the poor and in order to achieve poverty reduction, specific programmes were needed in the different sectors of the Zambian economy anchored on trade liberalisation principles. COMESA (1998)

observed that the inception of COMESA created opportunities such as larger market size, sharing the region's common heritage and destiny and to allowing greater social and economic co-operation with the ultimate objective of creating an economic community. To achieve this, trade liberalisation was at the centre of COMESA as the multilateral institution in the region. Dimaranan & Merve, (2009) further observe that COMESA Member States established a Free Trade Area on 31 October 2000 after a sixteen-year period of progressive trade liberalisation through reduction of intra-COMESA tariffs. According to COMESA statistics (2010), intra-COMESA trade had grown at average of 7 percent every year since the establishment of the Free Trade Area with a higher increase reflected between the intra-Free Trade Area (intra-FTA) states. For example, COMESA's global trade performance from 2001 -2009 had been highlighted in this article as baseline since this study is from 2010-2021. However, in 2009 Table 1 below captured the trends in the global COMESA trade for 2001-2009 period as base baseline in this article. These baseline figures reflect COMESA's global trade performance for 2001-2009. As seen from Table 1, COMESA global total exports were US\$ 108,880 and total imports of COMESA were US\$ 129,545 while the total COMESA

Table 1: Global COMESA Trade 2001-2009, Values in US\$ Millions

Flow	2001	2002	2003	2004	2005	2006	207	2008	2009
Exports	12,977	34,659	46,185	57,004	75,355	99,023	105,044	152,345	108,880
Re-ports	876	702	1,152	1,436	2,093	1,816	2,100	2,603	2,469
Total Exports	13,853	35,361	47,337	58,440	77,448	100,839	107,144	154,948	111,348
Imports	28,704	45,650	43,906	49,599	67,891	77,677	95,962	146,254	129,545
Total Trade	42557	81011	91243	108039	145339	178516	203105	301202	240893

Source: COMSTAT Database and UN COMTRADE Database -COMESA Annual Report (2010)

Zambia experienced significant drops in the levels of its imports in 2009 by -25%. COMESA's total trade by country during the period 2007-2009 as shown in Table 2 below with values in US\$ millions. The total

trade was US\$240, 893.



trade is also shown as a baseline figure before the start of this study in 2010-2021.

Table 2: Zambia's Total COMESA Trade 2007-2009, Values in US\$ Millions

Year	2007	2007	2007	2008	2008	2008	2009	2009	2009
Country	Export	Re-Export	Import	Export	Re-Export	Import	Export	Re-Export	Import
Zambia	4,582	128	3,840	4,909	189	5,060	4,095	212	3,792
Total	4,582	128	3,840	4,909	189	5,060	4,095	212	3,792

Source: COMSTAT Database and UN COMTRADE Database -COMESA Annual Report (2010)

With regards to the intra-COMESA market shares in 2009, Zambia had the lion share of intra-COMESA export market of 10 %. COMESA's intra-trade is shown below as a baseline in Table 3 below and Zambia had been ranked number four. This means it had improved in terms of doing business to the outside world by ensuring that foreign direct investment was attracted in Zambia. In other words, it entails that Zambia embarked on a number of trade economic reforms during this period through the trade liberalisation as a means of fighting poverty. Table 3 shows Zambia's intra-COMESA trade in 2009 in US\$ millions as a percentage share below in comparison with other countries in the COMESA region.

Table 3: Zambia's Intra-COMESA Trade 2009 in relation to other COMESA Member States, Values in US\$ Millions and Percentage Share

Rank	Exporter	value	% Share	Importer	Value	% Share
1.	Egypt	1,861.1	28.1	Libya	1,091.3	17.9
2.	Kenya	1,461.1	21.6	DR Congo	705.2	11.9
3.	Uganda	716.4	10.8	Egypt	709.1	11.6
4.	Zambia	646.2	9.8	Zambia	668.6	10.9
5.	DR Congo	469.8	7.1	Sudan	593.1	9.7
6.	Libya	231.7	3.5	Uganda	593.1	9.7
7.	Sudan	190.6	2.9	Rwanda	430.5	7.0
8.	Malawi	164.8	2.5	Kenya	316.3	5.2
9.	Mauritius	156.5	2.4	Ethiopia	230.5	3.8
10.	Zimbabwe	145.4	2.2	Zimbabwe	166.8	2.7
11.	Eswatini	143.2	2.2	Madagascar	146.8	2.4
12.	Djibouti	136.4	2.4	Malawi	132.0	2.2
13.	Ethiopia	127.0	1.9	Mauritius	103.3	1.7
14.	Rwanda	109.7	1.7	Burundi	90.9	1.5
15.	Eritrea	32.1	0.5	Seychelles	52.0	1.5
16.	Burundi	26.9	0.4	Djibouti	45.0	0.7
17.	Madagascar	25.0	0.4	Eritrea	21.1	0.3
18.	Seychelles	8.0	0.1	Comoros	8.5	0.1
19.	Comoros	10.9	0.0	Eswatini	0.6	0.0
	Total	6,621.4	100.0	Total	6,109.5	100.0

Source: COMSTAT Database -COMESA Annual Report (2010)

However, the starting point in any analysis of the impact of trade liberalization on poverty is to look at the

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



trade reforms themselves. Zambia had benefited a lot from COMESA funded programmes that triggered trade reforms in various sectors of the economy. Zambia also benefited from COMESA's international cooperating partners of development such as the European Union (EU), World Bank, USAID, African Development Bank, etc. According to the elibrary.worldbank.org, (1995) it was observed that the main objective of trade reforms is to make markets more competitive as it introduces competition among previously protected domestic firm and changes the behaviour and performance of firms. Efficiency gains are achieved in a competitive market through increased productivity which allows more efficient use of resources and shift in resources from inefficient sectors. As result of increased efficiency, output grows. However, the transition from a restrictive to an open trade regime can impose short-term adjustment costs for industries newly exposed to external competition. This can be compounded by efforts to restore macroeconomic stabilisation such as reductions in fiscal deficits that could hurt the country's infrastructure. However, this study looked at contribution COMESA in the fight against poverty in Africa, a case study of Zambia from 2010-2021. This was mainly achieved through either COMESA's funded programmes or with financial support from COMESA's international cooperating partners of development. The main objectives of trade reforms or programmes in Zambia with the help of COMESA was to help raise economic growth and employment generation by improving resource allocation and economic wide efficiency to productive sectors of the Zambian economy. COMESA Secretariat hosted a 3rd joint Development Partners' Coordination Forum on 15-16th September 2021. The Forum sought to deepen engagement and commitment from the development partners and understand the sectors to be focused on. The Forum was organised to bring together multilateral, bilateral, UN and other international agencies that contributed financial support to COMESA programmes. In order to create employment, Zambia came up with a National Industrial policy. The implementation of the National Industrial Policy stimulated and encouraged value addition activities on primary commodities as a means of increasing national exports earnings and creating employment opportunities and ultimately transform the Zambian economy into a diversified and competitive industrial economy well integrated into the international trading system. The National Industrial Policy in Zambia focused on manufacturing sub-sectors as priority drivers of industrialisation. The priority sub-sectors included the following: processed foods, textiles and garments, engineering products, wood and wood products, leather and leather products mineral (metallic and non-metallic) processing and products (beneficiation), pharmaceuticals, and blue economy. In addition to these priority sub-sectors, construction, agriculture, tourism, education, energy, ICT and health were added as key supportive sectors in the industrialisation process due to their potential to facilitate growth and strong linkages to the manufacturing sector. Table 4 below shows employment status and percentage distribution of employed persons aged 12 or older as of 2015 in Zambia.

Table 4: Percentage Distribution of employed Persons Aged 12 Years or Older by Employment Status, Sex and Residence, Zambia Living Conditions Survey 2015

Employment Status	Total	Total	ROTH	Rural- Male	Both Sexes		Urban- Female	Sexes	Employed Person or Older
Total-Zambia	2760859	2241242	5002101	1654269/1486802	3141071	1106590	754440	1861030	5002101
All Zambia	100	100	100	100/100	100	100	100	100	100
Self Employed	58.8	54.7	57	73.8/54.8	64.8	36.5	54.6	43.8	2850651
Central Government	4	4.5	4.2	1.8/1.2	1.5	7.3	10.9	8.8	211550
Local Government /local employee	0.8	0.3	0.6	0.4/0.1	0.2	1.3	0.7	1.1	27838

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



Parastatal/Quasi- Government Employee		0.7	1.8	0.9/0.3	0.6	5.3	1.6	3.8	89698
Private Sector	18.7	6.7	13.4	6.2/1.3	3.9	37.4	17.6	29.4	667979
Employer/partner	0.7	0.4	0.6	0.2/0.1	0.1	1.6	0.8	1.3	28279
Household employee	0.9	1.5	1.2	0.7/0.6	0.6	1.2	3.5	2.1	59695
Unpaid family worker	8.9	29.2	18	13.7/40.6	26.4	1.9	6.7	3.9	901709
Piece worker	3.9	1.4	2	2.2/1.0	1.6	6.5	2.3	4.8	140545
Other Specify	0	0	0	0	0	0	0	0	141

Source: Zambia Living Conditions Monitoring Survey Report (2015)

According to Zambia Living Conditions Monitoring Survey (2015), it was noted that employment status for 2010 and 2015 increased in the proportions in terms of those who were self-employed from 53.7 percent in 2010 to 57 percent in 2015 respectively. The proportion of unpaid family workers declined from 23.6 percent in 2010 to 18 percent in 2015. The private sector employees increased from 10.3 percent in 2010 to 13.4 percent in 2015. The study also established that the percentage distribution of employed persons aged 12 years or older by employment status and industry who were self-employed was 68.2 percent were found in the agriculture, forestry and fisheries industry or sectors while 20.8 percent were in trade, wholesale and retail distribution. Many of these sectors in Zambia had an impact of economic reforms with financial support from COMESA and its international cooperating partners of development in specific sectors. The highest proportion of employed persons in the private sector were in the trade, wholesale and retail distribution industry with 14.6 percent followed by transport and storage industry with 12.4 percent in agriculture, forestry and fisheries. unpaid family workers accounted for 94.5 percent as shown in Table 5 below in terms of percentage distribution of employed persons aged 12 years or older by employment status and industry.

Table 5: Percentage Distribution of employed persons Aged 12 Years or Older by Employment Status and Industry, Zambia 2015

Type of Industry	Self- Employed	Central Governme nt/Local Governme nt/Council employee	Parastatal/ quasi- governme nt Employee	Private Sector	NGO Employee	Internation al Organisati on/ Embassy	Employer Partner/ Household Employee	Unpaid family Work/ Piece worker	Total/ Total No. of Employed Persons (000s
Total	100	100/100	100	100	100	100	100/100	100/100	100/500
Agriculture, forestry and fishing	68.2	2.2/3.0	10.2	11.5	8.7	-	15.7/20.0	94.5/22.	58.7/293 8
Manufacturing	3.8	0.3/1.0	8.8	10.9	6.1	4.7	17.9/1.6	0.4/7.9/	4.2/212
Construction	3.4	0.9/4.7	3.9	5.8	1.9	-	12.3/1.0	0.1/26.9	3.7/186
Trade, whole and retail distribution	20.8	0.6/0.0	1.3	14.6	10.1	40.0	31.8/67	3.3/5.7	14.9/746
Education	0.2	45.7/18.4	14.7	6.4	5.8	8.2	1.0/0.0	0.0/1.4	3.3/165

Source: Zambia Living Condition Monitoring Survey Report (2015)

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



Bwalya et al (2021) in a publication tiled "Zambia Poverty Dynamics National Report" observed that Zambia remained a high-poverty country despite having attained middle-income status in 2011. The report projected that the country's high levels of poverty would persist through to the middle of the century unless significant new policies and programmes were developed. As a result of this the study established that a number of programmes were developed as a result of trade reforms such as those in the agriculture sector with financial support from COMESA.

DISCUSSIONS OF RESULTS

Contributions of COMESA in the Fight against Poverty in Zambia through Trade Liberalisation

Zambia began to liberalise its trade regime in the early nineties and embarked on a privatisation programme in 1992 initially by targeting a few small-scale companies. In 2004 Zambia introduced the Private Sector Development Reform Programme Phase 1 (2006-2009) aiming to improve the investment climate to boost the private sector's contribution to economic growth. It focused on strengthening public agencies that supported public sector development, improving the investment code and regulatory framework, encouraging private investment in infrastructure, business facilitation and economic diversification, trade expansion and citizen empowerment. The successor to this programme, Private Sector Development Programme Phase II (PSDRP II), was scheduled for the period between 2009 and 2014. The Zambian Government had articulated the country's long-term development objectives in the National Long-Term Vision 2030. Zambia undertook economic reforms in order to made it easier for enterprises to do business. These included abolition of price controls, liberalisation of interest rates, abolition of exchange rates, controls, 100% repatriation of profits, free entry investment in virtually all sectors of the economy, trade reforms aimed at simplifying and harmonising the tariff structure, and removal of quantitative restrictions on imports. The study also established that time was reduced for business name registration and company incorporation was reduced from 21 days to 3 days. Zambia had also improved ranking on the DoingBusiness Index moving from 90 in 2009 to 76 in 2010. Zambia further cut the number of days to start a business and the time required to register property virtually by half and made notable progress in strengthening legal rights and making it easier for companies to hire workers. Zambia had undertaken various steps to ensure investment laws were clear, transparent and accessible. These economic reforms were aimed at liberalising the economy in order to foster growth and development and poverty reduction eventually. The economic reforms in summary included: (a) abolition of price controls (b) liberalisation of interest rates (c) abolition of exchange rate controls (d) 100% repatriation of profits (e) no restriction on investments in virtually all sectors of the economy (f) privatisation of state-owned enterprises (g) trade reforms aimed at simplifying and harmonising the tariff structure and (h) remove of quantitative restrictions on imports

The trade reforms in Zambia were designed to introduce a market-based and private sector-driven economy rather than state dominated economic system that prevailed. Various pieces of legislation were enacted and statutory institutions created. Freer trade was to raise income and create employment opportunities. Therefore, trade liberalisation was assumed to lead to increased employment opportunities and economic development due to reduction rates of interests and tariffs as well as development in technology due to use of foreign technology in industrial applications. Despite all these measures, poverty levels kept increasing especially in the rural areas. In order to achieve Zambia's ambitious trade liberalisation reforms, the study established that Zambia benefited from COMESA's priorities and objectives based on trade liberalisation agenda that began in December 1994 when it was formed to replace the former Preferential Trade Area (PTA). COMESA's strategy was summed up as "Economic Prosperity through Regional Integration" with

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



its 21 Member States since 18 July 2018 and provided a bigger market with a population of over 586 million and global trade in goods worth USD 235 billion. Zambia benefitted in intra-trade within COMESA which formed a bigger market for both internal and external trading. The study established that Zambia's total exports to COMESA region increased by 3 percent between 2019 and 2020. The increase in nominal terms was from USD 1.23 bn in 2019 to USD1.27 bn in 2020. Zambia's imports from the COMESA region declined by 40 percent from 2019 to 2020 from USD 700 million in 2019 to USD 422 million in 2020 attributed to Covid-19 which resulted to restrictions in the movement of goods and services within the region. Zambia further benefited from COMESA's priorities and objectives that guided policy formulation and implementation. Zambia aligned its national laws within the framework of COMESA to support trade liberalisation which led to more exports within the region. As stated already, the study established that COMESA offered Zambia an enabling environment with a wide range of benefits which included (a) a wider, harmonized and more competitive market (b) offered greater industrial productivity and competitiveness (c) offered increased agricultural production and food security (d) offered a more rational exploitation of natural resources (e) offered more harmonized monetary, banking and financial services such as COMESA Clearing House to facilitate payments and (f) offered more reliable transport and communications infrastructure.

COMESA (2020) Annual Report, observed that a number of activities were achieved in Zambia due to trade liberalisation programmes with financial support from COMESA and its international cooperating partners of development. These included the following: (a) the COMESA Council of Bureaux on the Yellow Card Scheme which helped Zambia to implement the Yellow Card Scheme to facilitate the movement of vehicles, goods, people and services within the COMESA region (b) the Regional Customs Transit Guarantee scheme which helped Zambia to implement the scheme by providing customs administration with security to recover duties and taxes from importers and exporters when goods were in transit to be illegally disposed of for home consumption in that country of transit and (c) COMESA Business Council (CBC) helped Zambia to enforce strategic advocacy platforms for the private sector in priority sectors with COMESA region and ensure effective representation of private sector interests in COMESA decision making processes.

The study established that COMESA had the capacity and systems that helped Zambia to access the Free Trade Area (FTA) through increased exports as a means of fighting poverty in Zambia. eSAKSS-ECA (2007) observed that Zambia was fully implementing the Common Market for Eastern and Southern Africa-Free Trade Area (COMESA FTA) at 100% liberalisation. According to COMESA statistics (2010), intra-COMESA trade had grown at average of 7 percent every year since the establishment of the Free Trade Area. Zambia membership to COMESA's FTA had also facilitated growth for Zambia's trade with the region as indicated in Table 6 below. The Free Trade Area (FTA) of COMESA had seen a reduced intra-COMESA trade tariffs which had increased traders' incomes in Zambia. The reduced tariffs had been translated into reduced trading prices in Zambia and increased disposable income for consumers in the country thereby contributing to poverty reduction. Zambia had benefited in the fight against poverty through increased exports of goods and services through consideration of rules of origin within the free trade area. The export of goods and services generated employment and increased incomes in various sectors of the Zambian economy. Zambia's export of goods and services had to be within the rules of origin of COMESA to ensure maximum benefits within the region. The COMESA Rules of Origin are used to determine whether goods introduced in the COMESA region are eligible for preferential treatment within the Free Trade Area (FTA). The COMESA Rules of Origin have five (5) independent criteria and goods qualify as originating in COMESA if they meet any one of the five which include the following: (a) the goods must be wholly produced within the COMESA region (b) the cost insurance freight (CIF) value of any nonoriginating material should not exceed 60% of the ex-work price of the goods (c) goods must attain the value added of at least 35% of the ex-factory cost of the goods (d) goods should fulfil the CTA rule which refers to accumulation of origin for textiles and apparel. it allows for accumulation of origin between COMESA member countries and certain other countries or territories. Therefore, It implies that materials

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



used in the production of textiles and apparel in one member country can be considered as originating from other member country for the purpose of fulfilling the rules of origin requirements that help to facilitate trade in textiles and apparel within the COMESA region by way of promoting regional integration (e) goods must have importance to the economic development of the Member States not less than 25% of the value added

Within these rules among Member States of COMESA, Zambian exporters were free to base claim to COMESA duty-free or preferential tariff treatment on any one of the criteria, according to which of them had been complied within the production process. With the exception of small consignments, goods being exported under COMESA FTA or preferential tariff reduction treatment had to be accompanied by the COMESA Certificate of Origin. Being a land locked country, Zambia's exporters experienced high costs for trading as they were required to transit their goods through neighbouring countries and high costs associated with weak regional infrastructure and inefficient customs procedures constrained the intra-regional trade flows of Zambia within the FTA. Preferential or duty-free treatment implies that exporters have less cost in doing business translating into more disposable income on their end. Table 6 shows Zambia's trade with COMESA since the establishment of the Free Trade Area in 2000.

Table 6: Zambia's trade with COMESA countries since the establishment of the FTA

Year	Total Exports (K)	Total Imports (K)	Trade Balance
2015	8,335,442,331	18,116,532,361	9,781,090,030
2016	8,922,456,332	15,492,723,101	6,570,266,769
2017	8,628,907,088	20,794,167,695	12,165,260,607
2018	12,513,389,370	18,461,447,013	5,948,057,643
2019	15,909,422,258	9,058,955,182	6,850,467,076

Sources: COMESA Annual Report (2019)

The removal of tariff barriers to trade are important for the promotion of free trade. Nonetheless, to effectively liberalise trade, removal of non-tariff barriers (NTBs) is equally important, thus alongside the above discussed mechanisms that relate to tariff barriers, COMESA had also done significant work on removal of NTBs. Steady progress had been made in elimination of NTBs such as in liberalization of import licensing, removal of foreign exchange restrictions, removal of taxes on foreign exchange, removal of import and export quotas, removal of road blocks, easing of customs formalities, extending times border posts were open, creation of pilot "one stop border posts", among others in Zambia. The COMESA Secretariat was keen to disseminate information on WTO and the world trading system, and to develop capacity in Zambia to participate more actively in the global economy. With the reduction of tariff and nontariff barriers in the region, trade had been enhanced and competition increased. In order to ensure fair competition and transparency among economic operators in the region, COMESA enacted the regional competition law and policy to harmonise existing national competition policies to avoid contradictions and provide a consistent regional economic environment. The COMESA regional competition regulations were adopted in 2004 to facilitate the achievement of regional economic integration in Zambia. COMESA (2014) Annual Report observed that the COMESA Competition Commission is the first regional competition authority in Africa charged with the enforcement of the regulations. The introduction of the regulations created a 'One Stop Shop' for the assessment of cross- border transactions thereby reducing the burden and cost of doing business in the region, given that such transactions no longer needed to be examined in each Member State. Zambia had benefited from this arrangement through improvement of one stop border posts in selected borders such as Chirundu bordering Zimbabwe.

The study established that COMESA had a number of activities put in place to facilitate free trade in





Zambia. The Secretariat was implementing programmes to improve the transport and communications systems of the region as well as improving information available to business wishing to trade both within the COMESA region and beyond. Among them was the Road Transit Charges System which was introduced in 1991. The study established that the programme was being implemented by Zambia as a Member State of COMESA helped to raise some revenue used for various activities including maintenance of roads. Woodfrey (2016) observed that COMESA had a Carrier's License which allowed commercial goods vehicles to be licensed, with one license, valid throughout the region which allowed vehicles to operate in all Member States. This means that vehicles could pick up back-loads in other countries which made more efficient use of the region's transport fleet eventually reducing the cost of trade in Zambia.

COMESA established a Customs Union in 2009 and agreed on a three-year transition period during which Zambia was to enact the following customs union legislation: Common Tariff Nomenclature (CTN), the Common External Tariff (CET) and Customs Management Regulations (CMRs). The nature of the Common External Tariff (CET) is: (a) raw materials; 0% (b) capital goods: 0% (c) intermediate goods: 10% and (d) finished goods: 25%.

COMESA Annual Report (2012-2013 observed that custom unions help to improve the allocation of scarce resources that satisfy the wants and needs of consumers and boosts foreign direct investment (FDI) which in turn create employment opportunities and improves the standard of living for citizens. Customs unions lead to better economic integration and political cooperation between nations and the creation of a common market, monetary union and fiscal union. Customs legislation if applied correctly, and strategically, significantly reduces business costs, when the goods are imported or exported also after their importation, for example, by requesting a refund of customs duties which prove to have been paid in excess at the time of importation. Custom Union helps to remove tariff duties paid on particular imports or exports between Member States and it sets up a common external tariff to non-members. As party of capacity building, COMESA Secretariat provided on-the-spot technical assistance in form of workshops to Zambia in March and April 2012 respectively training on customs union. The workshops were meant to assist both the private and public sectors in Zambia in understanding the implications of the customs union and also to assist in finalising list of sensitive products and alignment of their national tariffs to the COMESA Common External Tariff (COMESA CET). Table 7 below shows the capacity building activities Zambia implemented relating to the customs union in the year under review in which Zambia received assistance.

Table 7: Zambia's Customs Union Activity Brief in line with COMESA Requirements -2012-2013

Activity	Sub-Activity Undertaken	Zambia benefited from technical assistance
One -day stakeholder consultative workshop held in April 2012 for 40 public and private stakeholders	 Ø Presentation on customs union Ø A brief reality check on challenges faced by the country in implementing the Council decisions Ø presentation on identifying and drawing up the list of sensitive products Ø Presentation on how to align national tariffs to the COMESA Common Tariff Nomenclature /Common External Tariff (COMESA CTN/CET) 	Lusaka, Zambia

Source: COMESA Annual Report (2012-2013)





The one-day Zambian workshop supported by COMESA resulted into: (a) the establishment of a new National Implementation Committee in Zambia to spearhead the implementation of council decisions on the customs union (b) the finalisation of the alignment schedules and to develop a list of sensitive products for Zambia and (c) the finalisation of the aligned national Customs Management Act to the Common Market for Eastern and Southern Africa Common Management Regulations (COMESA CMRs). Table 8 below shows the overall alignment of Zambia to COMESA FTA participation and Common Management Regulations (CMR), Common Tariff Nomenclature (CTN) and Common External Tariff (CET) during the period 2016-2018 in order to facilitate Zambia's trade in the region.

Under the framework of a custom union, COMESA had provided Zambia with a framework for coordination and harmonisation of policies in a broader range of areas so that they were coherent with COMESA. The robust performance of intra-COMESA's trade with Zambia had shown that an integrated COMESA could adequately respond to global challenges. COMESA Customs Union is necessary to drive a development agenda in Zambia as private sector sees the Customs Union's regulations profitable to trade within the COMESA region and how sustainable adequate and reasonable COMESA regulations in allowing planning as a rule-based regime under the integration programme. The various trade facilitation and infrastructure programmes had assisted Zambia to consolidate the internal market and resulted in reduction of transaction costs including for producers, exporters and importers leading to more exporters and employment creation hence poverty reduction. The Common Market Management Regulations provides for the imposition and collection of duties and taxes, the control, management and administration of customs, the conclusion of customs and trade agreements and other matters. Taxes help to implement various programmes in Zambia with the aim of reducing poverty. Therefore, regulations facilitate collection of taxes which Zambia had complied with 100%. Zambia under COMESA had agreed under Article 47 of the Treaty, to the gradual establishment of a Common External Tarff in respect of all goods imported into the Member States from third countries within a period of ten years from the entry into force of the Treaty and in accordance with the schedules. The purpose of a Common External Tariff (CET) is to protect the member countries of COMESA's customs union from outside competition by making imported goods more expensive, while at the same time promoting trade among the member countries by eliminating tariffs on their trade. When tariffs are reduced there would be exports due reduced prices of raw materials at 0 % tariff increasing production activities and more export and in the long run more employment creation and income generating activities especially for small and medium enterprises. COMESA Annual Report (2018) observed that Zambia had benefited from this arrangement hence increasing its exports and import of machinery at 0% for production purposes. Table 8 shows clearly shows how Zambia responded to these regulations to enhance its export strategy and import of machinery to boost production in various sectors of the economy.

Table 8: Zambia's FTA Participation and Status Alignment to COMESA Common Management Regulations (CMR), Common Tariff Nomenclature (CTN) & Common External Tariff (CET)

Zambia	FTA	STR	2016	2017	2018
Implementation	% Alignment to CMR	% Alignment to CTN	% Alignment to the CET	19	22
Zambia	Yes	Yes	100	66.6	66.4

Source: COMESA Annual Report (2018)

In preparation for the Customs Union, COMESA adopted the Common External Tariff (CET) at the Twenty Third Meeting of the Council in May 2007, the Common Tariff Nomenclature (CTN) at the Twenty Fifth

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



Meeting of the Council in December 2008, and the Common Market Customs Management Regulations (CMR) and Council Regulations Governing of the COMESA Customs Union (CRGCCU) at the Twenty Sixth Meeting of the Council in June 2009. The Council Regulations Governing of the COMESA Customs Union (CRGCCU) and the Common Management Regulations (CMR) were published in the COMESA Official Gazette Volumes 15 No. 1 and No. 2 on 9 June 2009 respectively. The CRGCCU sets out key principles for the operation of the customs union such as the structure of the Common External Tariff (CET) in four bands which guided Zambia when trading within the COMESA region: (a) raw materials with 0%, capital goods with 0%, intermediate goods with 10%, and finished goods with 25% (b) The rates of the Common External Tariff (CET) were subject to periodic reviews over time frames to be determined by Council and Zambia was given the flexibility and policy space to enable her address national issues arising out of the implementation of the Common External Tariff (CET) rates (c) Zambia was required to align its national customs laws with the regionally agreed customs union instruments namely, Common Management Regulations (CMR), the Common Nomenclature (CTN) and the Common External Tariff (CET) (d) Zambia was required to provide a of List of Sensitive Products. With regard to the alignment to the Customs Union instruments as required in the Common Management Regulations (CMR)

With regard alignment to the Common Tariff Nomenclature (CTN), Zambia had aligned its Common Nomenclature (CTN) by between 62% – 74% to the COMESA CTN. Zambia also provided provisional list of sensitive products as required by COMESA. There was no deadline set for the completion of the transition period. However, tremendous work on domestication of Customs Union instruments by Zambia continued to be undertaken. Notably key achievements on the Customs Union included the following: (a) Zambia aligned its customs laws to 100% Common Management Regulations (CMR) (b) Zambia aligned its tariff nomenclature to the COMESA Common Tariff Nomenclature-CTN (c) Zambia aligned its tariff to Common External Tariff (CET) (d) Preparation was done for transposition of the COMESA CTN into HS 2017 and (e) The Harmonized Commodity Description and Coding System (HS), managed by the World Customs Organisation (WCO), was revised every five years and Zambia was compliant to enhance its trade among COMESA Member States and the rest of the world

The Thirty Sixth Council Meeting of COMESA adopted the COMESA HS 2017 CTN/CET in line with the World Customs Organisation (WCO) amendments to the HS 2012 that entered into force on 1 January 2017. Under this programme, Zambia transported its Tariff Books to HS 2017, considering its migration to the COMESA Common Tariff Nomenclature/Common External Tariff (COMESA CTN/CET). These rules facilitated smooth flow of trade within the region. COMESA Treaty Article 63 provides that training is necessary for customs officials and economic operators. The COMESA Customs Programme, in particular the capacity building pillar covered areas such as harmonisation of customs training to ensure that the training programmes responded to national and regional needs, both in terms of relevance and quality to facilitate trade in the region. This included provision of capacity building to regional customs administrations in all subjects related to customs and trade facilitation operations including Harmonised Commodity Description and Coding System (HS) and customs valuation (CV). Zambia's complied with these changes as shown in Table 8 below in order to facilitate trade in the COMESA region which eventually increased exports and employment generations in various sectors of the economy.

Table 8: Zambia's Status of Customs Union Instruments Alignment to COMESA

Country	% Alignment to the CMR	% Alignment to the CTN	% Alignment to the CET
Zambia	100%	66.6%	66.4%

Source: COMESA Annual Report (2013)

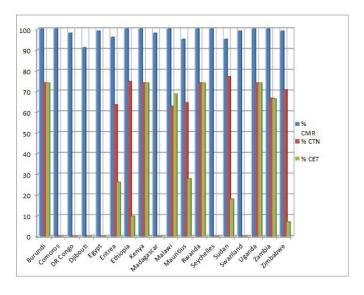
However, Zambia experienced some challenges in the alignment process as noted by COMESA in attaining



alignment of 100% with the COMESA Common Tariff Nomenclature and Common External Tariff ((CTN/CET). COMESA therefore, recommended that Member States be allowed to align by at least 75%. From this analysis Zambia was quite compliant to Customs Union Instruments. The 75% level of alignment was allowed to ensure that Zambia had the policy space to have 20% sensitive products and 5% excluded products for implementing COMESA Common External Tariff (CET). As a result of this programme, Zambia met its Regional Integration Support Mechanism (RISM) targets and became eligible for funding under the programme. It further considered the progress already made in implementing the Customs Union Instruments. With regard to accession to the Revised Kyoto Convention (RKC) on the Simplification and Harmonization of Customs Procedures, Zambia had so far signed the Revised Kyoto Convention (RKC), which was a mother document for drafting national customs laws, including customs management regulations (CMR). These programmes were part of trade facilitation in Zambia. Zambia used automated customs clearance system and Zambia later migrated to ASYCUDA World which is a web-based customs management system. Electronic Single Window (eSW) also became operational in Zambia as part of trade facilitation process.

The study noted that COMESA Council was mandated to review the Common External Tariff structure and approve measures designed to remedy any adverse effects which any of the Member States could experience in the region. COMESA Official Gazette (2009) noted that Zambia as a member of COMESA had flexibility necessary to enable it address domestic issues arising out of the implementation of the Common External Tariff. COMESA Annual Report (2014) noted that in practice, overall COMESA had made some progress in terms of implementation of the customs union in Zambia in comparison with other countries as shown in Figure 4 below, regardless of the challenges. These changes ensured free movement of goods within COMESA regions for exporters. On the implementation of the Common Tariff Nomenclature (CTN), Zambia migrated to the COMESA Common Tariff Nomenclature (CTN) as indicated in figure 1 below. Similarly, on migration to the Common External Tariff (CET), Zambia adopted its national tariff into the COMESA Common External Tariff (CET). Zambia also domesticated the Common Management Regulations (CMRs) as guided by COMESA in 2014. This progression is shown in Figure 1 below showing Zambia's progress in relation with other COMESA countries in the implementation of the required changes to facilitate trade in COMESA region.

Figure 1: Zambia's Progress on the Implementation of the Customs Union in Relation to COMESA Member States



Source: COMESA Annual Report (2014)

The customs union benefited Zambia in many ways. COMESA (2021) Senior Research Fellow added that

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



'customs controls among Member States had been abolished, however, they were exemptions from customs duties. Thus, costs of some goods were lower, which has increased the trade volume among Member States. Producing companies were now able to import customs-free raw materials from Member States, which had lowered production costs, and facilitated an increased production of related goods. The volume of direct investments among Member States, Zambia inclusive had equally increased with the free movement of goods and capital. In this way, there were more employment opportunities, and cash flow into Zambia. With respect to the challenges, there were adjustment costs associated with alignment to the Common Tariff Nomenclature (CTN) and the Common External Tariff (CET) including injury caused to local industry. It also involved financial resources used to change laws, conducting consultations with stakeholders such as the private sector and civil society. Other challenges related to sensitivity of some tariff lines to trade liberalization such as loss of taxes. Trade liberalization had led to loss of revenue collected from such taxes. Similarly, resource constraints in the form of financial, human resource and material were also another major challenge in implementation and domestication of COMESA programmes in Zambia. The COMESA Heads of State and Government Authority launched a Customs Union on 7th July 2009 to deepen the integration of economies in the region and to facilitate intra-regional trade and development. In this regard, the COMESA Treaty Article 4 (1a) among others, obliged Zambia to adopt a Common External Tariff (CET) as part of its undertaking under the Treaty. During the launch of the Customs Union, Zambia was given a transition period of three years to start aligning the national customs laws with the Customs Management Regulations (CMR), regional customs law, tariff books with the Common Tariff Nomenclature (CTN) as the harmonized system for coding and tariffs with COMESA Common External Tariff (COMESA CET)

Contribution of COMESA in the Fight against Poverty in Zambia through Trade liberalisation using Trade in Goods Principle

COMESA Annual Report (2012-2013) observed that trade between COMESA and Zambia and the rest of the world grew from US \$240 billion in 2011 to US \$262 billion in 2012, according to provisional figures compiled by the COMESA Secretariat. Specifically, total exports rose from US \$96 billion by the end of 2011, to US \$107 billion in 2012, while imports also registered growth, from US \$144 billion in 2011 to US \$154 billion in 2012. The growth in both total exports and imports was however, lower than the corresponding growth for both flows in the previous year of 26% and 16% respectively. Table 9 shows the global COMESA trade 2003-2012, values in US\$ millions. Zambia greatly contributed to COMESA global trade through intra-COMESA activities and can be attributed to trade liberalisation policies. The exports mainly came from activities of both SMEs and foreign investors in Zambia due to conducive business environment. The figures are shown in Table 9 below showing performance of COMESA in terms of global trade.

Table 9: Performance COMESA in terms of Global Trade 2003-2012, Values in US\$ Millions

Row Labels	2003/2004	2005	2006	2007	2008	2009	2010	2011	2012
Exports	34,247/41,039	53,701	71,062	73,772	10,028	82,841	112,033	92,735	104,569
Re-Exports	1,152/1,436	2,093	1,816	2,100	2,603	2,469	3,183	3,691	2,992
Total Exports	35,399/42475	55794	72,878	75,877	112,631	85,310	115,216	96,426	107561
Imports	39,230/44188	62,309	71,887	88,642	136,245	118489	141,542	144,290	154,608
Total Trade	74628/86660	118,103	144,765	164520	248876	203799	256758	240716	262168

Source: COMSTAT Database and UN COMTRADE Debase -COMESA Annual Report (2012- 2013)

Zambia contributed to the overall performance of COMESA in terms of global trade and enhanced Intra-COMESA trade through micro, small and medium enterprise development. This contributed to the overall

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



regional growth in the exports of COMESA. Table 10 below depicts Zambia's contribution to COMESA's global trade performance during the period 2009 -2011 as shown through exports and imports activities. The global COMESA trade in Zambia during the period 2010-2012 was in US\$, millions as indicated in Table 10 below. This also explains why Zambia had been quick in implementing policies of trade reforms based on trade liberalisation principles.

Table 10: Zambia's contribution to Global COMESA 2010-2012, Values in US\$ Millions

Country	Exports -	Re- Exports - 2010	Imports - 2010	Exports- 2011	Re- Exports - 2011	Imports - 2011	H'ynorts -	Re- Exports - 2012	Imports - 2012
Zambia	6,834	338	5,022	8,644	372	7,179	8,939	706	8,818
Total	6,834	338	5,022	8,6644	372	7,179	8,939	706	8,818

Source: COMSTAT Database and UN COMTRADE Database -COMESA Annual Report (2012-2013)

As regard to the major export markets for COMESA products, Zambia exports were mainly Copper and Cobalt. The performance of intra-trade by COMESA was under the review period is shown in table 11 below in terms of Zambia's intra-COMESA trade exports from 2003-2012.

Table 11: Zambia's Intra-COMESA Trade Exports 2003-2012, Values in US\$ Millions

Flow	2003/2004	2005	2006	2007	2008	2009	20010	2011	2012
Exports	1,670/1,804	2,583	2,702	3,950	6,157	5,879	7,781	8,386	8,479
Re-Exports	475/531	628	268	570	614	742	1,259	1,748	748
Total Exports	2145/2,335	3,208	2,970	4,520	6,772	6,621	9,040	10,134	9,263
Imports	2,173/2223	3,046	3,757	4,554	6,932	6,621	9, 040	10, 134	9,263
Total Trade	4,318/4,558	6,254	6,728	9,074	13,704	12,731	17, 376	18,429	19,326

Source: COMSTAT Database -COMESA Annual Report (2012-13)

Zambia's exports increased by 33% due to trade liberalisation and trade facilitation activities, these were still mainly eigarettes containing tobacco, and cotton. Table 12 shows Zambia's Intra-COMESA Trade from 2011-2012 in terms of Zambia's intra -COMESA trade.

Table 12: Zambia's Intra-COMESA Trade from 2011-2012, Values in US\$ Millions

Country	Exports- 2011	Re- Exports -2011	Imports - 2011	Exports - 2012	IH.VNOPTC -	Imports- 2012	Hynorts	Re- Exports	Imports
Zambia	1,063	84	1,637	1,422	165	1,872	33.8	96.6	14.4
Total	1,063	84	1,637	1,422	165	1,872	33.8	96.6	14.4

Source: COMSATAT Database -COMESA Annual Report (2012-2013)

Regarding intra-COMESA market shares for 2012, Zambia recorded a market share of 20% for intra-COMESA exports. On the import side, Zambia registered the biggest market share of 18.6% in 2012, almost one percent points more than the recorded share the previous year. Table 13 below shows Zambia's intra-COMESA trade in terms of exports and imports by ranking in relation to COMESA Member States in 2012

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



with values in US\$ dollars.

Table 13: Zambia's Intra -COMESA Trade 2012 by ranking in Relation to COMESA Member States, Values US\$ Millions

Rank	Exporter	Exporter Value % Sha		Importer	Value	lue % Share	
1.	Egypt	2,480	26.6	Zambia	1,872	18.2	
2.	Kenya	1,871	20.2	Libya	1,587	15.8	
3.	Zambia	1,587	17.1	DR Chongo	1,348	13.4	
4.	DR Chongo	1,209	13.1	Egypt	781	7.8	
5.	Uganda	393	5.3	Kenya	726	7.2	
6.	Rwanda	306	3.3	Uganda	714	7.1	
7.	Sudan	276	3.0	Zimbabwe	641	6.4	
8.	Ethiopia	264	2.8	Sudan	582	5.8	
9.	Mauritius	207	2.2	Malawi	448	4.3	
10.	Malawi	169	1.8	Rwanda	421	4.2	
11.	Libya	127	1.4	Ethiopia	236	2.3	
12.	Zimbabwe	121	1.3	Burundi	157	1.6	
13.	Eswatini	45	0.5	Mauritius	149	1.5	
14.	Madagascar	41	0.4	Madagascar	146	1.5	
15.	Burundi	40	0.4	Djibouti	99	1.0	
16.	Djibouti	15	0.2	Eritrea	92	0.9	
17.	Eritrea	7	0.1	Seychelles	45	0.4	
18.	Seychelles	5	0.1	Comoros	33	0.3	
19.	Comoros	1	0.0	Eswatini	5	0.1	

Source: COMSTAT Database -COMESA Annual Report (2012-2013)

CONCLUSION

A range of related policies are required for Zambia to achieve outward investment-oriented policies to attract foreign direct investment and maximise on the gains of openness with a view to employment creation, income generation activities and reduction of the cost of doing business. This can be done through trade liberalisation including policies such as those related to human capital, physical capital, access to credit, governance procedures and macroeconomic stability. Zambia requires a clear regulatory framework predictable for business planning. Consultation is required to ensure that there is a conducive environment that promote trade through innovative policy framework targeting various sectors of the economy. The Zambian government has a task to ensure that it promotes investment and trade to achieve socio economic development through competitive markets in the region with less tariffs and non-tariff barriers. The Common Market for Eastern and Southern Africa (COMESA), with a secretariat in Lusaka, had supported Zambia significantly in its trade liberalisation policies through various programmes such as harmonising investment policies, procedures and regulations. Zambia's trade liberalisation policies should be focused on employment creation and creating business opportunities for the private sector. However, the study established that poverty levels in Zambia had not reduced since 2010-2021 instead there had an increase from 54.4% in 2020 to 60. 3 % in 2021 despite all the trade reforms. Despite this gloomy picture, the study established that COMESA had been significant in the fight against poverty in Zambia in various sectors of

ISSN No. 2454-6186 | DOI: 10.47772/IJRISS | Volume VIII Issue I January 2024



the economy.

RECOMMENDATIONS

The study has recommended that the Ministry of Commerce, Trade and Industry should regularly review the trade liberalisation rules and adhere with maximum compliance COMESA guidelines to realise the gains of trade. A conducive business environment with clear legal framework must be encouraged. This will be able to lower costs of doing business as the business environment will be predictable by the business community. This requires deeper cooperation with all sectors in the economy coordinated by the Ministry of Commerce, Trade and Industry. Capacity building in new trade reforms must be encouraged both in government and private sector as this ensures smooth implementation of trade reforms. There is also need for efficient dissemination of trade information to all stakeholders regularly which may relate to changes in trade regulations, policies and procedures. The study also recommends for the full implementation of the COMESA's customs union in Zambia in order to gain maximum benefits as a way of reducing poverty in the country where tariffs would be reduced reducing the cost of doing business triggering income generating activities and employment creation.

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