



# Research impact

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## Driving trade policy reform in Africa

Studies by the Centre for Research on Economic Development and International Trade (CREDIT) have reshaped trade in Africa and informed the policy guidance provided by international agencies.

No nation can expect to become fully integrated into the global economy if its trade policies are unsuccessful. Uganda offers a case in point: its trade policies were liberalised in the late 1980s, but the hoped-for export response failed to materialise.

“The Ugandan experience provided a key starting point for much of our work in this field,” says Chris Milner, a Professor of International Economics specialising in the analysis of developing and developed nations’ trade policies. “Back in 1995 I was a member of a World Bank team tasked with assessing why the consequences of liberalisation there weren’t as hoped.”

An internal report presented to the World Bank identified non-trade-policy trade costs as the major root of the problem. These were incurred as a result of poor infrastructure, an uncompetitive transport sector, inefficient ports, substandard customs procedures, “natural” geographical problems and other shortcomings.

**The Commonwealth Secretariat, a voluntary association of more than 50 nations, including some of the poorest in the world, regularly commissions CREDIT research to help develop trade policies among its members. The Head of its International Trade Division has praised the role of CREDIT’s “high-quality analytical work” in promoting trade in African, Caribbean and Pacific countries.**

CREDIT researchers went on to build on this work by further exploring the nature and extent of such costs. Working in a number of African countries, including Uganda, Malawi, Kenya and Tanzania, they developed a novel framework for assessing the relative importance of different sources of trade costs. The World Bank, the African Development Bank, the UN Economic Commission for Africa and the Department for International Development are among the organisations and agencies that have since drawn on the findings and insights.

“The overall lesson is that trade policy reform in many African economies may not be enough in itself to support export development,” says Professor Milner, who has also directly advised a number of African governments. “It needs to be coupled with reform in other areas – infrastructure, transport and so on – that represent barriers to success. Thanks to our research, international policy formulation now increasingly reflects this.”



## Chris Milner

Professor of International Economics

"Sometimes it's important to get your hands dirty, even if you're an economist. Being 'on the ground' is essential when you're researching the developing world. It's the operational experience, the 'being there', that gives you a proper insight into what's happening in these nations, the true nature of their problems and what might be done to help them. Over the years I've worked in Malawi, Madagascar, Mauritius – all sorts of developing countries. That's because nothing beats the 'hands on' approach in terms of building a genuine picture of an economic situation."

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### World-leading research

The research carried out at the School of Economics is regularly acknowledged as among the most significant of its kind in the world. It is also among the most influential.

Research can help boost economic competitiveness, improve the effectiveness of public services and policy and enhance quality of life. We have made important contributions in all of these areas through the work of our research centres.

- Centre for Decision Research and Experimental Economics
- Centre for Finance, Credit and Macroeconomics
- Centre for Research in Economic Development and International Trade
- Nottingham Centre for Research on Globalisation and Economic Policy
- Granger Centre for Time Series Econometrics
- Network for Integrated Behavioural Science
- Nottingham Interdisciplinary Centre for Economic and Political Research