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The Difficulties of Muslim Integration in Europe: France's Policy of *Laïcité* and State Accommodation of Muslim Socio-Religious Needs
Elizabeth Saba

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Letter from the Editors

Although its literal translation from the Latin is "way of life," in international relations parlance, *Modus Vivendi* signifies "a state of affairs where two opposing parties agree to differ." In a similar spirit of fostering intelligent discussion, *Modus Vivendi* attempts to provide a forum for diverse viewpoints on a variety of issues pertinent to the field of international studies. One of the few undergraduate journals of international relations, *Modus Vivendi* is published by the International Studies Department at Rhodes College, in conjunction with the Rhodes College chapter of Sigma Iota Rho.

This issue of *Modus Vivendi* includes four articles, representing a variety of theoretical and public policy issues. Elizabeth Saba opens the journal with a discussion of a current issue in international affairs: the integration of French Muslims into the secular state. Alex Mahoney examines the growth of the textile and apparel industry in China and its effect on the U.S. market. Emily Donelson does a comparative study of forced labor in different countries and industries. Finally, Laura Sellers investigates the trade relationships between Ghana and Kenya and their common former colonial power, Great Britain.

Modus Vivendi is the product of enormous efforts on the behalf of many people. The editors would like to thank the associate editors for all of their hard work. Their aid was essential to the completion of the journal. The editors would also like to extend their gratitude to the faculty of the Rhodes College International Studies Department. Without their outstanding talents, teaching abilities, and tutelage, this journal would not exist. Additionally, special thanks must be given to Brenda Somes and the faculty advisor to Sigma Iota Rho, Professor Shadrack Nasong'o for their constant support and encouragement.

Julie Pasch and Laura Sellers
Editors of *Modus Vivendi*

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The Difficulties of Muslim Integration in Europe:
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Elizabeth Saba

The complexities of integration are on dramatic display in France, home to 5 million of the approximately 15 million Muslims who currently live in the European Union. The Muslim community in France faces many dilemmas when they seek both to remain part of the global Muslim community and to satisfy European demands for conformity to political and cultural norms. Why has the Muslim community in France found it so difficult to integrate into a nation that prides itself on its egalitarianism and democratic culture?

This paper seeks to examine the French state's approach to the integration of Muslims, one of the most urgent policy dilemmas facing France, particularly after the events of September 11, 2001 which have further isolated the Islamic community from the West. It will examine the way church-state relations have impacted the development of Muslims and Islam in France and the present policies of state accommodation of Muslim socio-religious needs. The first part of this paper will examine the historical context of Muslim immigration to France, along with the historical context of church-state relations. It will also illustrate the significance of church-state relations in shaping how France has accommodated the needs of Muslim groups throughout history.

The second part of this paper will examine the recent difficulties of Muslim integration in France and the state's accommodation of Muslim socio-religious needs. It will focus on religious activities in state schools, public funding for Islamic schools and mosques, the unemployment problem and subsequent riots, housing problems and the problem of Muslim alienation.

The third part of this paper will examine two theories that seek to explain the present difficulties of Muslim integration in France. The dominant theories include resource mobilization and church-state institutions. The theory that is most applicable was advanced by Joel Fetzer and J. Christopher Soper. They contend that the impact of the development of public policy on Muslim religious rights in France is mediated in significant ways by its religious institutions, particularly *laïcité*, and church-state history (Fetzer, et. al., 2005).

History of Immigration: Muslims, Immigrants, or Arabs?

France's first contact with Islam began with Muslim invasions and expulsions in southern France during the Middle Ages and early Modern Period (Fetzer, et. al., 2005). It was only after France colonized territories with majority Muslim populations, such as Algeria (1830), West Africa (1880), Tunisia (1881), and Morocco (1912), however, that Muslims began migrating to France (Integration, 16). Opportunities in France during World War I prompted "the first significant migration of these Muslim colonial subjects to European France" (Fetzer, et. al., 2005: 63). Hundreds of thousands of North and West Africans migrated to France to serve in the army and the munitions factories (Fetzer, et. al., 2005). In 1926, the French state built a large mosque in Paris in gratitude for these Muslims' wartime contribution (Fetzer, et. al., 2005).

The greatest number of Muslims immigrated to France in response to the severe labor shortage following World War II and the colonial wars of independence (Fetzer, et. al., 2005). Many Muslims, particularly men, were recruited from Algeria, Morocco, Tunisia, and Turkey to work in construction, heavy industry, mining, and forestry (Fetzer, et. al., 2005). Although the French government ended large-scale labor migration from North Africa following the oil crisis and economic downturn of 1973-74, the reunification of families became "a continuing source of immigrants during the late 1970s and early 1980s" (Integration, 17). Family reunification applications from all countries rose from 55,000 a year in the late 1960s to 81,000 a year in 1973 (Integration, 17). Thus, the 1970s witnessed a shift from a largely single male population to one consisting of nuclear and extended families (Integration, 17). This shift meant that France "suddenly needed to concern itself with integrating Muslims of all ages and backgrounds into what was hitherto a predominantly Catholic Christian nation" (Fetzer, et. al., 2005: 65). By 1975, over one million Muslim immigrants were living in the country (Fetzer, et. al.,, 2005).

It is very important to recognize the adverse effects of French colonization and the Algerian War of Independence on both ethnic European and ethnic Arab or Berber residents of France and Algeria (Fetzer, et. al., 2005). Beginning with the conquest of Algeria in 1830, hundreds of thousands of Europeans, often referred to as *pieds-noirs*, immigrated to Algeria and lived along side the majority Muslim population. In contrast to the British concept of indirect rule which "tried to conserve what was good in indigenous institutions and assist them to develop in their own lines," the French pursued assimilationist goals rather than a *politique d'association* (Crowder, 1964: 198). In other words, the French sought to completely assimilate the colonial subjects of Algeria, making them *Frenchmen*. It was via the *Code de l'Indigénat*, a set of laws creating an inferior legal status for natives of French colonies from 1887 to 1947, that the French Empire developed a legal basis to govern the colonial subjects (Crowder, 1964).

Gradually, resistance to French rule and the *Code de l'Indigénat* led to the Algerian War of Independence. Beginning in the 1950s with a series of street assassinations of French police officers, the war quickly became a "gruesome, civil-war style conflict of indiscriminant, merciless terrorism pitted against horrific, systematic torture and counterterrorism" (Fetzer, et. al., 2005: 64). Because the leading Algerian guerrilla group, the *Front de Libération Nationale*

(FLN), drew much of its rhetoric and inspiration from Islam, the French developed a tremendous fear of this religion (Fetzer, et. al., 2005). Many *pied-noir* colonists, in particular, developed an animosity towards North African Muslims because they were directly traumatized by the terrorist bombings and massacres of the war that forced them to flee Algeria after its independence in 1962 (Fetzer, et. al., 2005). Thus, for many native French citizens «*la guerre d'Algérie…..a ouvert une plaie dans l'identité nationale française*» [The Algerian War….inflicted a wound on French national identity] (Hargreaves, 2005: 203). In effect, throughout the 1960s and into the 1970s Islam was viewed suspiciously by the majority of the French population (Fetzer, et. al., 2005). Under such conditions, Muslims in France practiced their faith inconspicuously and in poor facilities (Fetzer, et. al., 2005). As Evry Imam Kahlil Merroun explains:

> ….during the 1960s and on into the 1970s, this Islam [of the Muslim immigrants to France] was not out in the open. And where [Muslims did attempt to] express it, it was completely suppressed. [The French] sensed that there was a big elephant pushing against them with its trunk, but they didn't know where the elephant came from…..So Islam was relegated to the cellars. (Fetzer, et. al., 2005: 64)

Despite the many efforts to deport or halt North African and Sub-Saharan Muslim immigrants, post-World War II France has become one of the most multi-ethnic countries on the continent. However, precise figures of the ethnic and religious make-up of present-day France are difficult to obtain and commonly disputed. Because the French republic considers ethnic and religious affiliation a private matter, they keep no official statistics on citizens of foreign origin (Laurence, et. al., 2006). In fact, the last census that inquired about religious affiliation was taken in 1872 (Laurence, et. al., 2006). In 1978, the French government outlawed official recordkeeping of ethnic, racial, or religious data (Laurence, et. al., 2006). The exact number of Muslims currently in France, therefore, is subject to much debate.

There are an estimated 4 to 6 million Muslims living in France, which is approximately 6 to 10 percent of the general population. However, in the absence of official figures, many politically motivated groups have circulated widely divergent estimates of the Muslim population (Laurence, et. al., 2006). The highest approximations (from 6 million to 8 million) are circulated by Jean-Marie Le Pen's *Front National*, an extreme-right anti-immigration and anti-Muslim political party, which seeks to alarm "traditional" French citizens into believing that Muslims pose a severe threat to French identity (Laurence, et. al., 2006: 17). The lowest estimates, on the other hand, have been advanced by researchers such as Michèle Tribalat, a demographer at the *Institut National d'Etudes Démographiques* (Laurence, et. al., 2006). She argues that because the public pays too much attention to Muslims as such, they encourage Muslims to identify with the Muslim community first and not with France and French society (Laurence, et. al., 2006). The *National Institute for Statistics and Economic Studies (2004)* estimates the Muslim population to be 5 to 6 million, constituting 8-9.6 percent of the total population of France (*Muslims*, 2005). Therefore, this paper uses the 5 million figure as an approximate point of reference, since that number has emerged as the consensus among Muslim community representatives (Laurence, et. al., 2006).

It is interesting to note that although France's 5 million Muslims represent many different nationalities, nearly three-quarters are from the countries of the Maghreb: Algeria, Morocco, and Tunisia (Laurence, et. al., 2006). The rest hail from Turkey, West Africa, islands in the Indian Ocean, and Asia, while some are French converts to Islam (Laurence, et. al., 2006). The largest Muslim population centers in France are Paris, Lyon, and Marseille and their outlying suburbs (or *banlieues*) (Laurence, et. al., 2006). The greatest concentration of Muslims can be found in the Paris region (*Ile-de-France*), which is home to 35 to 40 percent of all French Muslims

(Laurence, et. al., 2006). This is easily observable within the city. A walk along the left bank of the Seine will lead past the *Institut du Monde Arab* (Arab World Institute) and the Paris mosque. In addition, Muslim women in their *hijabs* (headscarves) are a common sight in Paris, particularly on the RER, Paris's commuter line. It was on this metro that I asked a Muslim woman about her greatest grievance of being a Muslim in France. "My daughter cannot wear her *hijab* to school," she replied, "and this imposes on her freedom as a French Muslim." This grievance is commonly felt by Muslims in France and can be traced back to France's history of church-state relations in shaping how France has accommodated the needs of Muslim groups.

History of Church-State Relations: Laïcité

The development of public policy on Muslim religious rights in France has been significantly influenced by the French concept of *laïcité,* or strict separation between religion and the state. Although the best English translation is *secularism*, it does not fully convey the importance of *laïcité* in France (*Laïcité*, 2004). Today, nearly a century after its enactment into French law, *laïcité* continues to structure public debate over the proper place of religion in French politics and society (Fetzer, et. al., 2005). Secularists and practicing Muslims and Christians alike appeal to some form of this uniquely French concept to justify their respective positions (Fetzer, et. al., 2005). In order to better understand the importance of *laïcité* in France, it is necessary to trace the history of the relationship between religion and the state, beginning at the time of the French Revolution in 1789 (*Laïcite*, 2004).

What eventually came to be called *laïcité* emerged in opposition to the Catholic Church and the established monarchy of King Louis XVI (Fetzer, et. al., 2005). Before 1789, the Roman Catholic Church played a major role in the French system of government. The powerful First

Estate, or the clergy, collected tithes from ordinary workers, operated hospitals and schools, owned 15 percent of the land in France, and exercised powers of censorship (*Laïcité*, 2004). Frequently, bishops and abbots abused their positions to gain personal riches and property (*Laïcité*, 2004). The pulpit was thus viewed as an enemy and strongly resented by the French workers (Astier, 2004).

This resentment climaxed in 1789, when French revolutionaries rose up to overthrow the monarchy and the Roman Catholic Church. They disestablished the Church, deported or murdered thousands of Catholic priests, confiscated Church property, and outlawed most Catholic religious orders (Fetzer, et. al., 2005). According to the ideology of the new republic, the church could no longer "remain a separate estate with its own possessions" (*Laïcité*, 2004). Instead, the clergy were required to swear allegiance to the French government rather than the Church (*Laïcité*, 2004). In addition, a new "religion of the Republic" was created that "worshipped" the "Goddess of Reason" and French revolutionary "martyrs" instead of God and Catholic saints (Fetzer, et. al., 2005). Although citizens were allowed to attend mass or other religious services, the state refused to pay the clergy's salaries and maintained police monitoring over religious activities (Fetzer, et. al., 2005). Thus, it is evident that suspicion and resentment against the immense power of the Catholic Church significantly influenced the development and popularity of *laïcité* in the French psyche.

Naturally, "the French government and the Vatican were at odds over the status of the Roman Catholic Church in France" after the French Revolution of 1789 (*Laïcité*, 2004: 2). This dispute was resolved in 1801, when the new French leader, Napoleon Bonaparte, signed a concordat with Pope Pius VII (Fetzer, et. al., 2005). This officially brought the Catholic religion under state control; the Pope gave up his claims on former church property, Catholic priests had to swear allegiance to the French government, and the state in turn paid the salaries of Catholic, Lutheran, and Calvinist clergy and appointed Catholic bishops (Fetzer, et. al., 2005). Roman Catholicism became "the religion of the great majority of French people," but not "the established religion of the state" (Fetzer, et. al., 2005). Hence, France began to view faith as "a matter for each individual citizen rather than for a nation as a whole" (*Laïcité*, 2004). This is one of the fundamental ideas underlying the concept of *laïcité.*

It was not until 1905 that the principle of *laïcité* was fully developed and established as law. This was mainly due to increased tensions between supporters and opponents of the Catholic Church in the late 1800s. Once the partisans of anticlericalism gained power in Parliament in 1881, "they wasted no time transforming public policy in the arena perhaps dearest to their hearts: the school" (Fetzer, et. al., 2005: 70). On March 28, 1882, the Minister of Public Instruction, Jules Ferry, sought to completely eliminate religious personnel from public schools (*Laïcité*, 2004). The result was the "Ferry Law," which secularized public education, stripping the clergy of their "right" to inspect public schools and to fire teachers who displeased them (Fetzer, et. al., 2005). This was taken a step further when the French government passed the Separation Law of 1905, thus breaking the Concordat of 1801 and officially declaring strict state neutrality in religious affairs (Fetzer, et. al., 2005). The French government would henceforth "neither recognize nor pay salaries or other expenses for any form of worship" (Fetzer, et. al., 2005: 70). In addition, "religious education at school was strictly forbidden" and "no new religious symbols could be placed in public places" (*Laïcité*, 2004: 3). It is clear that after the passage of this law, religion became strictly the private business of each individual and the freedom of religion was only to be restricted in the interest of "public order" (Fetzer, et. al., 2005: 70).

This policy of *laïcité* established by the 1905 Separation Law faced few challenges until the 1970s (*Laïcité*, 2004). Due to the growth of France's post-World War II economy, the government turned to immigration as a solution to the labor shortage in the 1960s and 1970s (*Laïcité*, 2004). They persuaded workers from Algeria, Morocco, Tunisia, and Turkey to fill job vacancies. Although these countries have strong Islamic traditions, many of these immigrants were not strongly religious (*Laïcité*, 2004). Rather, it was the children of these immigrants who found it difficult to discover a niche for themselves in society, and so turned to a more visible version of the religion than their parents (*Laïcité*, 2004). Since the 1970s, many Muslims in France have held on strongly to their faith so that Islam will not disappear in this highly secular country. In fact, a co-worker of mine at FedEx Paris revealed to me that she will raise her children to speak Arabic and practice Islam in fear that if she does not teach her children about Islam, then they will cease to be Muslims. By examining the recent integration struggles of Muslims in France, it is clear that the French government, in the name of "religious equality and neutrality," has restricted many religious liberties and has ignored the plight of the five million Muslims in France.

Difficulties of Muslim Integration in France: The Hijab, Islamic School Funding, and Mosque Construction

The recent tensions resulting from the French government's banning of the *hijab* from public schools and the thousands of Muslims in France who denounce this ban can be traced back to France's policy of *laïcité*. Indeed, the issue of whether Muslim girls may wear their *hijabs*, or headscarves, at school has been one of the most controversial issues in the French public schools. From the 1970s to the 1990s, there were several cases in which Muslim girls were expelled from school because they insisted on wearing their headscarves in class. The first major battle, known as "The Scarf Affair" (affaire du foulard), took place in October, 1989 (Fetzer, et. al., 2005). The incident began when the principle of a secondary school in Creil, Ernest Chénière, suspended three Muslim girls for wearing their *hijabs* in the school (Poulter, 1997). According to the principle and many of the school's teachers, allowing the *hijab* would violate *laïcité* and the neutrality of religion in the public school system (Fetzer, et. al., 2005).

The formulation of a national policy regarding the *hijab* began a few days later when Lionel Jospin, the Minister of National Education in the Socialist government, concluded that Muslim girls had the right to wear their headscarves (Poulter, 1997). Immediately, Jospin's pronouncement was denounced by most teachers' unions, Gaullist political opponents, and even by members of his own party (Fetzer, et. al., 2005). As a result, the Minister of Education called upon the *Conseil d'État* to decide the matter (Poulter, 1997). In its resulting opinion on November 27, 1989, the *Conseil* seemed to side with Jospin when it declared that "although France was a secular state, with a principle of neutrality towards religion in all its public services, any discrimination on the basis of religious belief was unconstitutional" (Poulter, 1997: 58). Hence, pupils had a right to "express and manifest their religious beliefs" so long as public schools functioned as usual (Poulter, 1997: 58).

However, this "right to freedom" was not absolute and, the *Conseil* advised, its exercise could be limited where it obstructed the "implementation of the statutory mission of state education" (Poulter, 1997: 58). Thus, this freedom of religious expression could not allow pupils to wear insignia which compromised the equality of the pupils or disturbed "good order and the peaceful running of the school" (Poulter, 1997: 58). As a result, disciplinary matters were left up to individual schools and local rules and conditions (Poulter, 1997). The most important determiner of whether Muslim students could wear the *hijab* became the headmaster of the individual school (Fetzer, et. al., 2005). This set the scene for further conflicts to develop across the country.

It is interesting to note that since 1989, the number of pupils wearing the *hijab* rose from 20 to 1,500 five years later and that by April 1995 approximately 150 pupils had been excluded from their schools on the basis of *laïcité* despite the broad legal protection afforded by the *Conseil d'État* in 1989 (Poulter, 1997: 62). These expelled Muslim students usually had to take class via correspondence (via the *Centre National d'Enseignement à Distance*) or abandon their education entirely (Fetzer, et. al., 2005). The cost of correspondence school represented a financial hardship for many poor Muslim families (Fetzer, et. al., 2005). Even when these Muslim girls were able to continue their education via correspondence, they occasionally faced challenges taking the Baccalauréat, the French university entrance exam, when they wore their *hijabs* (Fetzer, et. al., 2005).

This situation became increasingly intense until July 2003, when the Stasi Commission was set up by President Jacques Chirac to conclusively examine the application of *laïcité* in the public school system. The Commission proposed a law forbidding students in any state school to wear any conspicuous religious signs (*Laïcité*, 2004). While the primary target of the new law appeared to be the Muslim *hijab*, the law also applied to the Jewish kappa and "big" Christian crucifixes (Kuru, 2005). It is interesting to note that such a law banning religious attire in public schools does not exist in any other EU member state (Kuru, 2005). This law came into effect in January 2004, following a parliamentary vote in which only 16 representatives voted against the law, as opposed to 494 who were in favor (*Laïcité*, 2004). According to surveys at the time, this was broadly representative of the opinion of the French general public (*Laïcité*, 2004).

The Muslim students who wear the *hijab* and many other opponents of this law argue that it restricts the religious freedom and the way of life of the Muslim community in France. Essentially, the law had to strike a balance between two fundamental principles of the French Republic: freedom and equality (*Expulsions*, 2004). Those in favor of banning religious symbols contend that at school everyone was a student first and that individual beliefs were a private matter. Those against the law state that equality is not the same thing as uniformity and that *laïcité* should become more encompassing as the religious and ethnic make-up of French society changes. In addition, those supporting the ban argue that the headscarf is a symbol of the oppression, although the Muslim women themselves have protested and argued that the decision was "their choice, their right and their religion" (*Laïcité*, 2004). Indeed, many Muslim women view their modest clothing and the *hijab* not as a badge of oppression but "as a liberating and empowering device, granting them a private and protected space of dignity and responsibility" (Poulter, 1997: 71). It is also a means by which they can express their identity as members of a worldwide community. In France, it is clear that many young Muslim women who wear the *hijab* are demanding the right to identify themselves publicly as both French citizens and Muslims and to be respected as such by others.

In addition to restraining religious expression in the public schools, the French state has not funded a single Islamic school in metropolitan France and has impeded Muslim efforts to build mosques (Fetzer, et. al., 2005). "In theory, Muslims are eligible to receive state funding for their private schools just as the many Catholic and Jewish parochial schools do," explains Fetzer (2005). According to the *Debré* Law of 1959, a state-supported Islamic school would have to obey certain restrictions: accept students from any religious background, make in-school religious instruction and practices voluntary, and follow the general curriculum used by the public schools (Fetzer, et. al., 2005). In practice, however, French educational authorities have refused to approve any applications for public funding of an Islamic school on the grounds that French Muslims are weak in negotiating with the state and lack “financial resources and suitable instructors” (Fetzer, et. al., 2005: 86). In addition, both Muslims and non-Muslims recognize that the current political climate in France makes government approval of state-funded Islamic schools very unlikely (Fetzer, et. al., 2005).

The only Islamic “private school under contract with the state” is the *École Franco-Musulmane* on the French Island of Réunion, off the Eastern coast of Africa (Fetzer, et. al., 2005: 86). Although the state currently pays the salaries of teachers of the “standard French curriculum,” Muslims finance the separate classes in Islam (Fetzer, et. al., 2005: 86). Other privately funded Islamic schools exist in France, such as the Strasbourg Mosque and two Islamic schools in funded by tuition payments (Fetzer, et. al., 2005). However, several politicians, such as the *Front National*’s leader Jackie Blanc, argue that these private Islamic schools hinder Muslims’ “ultimate integration into mainstream French society” (Fetzer, et. al., 2005: 87).

Muslims in France have also experienced difficulty constructing mosques. “With the increased permanence of the largely North African immigrant population since the 1970’s, the demand for suitable Muslim prayer facilities has risen dramatically,” explains Fetzer (2005: 87). Assuming a Muslim population of 5 million, France has one prayer room for every 3,333 Muslims (Fetzer, et. al., 2005). Despite a rise in demand, local political opposition has often hindered efforts to build new mosques or to convert existing buildings into mosques (Fetzer, et. al., 2005). The nationalistic *Front National* party, for example, argues that France has been sabotaged by Islamic architecture, “a physical sign of Islam’s permanence in France” (Davies, 1999: 162). In addition, they have declared that “permitting the *hijab* and the mosque is akin to admitting that France is a land of Islam, which it has never been" (Davies, 1999: 162). This rhetoric has influenced many local politicians to protest the construction of mosques.

One of the greatest failures of mosque construction occurred in Charvieu-Chavagneux, a small town outside of Lyon, where the town's 800 Muslims originally gathered for prayer inside an old factory cafeteria (Fetzer, et. al., 2005). After the 1983 election of Mayor Gérard Dezempte, however, the Muslims were faced with expulsion from their "prayer area" due to the mayor's new "urban renewal project" (Fetzer, et. al., 2005: 88). The Muslim community bought a new piece of land and applied to construct a new mosque there (Fetzer, et. al., 2005). Dezempte, however, refused to sign the required building permit and the town's Muslims were forced to continue using the cafeteria as their place of worship (Fetzer, et. al., 2005). On August 16, 1989, Dezempte ordered a bulldozer to demolish the building where the Muslims prayed (Fetzer, et. al., 2005). This event in Charvieu caused outrage among Muslims in France (Fetzer, et. al., 2005).

Muslims in other areas of France have faced similar difficulties in their efforts to construct mosques. In Marseille, the de facto Muslim "capital" of France, Muslims have been trying to construct a mosque since 1839 (Fetzer, et. al., 2005: 89). Yet due to local political opposition and Muslims' lack of unity on the organizational aspects of the mosque, Marseille still lacks a large "cathedral mosque" like those found in Paris or Lyon (Fetzer, et. al., 2005). "In nearby Marignane, the roughly 2,500 largely Turkish-origin Muslims have outgrown their current, five hundred-person facilities," adds Fetzer (2005: 89). However, the town's *Front National* mayor has blocked their efforts to buy public land for a larger mosque (Fetzer, et. al., 2005).

Despite these common obstacles of mosque construction, there has been some success with the help of outside donations. In 1979, the Muslims of Lyon formed an association to work with local politicians on a mosque project (Fetzer, et. al., 2005). Despite the initial help of politicians in Lyon, the 1979 Iranian Revolution and local anti-mosque demonstrations hindered official support for the new mosque (Fetzer, et. al., 2005). It was a 19.5 million franc grant from King Fahd of Saudi Arabia and the help of Lyon Mayor Michel Noir that made the construction of the mosque possible in 1994 (Fetzer, et. al., 2005). Yet the mosque has been subject to several acts of vandalism, including bullets and Molotov cocktails fired into windows on several occasions (Fetzer, et. al., 2005). It is reported that the majority of the mosque's neighbors, however, are now "happy" with the mosque (Fetzer, et. al., 2005).

Difficulties of Muslim Integration in France: Unemployment and Riots

Like most immigrants in industrialized countries, Muslims who immigrated to France during the second half of the twentieth century have experienced economic and social hardships in addition to religious hardships. When immigrants arrived in the 1960s and 1970s, many had low-level jobs in industry (Laurence, et. al., 2006). Then during the economic downturn of the late 1970s, their situations worsened as the jobs of the post-war boom quickly disappeared, leaving many immigrants unemployed (Laurence, et. al., 2006). Today, Muslim immigrants continue to face massive unemployment, housing problems such as being isolated in high-density housing projects on the outskirts of the big cities, and high levels of crime and unrest (2006). These problems have been intensified by the stagnant job market in France and by negative stereotypes and racist attitudes towards Muslims in France (Laurence, et. al., 2006).

Unemployment is one of the biggest obstacles to integration and the greatest impediment to economic advancement for Muslim immigrants in France. "The unemployment rate of the population of immigrant origin is generally twice the rate of the overall population, and that rate is even higher among youth of North African origin" (Laurence, et. al., 2006: 32). In 1999, foreigners made up 8.6 percent of the working population but 15 percent of the unemployed (Laurence, et. al., 2006). Part of the reason for high unemployment among immigrants is due to differences in skill level. Low-skilled jobs are significantly affected by a weak economy and two-thirds of all immigrants are low-skilled workers (Laurence, et. al., 2006). However, even at similar skill levels, immigrants are still more likely than the native population to be unemployed (Laurence, et. al., 2006). In 2002, the rate of unemployment for natives with a college degree was 8 percent, whereas the unemployment rate for immigrants with a college degree was 16 percent (Laurence, et. al., 2006). Additionally, "Algerian immigrants and youth of Algerian origin under the age of thirty who held a high school diploma had an unemployment rate of 32 percent, while the rate was just 15 percent for French youth in the same category" (Laurence, et. al., 2006: 33).

Furthermore, the unemployment problem disproportionately affects immigrants from predominately Muslim countries (Laurence, et. al., 2006). While immigrants from Italy, Portugal and Spain experience rates lower than the French average, immigrants from Turkey and North Africa have higher-than-average rates (Laurence, et. al., 2006). Jean-François Amadieu, a professor at the Sorbonne who runs the *Observatoire des Discriminations*, a think tank that studies discrimination in the workplace, has conducted a study that pointed to a potential cause of the problem (Giry, 2006). In his study, Amadieu found that out of two French job applicants with identical credentials, the one whose name sounded Moroccan was six times less likely to get an interview than the applicant whose name sounded Franco-French (Giry, 2006). *SOS Racisme*, an anti-racism organization in France, conducted a similar study in which they analyzed the records of two major employment agencies-Michael Page and Page Intérim-and examined the success rate of 20,000 job applicants in six separate employment categories, such as administration, marketing, and sales (Laurence, et. al., 2006). They discovered that those applicants with “non-European” first names were one and a half times as likely to be unemployed than applicants with “European names” in every category (Laurence, et. al., 2006: 35). This discrimination is reinforced by riots that have occurred in the *banlieus*, or suburbs, of Paris.

Approximately six million recent immigrants and their descendents live in the outskirts, or *banlieus*, of the major cities of France in public housing projects called *cités* (Laurence, et. al., 2006). These isolated, low-rent neighborhoods are characterized by poverty, welfare dependence, and crime (Laurence, et. al., 2006). Of the general French population, 17.6 percent live in such housing projects, while approximately 50 percent of all North African immigrants, 37 percent of other African immigrants, and 36 percent of Turkish immigrants reside in these projects (Laurence, et. al., 2006: 36). In addition, more than one-fourth of all public housing is located in the Paris region (Laurence, et. al., 2006). Eighteen percent of this area’s 1.38 million residents live below the poverty line (Laurence, et. al., 2006). A recent report by the *Renseignements Généraux*, a police agency that monitors radical groups in France, warned that the Muslims in these “sensitive neighborhoods” have experienced worrying signs of “community isolation” from the national, social, and political life in France (Laurence, et. al., 2006: 37).

It was in the *banlieus* of Seine-Saint Denis in the Paris region that the November 2005 riots erupted in France. The spark that set off the riots occurred when two youths, apparently innocent of wrongdoing, fled the police, hid by a power transformer, and were electrocuted (Giry, 2006). Following this incident, mixed groups of mostly teenagers, Arabs, and North Africans erupted in riots that left 10,000 vehicles burnt and resulted in 395 arrests (Integration, 39). While many of the police reports and news articles focused on the violence of the riots, it is important to understand the underlying causes of the demonstrations in the *banlieus*: unemployment, discrimination against the immigrant community, particularly Muslims, and alienation from mainstream society.

As a result of the "alienation and desperation stemming from such socio-economic handicaps," Muslims constitute a majority of the French prison population (Laurence, et. al., 2006: 40). According to Farhad Khosrokhavar, a noted sociologist and expert on Islam, Muslims make up as much as 70 to 80 percent of inmates in prisons located on urban peripheries, even though they constitute just 15 percent of the urban population (Laurence, et. al., 2006: 40). In addition, the justice system and even the government discriminate against people of North African origin. Prosecution of racist acts against citizens of North African origin, for example, has been rare (Laurence, et. al., 2006). Although hundreds of incidents have been reported, only twelve cases were brought to court in 2001 (Laurence, et. al., 2006).

Interior Minister Nicolas Sarkozy responded to the riots by saying that the demonstrators were "scum" that should be "hosed down" and then called in Imams to restore the quiet, apparently assuming they would have a significant influence over the rioters (Giry, 2006: 5). They did not, but the move "helped reinforce the mistaken impression that Islam had something to do with the problem" (Giry, 2006: 5). Indeed, many French natives have the impression that Islam is associated with violence. Because of this racism and job discrimination, many Muslims have been denied the very opportunities, such as a good jobs and well-situated housing that would help them to integrate (Laurence, et. al., 2006). This reinforces the vicious cycle of failure and exclusion of the Muslim community (Laurence, et. al., 2006).

Testing the Theories and the "Best Fit"

In short, the societal and political environment in France is surprisingly hostile to public accommodation of Muslims' religious and socio-economic needs. The French state forbids religious expression in the public schools, does not fund a single Islamic school in metropolitan France, and has impeded Muslim efforts to build mosques. These religious problems, combined with the dilemmas of Muslim unemployment and the subsequent riots in the *banlieues* of Paris, illustrate France's failure to integrate the Muslim population. Why does the French government fail to recognize a collective identity within the French republic? What are the implications of such a policy?

Two basic theories exist to explain France's policy towards Muslims: resource mobilization and church-state institutions. Resource mobilization theory argues that Muslims have difficulty obtaining state accommodation because they lack the political resources needed to organize (Fetzer, et. al., 2005). Muslims in France, however, are relatively more organized than those in Britain (Fetzer, et. al., 2005). Prominent French Muslim organizations include the *Union des Organizations Islamiques de France* (UOIF), *Jeunes Musulmans de France*, and the *Collectif des Musulmans de France* (Fetzer, et. al., 2005). The very large UOIF represents over 200 local Muslim groups and organizes a yearly meeting of tens of thousands of Muslims in Paris, the "most important annual assembly of Muslims anywhere in Europe" (Fetzer, et. al., 2005: 91). In addition, through the creation of the *Conseil Français du culte musulman* in 1999, French Muslims have achieved “one of the highest levels of formal, national unity in Europe” (Fetzer, et. al., 2005: 92).

Furthermore, French Muslims are relatively mobilized politically. “Among France’s roughly 3 million ethnic North Africans, almost all of whom are Muslims, as many as 1.5 million are registered to vote,” explains Fetzer (Fetzer, et. al., 2005: 92). In addition, minority-rights organizations such as *SOS-Racisme* and *France-Plus* have brought many Muslims into the political system and have agitated for French Muslim rights since the 1980s (Fetzer, et. al., 2005). For the 2002 presidential elections, the Muslim activist group *Forum Citoyen de Cultures Musulmanes* helped approximately 17,000 young Muslims register to vote in forty-five different cities, conducted a survey of French Muslims to determine their policy preferences, and distributed a summary of these policy demands to voters and the presidential candidates (Fetzer, et. al., 2005). In fact, the Muslim vote was taken so seriously by politicians that presidential candidates Jacques Chirac and Lionel Jospin “both tried to appeal to French Muslims by granting long interviews to the principle Muslim news-magazine, *La Médina*” (Fetzer, et. al., 2005: 93). In short, resource mobilization does not seem to go very far in explaining French Muslims’ policy failures.

The theory that provides the best explanation for the development of public policy on Muslim religious rights in France is church-state institution theory, advanced by Joel Fetzer. France’s unique history of church-state relations and the development of the unique French concept of *laïcité* have significantly influenced France’s policy towards the Muslim community. This policy developed in response to the immense political and social power of the Catholic Church and manifested itself via the French Revolution of 1789. *Laïcité* was then established into law in 1905 and has since come to play a significant role in the formation of French policy, especially in the educational system where any religious expression is forbidden. Thus, many French citizens view religion as divisive and, in the name of egalitarianism, the French government prohibits even recognizing the rich religious diversity of France. Unlike the American model, where many "hyphenated" citizens retain a communal identity alongside their American one, the French model seeks to homogenize and "Frenchify" their citizens (Giry, 2006: 2).

In addition, Islam has been distrusted in France throughout the Middle Ages and into the period of French colonization of Algeria, where colonizers set up a two-tier system under which Catholics and Jews could become French citizens, but Muslims could not (Giry, 2006). "Islam was seen as a barrier to Frenchness-and in one way or another it still is today" (Giry, 2006: 3). The now five million Muslims in France, many the descendents of immigrants from North Africa, feel the repercussions of *laïcité* and discrimination today in issues related to the *hijab*, Islamic school funding, mosque construction, unemployment, and alienation.

Faced with the significant challenge of Muslim integration, the French establishment is divided. Two distinct versions of *laïcité* have emerged over the past few years: "strict" *laïcité* and "soft" *laïcité* (Fetzer, et. al., 2005). People who support "strict" *laïcité* argue that the Republic must uphold its strong secular principles as firmly as it did in the past. Most supporters of "strict" *laïcité* include feminists, the "Republican" left, and major teachers' unions in France (Fetzer, et. al., 2005: 73). They argue that citizens may, in their private life, "believe what they will about religion" (Fetzer, et. al., 2005: 73). However, in a public services setting, believers are not to engage any "exterior manifestation" of their religions (Fetzer, et. al., 2005: 73). Thus, praying in public, refusing to eat certain foods in a school cafeteria, and wearing religiously distinctive clothing in public, all violate the "strict" interpretation of *laïcité* (Fetzer, et. al., 2005).

This version, therefore, is not likely to make exceptions for Muslims' religious needs. Because they fail to recognize religious differences, supporters of "strict" *laïcité* are the least likely to confront and resolve the problems of the Muslim community in France.

In contrast to the "strict" version of *laïcité*, the "soft" version of this concept is supported by members of the left, some Christian and Jewish leaders, most French Muslims, and many human rights advocates (Fetzer, et. al., 2005). According to this interpretation of *laïcité*, the state "should respect all religious beliefs but also foster the free exercise of religion by, for example, funding private religious schools" (Fetzer, et. al., 2005: 74). In addition, religion should not be confined to the private sphere. Society should encourage interreligious understanding and public dialogue among different religious groups, even in the public schools (Fetzer, et. al., 2005). Educational activist Nicole Granier stresses the importance of religious tolerance in state schools by arguing that it helps prepare students for the outside world by teaching students "to learn to live together….to respect differences….beginning at school" (Fetzer, et. al., 2005: 75). A final argument that advocates of "soft" *laïcité* make is that the strict form violates human rights (Fetzer, et. al., 2005). The human rights group MRAP, for example, states that "strict" *laïcité* principles violate Muslims' civil liberties and freedoms (Fetzer, et. al., 2005).

The version of *laïcité* that France ultimately adopts will have enormous implications. The popularity of the right-wing National Front Party in the 2002 French presidential elections (finishing second), has illustrated that much of the French population supports the "strict" interpretation of *laïcité*. If the current trend continues, the Muslim community will feel further ostracized and will turn to riots, and perhaps violence, in order to be heard. If French citizens, however, begin to recognize the plight of the Muslim community in France, perhaps they will realize that ironically, “strict” *laïcité* has become comparable to a “state religion” that oppresses five million of its citizens.

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The Politics of Industry Decline: How the Textile and Apparel Industry has Stemmed Chinese Entry into the American Market

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In the last two decades, China has replaced Japan and Western Europe as the primary competitive threat to many traditional American industries. Indeed, there is little debate that China's advantage in inexpensive, abundant labor relative to that of the United States is in large part contributing to the decline of many United States-based industries. One of the industries that has been especially adversely affected is the textile and apparel industry. While consumers have realized the benefits of lower prices for items produced by this industry, employment, real wages, and overall production in the industry have all declined. This paper simultaneously seeks to find the extent of the impact of U.S.-China trade in textiles and apparel on the United States domestic industry and investigate the validity of claims of illegal trading practices.

History and Background

History

The migration of the modern textile and apparel industry to China is only one of several shifts in the industry's base of production in the last century. In fact, the original textile and apparel industry "outsourcing," was not to a foreign country, but from its traditional base in New York to New Jersey in the late 19th and early 20th centuries, and then to the southern United States in the 1950s (Ross, 2006) as labor unions gained power in the north. Until the 1970s, the domestic textile and apparel industry dominated the market, with only minor quotas instituted against developing countries in 1957 (Ikenson, 2003). However, with Japan's rise in manufacturing prowess in the 1970s, the industry perceived itself to be under increasing competitive pressure, and firms mobilized to lobby for protection in Washington. Adding to the political weight of the textile and apparel industry was the disproportionate number of women and minorities employed in the industry, a factor of which politicians were wary in the wake of the civil rights legislation of the 1960s (Rothgeb, 2001).

Soon, under pressure from industry proponents in all developed nations, the signatories of the General Agreement on Tariffs and Trade (GATT), a treaty that had been designed after World War II to establish a uniform set of international trade laws, created the Multi-Fiber Arrangement (MFA) in 1974. By signing this treaty, industrialized nations sought to negate the potentially severe socioeconomic consequences of a flood of inexpensive imports by setting quotas on a product-by-product basis (Rothgeb, 2001). Although the signatories of the MFA intended it to be a temporary agreement during which producers in their countries would be allowed to adjust to changing macroeconomic conditions, it remained in place until 1995 when, in conjunction with plans to form the World Trade Organization (WTO), the GATT nations agreed with the Agreement on Textiles and Clothing to eliminate the MFA trade barriers by January 1, 2005. The signatories of this treaty believed that the Agreement on Textiles and Clothing would benefit a broad range of developing countries within ten years of its implementation.

However, in the intervening decade, China developed an extremely powerful position as a textile and apparel producer, rapidly gaining market share in the United States (Benitah, 2005). Industry proponents soon raised the possibility that China had been engaging in illegal dumping and below-market pricing activities that were primarily designed to disrupt the markets of Western countries (Benitah, 2005). With the controversial admission of China to the World Trade Organization in December of 2001, industry advocates and politicians raised fears that

China could now utilize its tremendous market power to export a massive amount of textile and apparel products to developing countries.

Thus, in September 2004, immediately before the elimination of textile and apparel import quotas, a coalition of American producers petitioned for restrictions on future imports of Chinese textile products. Citing the "safeguards" legislation that the United States Congress had passed immediately following the Agreement on Textiles and Clothing, producers argued that rapidly increasing imports would cause significant disruption of domestic markets (Benitah, 2005). These industry advocates proved successful, as Congress passed a law giving the United States the right to impose quotas on clothing from China until 2008 in cases of actual or threatened disruption of American markets. Not surprisingly, in the midst of increases of over one hundred percent in imports from China in some textile and apparel categories, Congress and the Bush administration implemented these quotas when the Multi Fiber regime ended in 2005, restricting the rate of textile import growth to 7.5 percent until 2008 (Benitah, 2005).

Background: The Textile and Apparel Industry Today

Today, the domestic textile and apparel producers have much to be concerned about with regard to the state of their industry. Perhaps the most significant and the most publicized sign of the industry's decline has been the increase in unemployment. Since 1990, employment in the core of the textile and apparel industry, that is, employment in apparel manufacturing, textile mills, and textile products mills, has decreased by well over one million workers. This number stands at about 600,000 workers today (American Apparel and Footwear Association). Over this same period, imports from China in the textile industry increased more than sevenfold. In 2006, domestic production of textiles and apparel was only a third of what it was before the Agreement on Textiles and Clothing was implemented in 1995, standing at a little over two billion dollars (American Apparel and Footwear Association).

In response to this surge in textiles and apparel imports and the decline of the domestic industry, textile advocates in the United States have mobilized to limit these imports. Significant trade associations such as the American Manufacturing Trade Action Coalition, the American Textile Manufacturers Institute, and the American Apparel and Footwear Association have organized the industries they represent into mass grass-roots campaigns to influence trade policy at the federal level (Nelson, 2003). The management of major textile and apparel companies has also mobilized to lobby the federal government and have been very active in these trade associations. The results have been impressive. In 2003, 165 congressmen signed letters urging the Bush Administration to implement safeguards on Chinese products. In 2005, this coalition of trade associations and congressmen convinced the United States Trade Representative and the Bush administration to cap Chinese import growth at 7.5 percent per year.

Relevant Theories

Interest-Group Theory

Interest-group theory forms the basis for the other two theories in that it explains the strong three-way link that forms between organized interests, governmental bureaucracies, and the United States Congress and its constituent committees. Although the merits of this theory and its ability to explain policy outcomes relative to other political factors have been debated, numerous case studies since the inception of interest-group theory in the 1930s have demonstrated the importance of interest groups in American politics.

In fact, and perhaps not surprisingly, the Smoot-Hawley Tariff Act of 1930, which is arguably a precursor of many of the protective policies regarding Chinese textile and apparel industry, became the impetus for the formation of interest-group theory. Five years after the Act's passage, E. E. Schattschneider sought to explain why Congress seemed to be easily willing to defy almost two centuries of classical economic theory in placing such strict restrictions on foreign imports. Upon reviewing the events, anecdotes, and congressional hearings leading up to the Act's passage, Schattschneider found lobbyists to be both aggressive and highly influential (Hayes, 1981). As a result, the Smoot-Hawley Act contained almost two hundred pages of legislation, with many clauses protecting specific firms. Indeed, such a phenomenon led political scientist David Truman to speculate that interest groups should be the primary unit of analysis in political science research (Garson, 1978).

Thirty years later, a significant modification to interest-group theory emerged in the "iron-triangle" explanation adopted by Grant McConnell in his 1966 work *Private Power and American Democracy*. In this book, McConnell argued that the exercise of political power by private groups has been the most important characteristic of American democratic government since its inception (McConnell, 1966). He observed that there were many interest groups lobbying the federal government with agendas that often conflicted. However, some were more concentrated in resources and information regarding their interests than others. Thus, as McConnell states, much of the time, interest groups with concentrated resources and information successfully advanced their interests, while other broader, more diffuse interests were virtually excluded from this process, an observation that led to Stigler's development of a subcategory of interest-group theory, regulatory-capture theory (McConnell, 1966).

Regulatory-Capture Theory

Interest-group theory, in order to be further understood, must now be complemented by the second theory considered in this study, regulatory-capture. Developed largely by University of Chicago economist George Stigler, regulatory-capture is essentially an in-depth application of interest-group theory concerning the ability of interest groups to induce regulatory agencies to protect their interests against potential competitive pressures. In his 1975 book *The Citizen and the State*, Stigler hypothesized that industries used their political power to induce bureaucratic agencies to implement beneficial regulations. Stigler also noted that rather than merely implement relatively simple protective policies such as import and production quotas, regulatory agencies also constructed complex pricing regimes that were often expensive and onerous to implement (1975). Today, regulatory-capture theorists continue to juxtapose the strong theoretical and empirical case for free trade against the pressures on the federal government to institute specific regulations that disadvantage foreign producers in order to protect certain interests.

Heckscher-Ohlin Model

The theoretical model that enhances the explanation of the reasons for the textile and apparel industry's influence within the federal government even further is the Heckscher-Ohlin model proposed by Eli Heckscher and Bertil Ohlin in 1930. This model explains why some industries, despite their ability to do so, do not lobby the federal government for protection. Indeed, interests in which the United States has traditionally had a comparative advantage, such as bio-technology and high-tech electronics, invest relatively little in lobbying for certain trade policies. If they do, they focus almost exclusively on patent protection. This is in stark contrast to a more traditional industry such as textiles and apparel, which faces stiff competition from China.

Having compared the plight of traditional manufacturing industries within the United States with the strong comparative advantage of American high-technology goods and services, the premises and predictions of the Heckscher-Ohlin model can be considered. The Heckscher-Ohlin model views the trade flows between two countries to be a function of the relative proportion of resources that each country contains. To simplify their model, Heckscher and Ohlin picked two different major categories of resources, usually labor and capital, and identified the country with the higher ratio of labor to capital the "labor-abundant" country and identified the country with the higher capital to labor ratio the "capital-abundant" country (Krugman and Obstfeld, 2003).

Another assumption in the simple Heckscher-Ohlin model is that both countries produce two goods; in this case, the "capital-intensive" good and the "labor-intensive" good. Furthermore, both labor and capital inputs can be used interchangeably to produce a given quantity of either the capital-intensive or labor-intensive good. Tying the two assumptions of a "labor-abundant" and "capital-abundant" country on one hand and a "capital-intensive" and "labor-intensive" good on the other hand together are the "factor prices" for each input (Krugman and Obstfeld, 2003). The factor prices, which are the relative prices of labor and capital, determine which combination of inputs a producer will use to produce a given quantity of output. This means that if the price of the capital input increases, the price of the capital-intensive good increases as well; the same applies for a labor input and a labor-intensive good.

Of course, this leads to complications when two countries that produce the same good trade freely with one another. If one of the countries has a relatively high proportion of capital or labor, it will be able to produce goods that require that resource much more efficiently than the other country. This is because a labor-abundant country has low labor prices relative to the capital-abundant country, and the capital-abundant country has low capital prices relative to the labor-abundant country. Therefore, the "winners" under a free trade regime will be the producers in the country that produce a good that requires their country's abundant factor, as they will effectively capture the markets of both countries. Consumers will also benefit, as they have access to cheaper goods. Unfortunately, producers of that good who produce in a country with a relative "scarcity" of the resource required for that good will likely suffer heavy economic losses.

Hypotheses

According to the Hecksher-Ohlin model, when agreements allowing a greater degree of free trade are enacted between the United States and China, the textile and apparel industry within the United States should be adversely affected. Using the Heckscher-Ohlin model, it can be inferred that since China has a relatively greater abundance of low-cost labor, it will also have a comparative advantage in the textile and apparel industry, which requires a relatively high amount of unskilled, low-cost labor.

Interest-group theory and regulatory-capture theory together predict the political ramifications of the Heckscher-Ohlin model. These theories explain why, despite the economic distortions and inefficiencies these industries may cause in obtaining protection from their counterparts in China, the textile and apparel industry should be successful in obtaining this protection. More specifically, regulatory-capture theory predicts that the industry will lobby for regulations on textile and apparel products that will presumably disadvantage Chinese products.

This is because the interests of the industry are much more concentrated, its ability to garner resources and organize is much better, and its incentive to lobby for their interests is much greater than that of more diffuse groups, particularly consumers. Thus, these theories predict that the textile and apparel industry is likely to claim, more or less accurately, that China's unfair trade practices are to blame.

Evidence for Hypotheses

Evidence: Heckscher-Ohlin Model

Although many economists have attempted to elucidate the weaknesses of the Heckscher-Ohlin model or modify it to accommodate its shortcomings, the model remains the preeminent modern application of David Ricardo's theory of comparative advantage. The Heckscher-Ohlin model predicts that the American textile and apparel industry, despite having significant technological advances, will suffer when the United States signs treaties amenable to increased trade with China. Using the framework of the Heckscher-Ohlin model, this study will test the impact of three significant agreements pertaining to U.S.-China trade on the domestic textile and apparel industry. First, the Agreement on Textiles and Clothing of 1993 is examined. Second, China's admission into the World Trade Organization in December of 2001 will be considered. Finally, the completion in 2005 of the Agreement on Textiles and Clothing is considered. If the model is correct in its predictive power, these three agreements should lead to a decline in the market share of the domestic textile and apparel industry.

Perhaps the best means to test this prediction is to look at the statistics on employment, imports, and apparel prices from the American Apparel and Footwear Association and the Department of Labor's Bureau of Labor Statistics. These statistics together provide a reasonable proxy for the dependent variable, that is, the overall strength of the domestic textile and apparel industry. This study tests whether the magnitude of the decline represented by these statistics becomes greater soon after the three agreements mentioned above.

Agreement on Textiles and Clothing, 1995

In 1993, during the Uruguay Round of the GATT talks, leaders in industrialized countries agreed that the heavy quotas on textile and apparel imports were causing inefficiency in their economies. Furthermore, after the end of the Cold War, leaders in developed countries saw the treaty as a perfect opportunity to engage in trade mutually beneficial to their economies and poor workers in previously autarkic or communist developing countries; while wealthier countries would benefit from the lower prices, the employment and wages of workers in developing countries would increase.

However, perhaps surprisingly, in the years immediately before and following the Agreement on Textiles and Clothing, two of the three categories of statistics showed little evidence of a shock. The consumer price index for apparel, which this study uses for a proxy of how competitive the textile and industry is, also did not exhibit any significant shock. From 1994 to 1995, this consumer price index only exhibited a decrease of 1.4 points, and only 0.3 points from 1995 to 1996. In fact, this index increased, though not significantly, in 1997 and 1998 (Bureau of Labor Statistics, 2006). In addition, the total number of Chinese imports did not exhibit a consistent upward trend as the Heckscher-Ohlin model would predict.

The only significant change that we would expect from the predictions of the Heckscher-Ohlin model occurred in employment in the core of the textile and apparel industry, that is, employment in textile mills, textile product mills, and apparel manufacturing plants. The total decrease in the employment of the core of the industry went from a decrease of 16,000 from 1993 to 1994 to a decrease of 99,000 from 1995 to 1996 (American Apparel and Footwear Association). In the span of only two years, the rate at which employment was decreasing went from one percent to nearly seven percent. Indeed, after 1995, the rate at which employment decreased exhibited a greater magnitude every year than it had before 1995, suggesting that textile and apparel firms suffered from the ATC.

China's Admission into the World Trade Organization, 2001

Support for the Heckscher-Ohlin model becomes much stronger when we investigate the changes in these categories after China's admission into the World Trade Organization. Before 2001, employment decreases in the three core categories came close to ten percent only in 1999, and otherwise only decreased by only three to seven percent in the second half of the 1990s. After 2001, though, the decrease grew in magnitude, jumping to an 11.56 percent decrease from 2000 to 2001. Indeed, many industry advocates linked this decline in employment directly to China's admission into the WTO. In the words of Cass Johnson, a spokesman for the American Textile Manufacturers Institute, this decline in employment was proof that the industry "[had been] literally flat on its back since China entered the World Trade Organization in late 2001" (Barboza, 2003). In addition, the rate at which the overall value of textile and apparel imports from China into the United States increased went from 2.3 percent in 2000 and 2001 to 21.54 percent in 2001 and 2002. Furthermore, the rate at which the production of domestic textile and apparel goods decreased in the United States more than doubled from 2000 to 2001.

The End of the Multi-Fiber Quota Regime, 2005

The declines in this study's three indicators of the health of the textile and apparel industry were most robust in the wake of the elimination of all permanent trade barriers on January 1, 2005. Chinese manufacturers had been preparing for this event, and began to ship massive quantities of textile and apparel goods to the United States immediately following this date. Not surprisingly, the United States Commerce Department estimated that textile and apparel products from China rose more than 63 percent (Barboza, 2003). Even more significant were figures from the National Council of Textile Organizations, which estimated that 17,000 American jobs were lost within the first three months of 2005 due to the closing of eleven textile and apparel plants, that, according to the owners of the plants, "could not compete [with China]" (Barboza, 2003). Perhaps most striking was the magnitude of the decrease in the apparel consumer price index. The magnitude of the decrease in the apparel CPI went from 0.9 points in 2005 to 6.2 points in 2006. This drop can mainly be attributed to the supply shock that resulted from the massive increase in Chinese imports. Indeed, all of these indicators suggest that the trade obligations of WTO members to decrease quotas led to a significant decline in the market share of American producers.

Evidence: Interest-Group Theory

The political sensitivity of trade within the textile and apparel industry, especially trade with China, demands that this study test a theory on the relationship between interest groups and the government. The theory with the most potential explanatory power for this relationship is interest-group theory. To test the validity of interest-group theory, the manner in which politicians and bureaucratic agencies associated with trade policy institutionalize the advocacy of the interests of the textile and apparel industry must be investigated. To do this, this study will investigate largely qualitative evidence since 1990 of politicians successfully advocating protectionist policies at the behest of the textile and apparel industry. This paper will also evaluate the rationale of politicians and bureaucratic agencies for these measures.

To be sure, the American textile and apparel industry, despite its dwindling economic power, has gained powerful advocates within Congress. Perhaps no better example exists than in 1990, when the United States was in the process of negotiating the Uruguay Round of GATT. At that time, South Carolina Senator Ernest Hollings threatened then President George H.W. Bush that GATT would be severely imperiled if he did not set firm textile quotas (Kaslow, 1990). Although the fact that a senator from textile-heavy South Carolina supported quotas on imports in this industry was not in itself intriguing, Senator Hollings also credibly claimed that he had fifty-five co-sponsors for such a bill. In the end, Congress signed the 1993 Agreement on Textiles and Apparel only on the condition that the United States reserve the right to implement "safeguard" quotas to prevent "market disruption" in the textile and apparel industry (Benitah, 2005).

More recently, although Ernest Hollings has retired, another South Carolinian senator, Lindsey Graham, has successfully gained significant leverage in trade policy in the textile and apparel industry. Graham too has forged bipartisan coalitions favoring the textile and apparel industry; in 2003, he and Senator Charles Schumer, a Democrat usually at odds with the Republican Graham on many other issues, together supported a sanction calling for a twenty-seven percent tariff on Chinese goods. This measure was intended to split the different between the most conservative and most drastic estimate of economists of how much the yuan was undervalued due to China's pegging of the exchange rate of its currency at 8.28 yuan to the dollar, respectively fifteen and forty percent (Benitah, 2005). Indeed, in July of 2005, the Bush administration warned China that it would likely not be able to prevent protectionist policies if China did not allow market forces to let the yuan gain against the dollar. Thus, in July 2005, China let its currency rise against the dollar for the first time, by 2.1 percent (Goodman, 2005).

Even the Bush Administration, which claims to be an advocate of free trade in principle, has actively advocated the interests of the industry. Indeed, many Chinese producers and leaders felt betrayed when Bush's Secretary of Commerce announced in June of 2005 that the administration would impose quotas on the imports of socks from China. Furthermore, in October of that year, the administration agreed to accept and investigate a petition for import protection of cotton trousers and shorts based on the threat of future market disruption (Benitah, 2005). That the president of the United States, a political office thought to be less vulnerable to interest groups, would support the demands of a particular interest over its own stated principles demonstrates that interest-group theory is a powerful explanatory tool as to why concentrated interests prevail in the political system.

Now that this study has investigated the process by which industry advocates secure policies beneficial to the industry, it will investigate the primary two complaints of politicians, industry advocates, and the relevant bureaucracies. First, it will investigate the claim that China is "dumping," that is, unfairly pricing its goods. Second, it will investigate the assertion that China is leaving American producers with a severe and unfair disadvantage by undervaluing its currency.

First Allegation: Dumping

The first of these claims, that China is "dumping" its goods, has been a recurring complaint of advocates of a protectionist trade policy since the 1974 implementation of the

Multi-Fiber Act (Ikenson, 2003). Since then, industry advocates such as the American Apparel and Footwear Association and the National Textile Association have convinced Congress to apply a relatively rigid set of standards for illegal dumping that are heatedly debated among economists. Under current law, the method to determine whether a country is dumping is first to attempt to determine the fair market value of a good under consideration for trade penalties. This is done by first analyzing the home market index, that is, the price at which the good is sold in the market where the good is produced; then the "third country" index, which is the price at which the good is sold in another of the exporter's foreign markets; and finally, constructed value, that is, the estimate of the exporter's average cost (Stiglitz, 1997). The last of the three criteria, constructed value, is the most crucial; if the Department of Commerce finds that a particular import has been sold "over an extended period of time and in substantial quantities, and…not at prices which permit recovery of all costs within a reasonable period of time in the normal course of trade" (Stiglitz, 1997), it will automatically impose restrictions on this import without consideration of the other two determinants of fair market value.

However, economists have long questioned the economic reasoning of anti-dumping measures. They have taken particular issue with the constructed value criterion. Although this criterion appears to be superficially logical, as it seems anti-competitive to lose money in order to penetrate a foreign market, economists recognize several reasons why such a practice is legitimate in certain cases. The first justification for pricing below average cost lies in the relationship between average variable costs, fixed costs, and total average costs (Stiglitz, 1997). Although the explanation for this relationship is a simplified sketch of real-world production costs, it serves well for explaining this justification. In short-run production decisions, a company has an incentive only to cover its average variable costs, the average cost of producing each unit minus "fixed" costs that do not change with the volume of production, such as factory upkeep costs and depreciation of equipment. Therefore, even if a company cannot cover all of its costs, it is at least covering the costs that go directly into the unit, such as labor and materials (see Figure 4). Thus, the company, firm or industry is still making money on the product itself, and will stay in operations until it restructures its costs or its market improves.

The second and third justifications, economies of scale and the "experience curve," also serve as sound reasoning for producing below cost. Companies take advantage of economies of scale when they produce many goods in order to spread their fixed costs across many goods, and thus decrease their overall average cost (see Figure 5). The experience curve allows companies to become more efficient with their production, as they produce more goods in order to discover better production techniques at a faster rate. Therefore, a company that appears to be selling below average cost may actually be selling at a price that will be profitable in the future (Stiglitz, 1997). Thus, even if anti-dumping measures do ascertain a foreign firm's average costs, they do not properly consider a firm's long-term profit-maximization strategy.

Second Allegation: Unfair Valuation of the Yuan

The other frequent complaint of the industry is that China gives its exporters an unfair advantage in keeping its currency fixed at an artificially low value. Many politicians point to the soaring trade deficit as irrefutable evidence that the yuan in recent years has been severely undervalued. Although economists agree that Chinese exports do have a greater advantage at least in part because of the undervaluation of the yuan, they disagree about the extent to which letting the yuan float would help domestic producers. Many economists argue that allowing the yuan to float would merely shift production of Chinese goods to other developing countries due to the fact that they too have a comparative advantage relative to the United States (Goodman, 2005). On that same note, these economists also argue that the rapidly growing American trade deficit with China in recent years is due to the fact that since China joined the World Trade Organization in 2001, goods that were previously assembled in other Asian countries such as South Korea and Taiwan are now assembled in China (Yuan a Step from the Edge, 2006).

Perhaps most convincing is the fact that, although this number is growing every year, because China only accounts for ten percent of the United States' foreign trade, a ten percent increase in the valuation of the yuan would only lead to a one percent decrease in the trade-weighted value of the dollar (Yuan a Step from the Edge, 2006). This means that the overall value of the dollar relative to the currencies of the United States' major trading partners would decrease by one percent. However, even this argument did not prevent the Bush administration, senators such as Lindsey Graham and Charles Schumer, and the United States International Trade Representative from threatening to impose penalties on Chinese goods if China did not let its currency float.

Evidence: Regulatory-capture Theory

If the predictive power of regulatory-capture theory is correct, it should be observed that agencies such as the Department of Commerce and the United States International Trade Representative rejecting or limiting Chinese imports primarily on grounds of safety and "fair trade" standards. To be sure, it is possible to observe this in practice, as agencies that claim as part of their mission the advancement of overall economic growth by free trade often make regulatory decisions that are only loosely based in economic reality. The United States Department of Commerce and the United States Trade Representative are perhaps the best examples of agencies that have veered from their stated principles in order to serve the interests of the textile and apparel industry. It is worth noting that the Department of Commerce states as one of its primary missions “promoting and assisting international trade” (United States Department of Commerce Home Page, 2007). Similarly, the United States Trade Representative asserts in its mission is to “[open] markets throughout the world to create new opportunities and higher living standards for families, farmers, manufacturers, workers, consumers, and businesses” (Mission of the USTR, 2006).

However, the actions of these agencies in recent years have not been consistent with these principles. In 2005, the United States Commerce Department integrated methods to take currency undervaluation into account when making calculations on the magnitude of antidumping tariffs (American Apparel and Footwear Association). Clearly, this measure was primarily targeted at Chinese competition, as China was by far the United States’ largest trading partner with a fixed currency regime. Furthermore, in 2006, groups such as the American Footwear and Apparel Association successfully urged the Commerce Department to threaten penalties against Chinese products that were deemed to be “resource-intensive” or “environmentally harmful” (American Apparel and Footwear Association).

Perhaps most convincing evidence of the ability of the textile and apparel industry to capture government agencies, though, are the four rounds of quota negotiations that took place between the United States Trade Representative and China in the second half of 2005, the same year that the Multi-Fiber regime ended. Indeed, there is strong evidence that the United States Trade Representative, from the beginning of the negotiations, was heavily influenced by the political leverage of the industry. In fact, in the first press release concerning the negotiations, USTR spokesman John Stubbs reassured interested observers that the talks were productive, but more importantly, that the textile and apparel industry was being consulted during the talks: "The U.S. would like to reach a deal soon, but we are not interested in a bad deal. Throughout this process we are closely consulting with domestic manufacturers and retailers, as well as with Congress…" (Textile and Apparel Statements). Not surprisingly, in October of 2005, after the fourth round of the negotiations, the USTR declared that it had not "come to an agreement that meets the needs of [American] domestic manufacturers and retailers" (Textile and Apparel Statements). The talks were discontinued, and the Bush Administration agreed to cap growth of textile and apparel imports at 7.5 percent per year. Indeed, this represented a large victory for an industry that had heavily invested its political and economic resources into "capturing" the USTR in the realm of textile and apparel policy.

Conclusion

There is no doubt that China's economic comparative advantage in producing textiles and apparels has directly contributed to the decline of the industry in the United States. Recent trade agreements, including China's admission into the World Trade Organization, have forced the already beleaguered industry to compete with the largest force of inexpensive labor in the world. The Heckscher-Ohlin model largely explains this phenomenon, as China's advantage in abundant, low-cost labor has induced much of the base of the industry to concentrate in China. However, despite the protests of most trade economists that the benefits that consumers gain from trade in lower prices and choices for textile and apparel products far outweigh its costs, the textile and apparel industry and its Congressional allies have been able to institutionalize many protections in various trade agreements and regulations on imported products. To justify these practices, they have pointed to dubious claims of China's unfair trade practices and undervaluation of the yuan. The best explanation as to why the industry has been able to obtain these protections is interest group theory and its infamous derivative, regulatory-capture theory. Together, these theories demonstrate that a group with concentrated resources and high incentives to organize will usually prevail over more diffuse interests in the policy process, even if these diffuse interests collectively will suffer more economic losses than the former group. In lobbying the federal government, the industry is not only able to spend millions of dollars lobbying for its cause, but also to provide detailed information on its condition. Of course, this information can be easily construed to be strong evidence of anti-competitive trade practices on the part of China, when in fact the evidence pointing to unfair trade practices is at best very ambiguous. Indeed, despite the dwindling economic power of the industry, the significant savings to consumers from Chinese products, and the protests of exasperated economists, these advantages ensure that the industry will be able to maintain and strengthen its various protections in the foreseeable future.

Figures

Figure 1: Employment in Apparel Manufacturing Plants, Textile Mills, and Textile Products Mills from 1990-2005

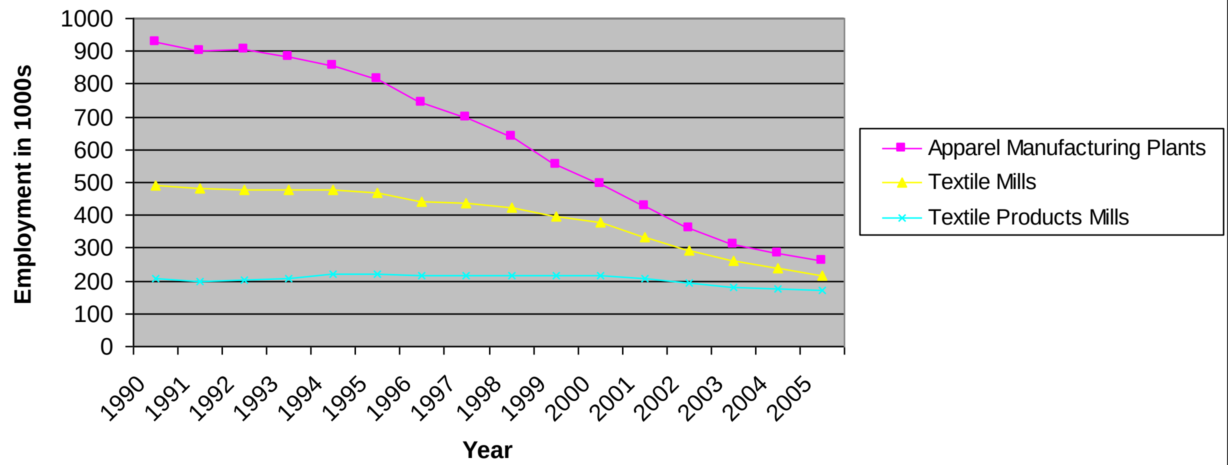
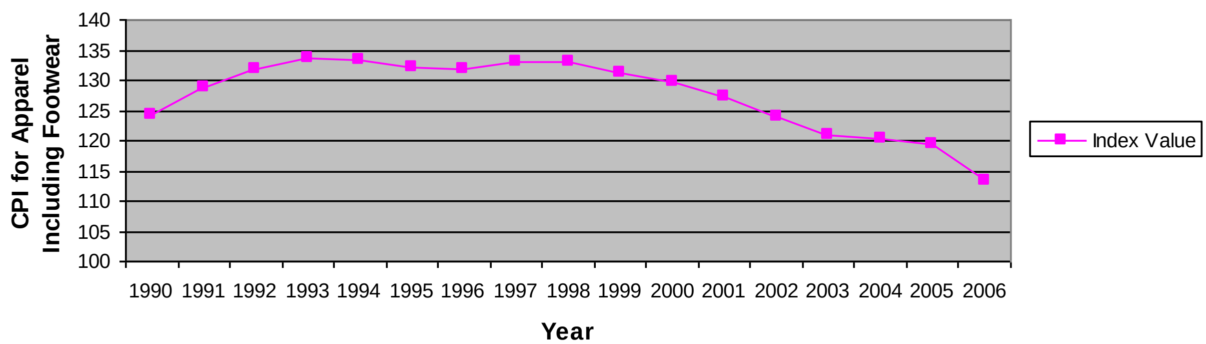


Figure 2: Consumer Price Index for Apparel and Footwear, 1990-2006 (1982-84=100)



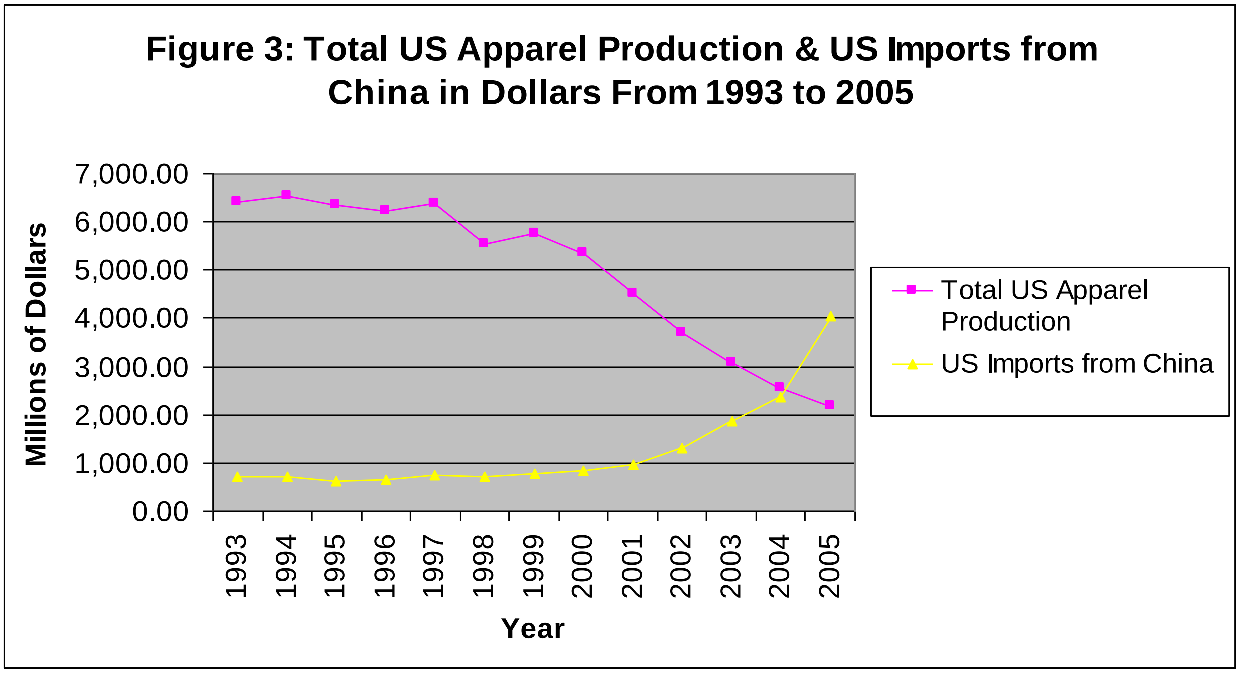


Figure 3: Total US Apparel Production & US Imports from China in Dollars From 1993 to 2005

Figure 4

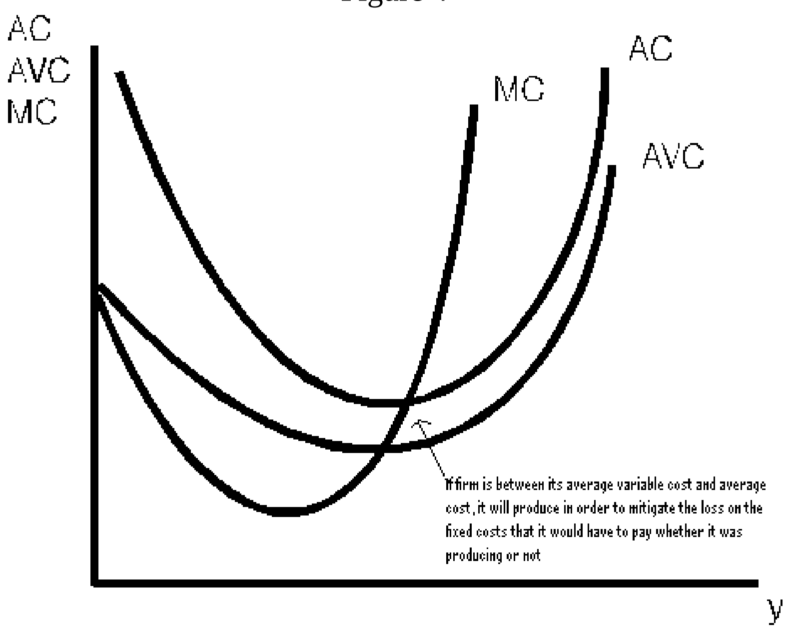
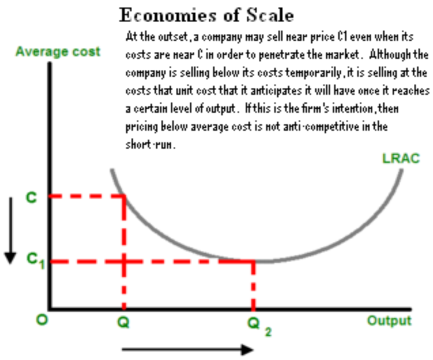


Figure 5


Economies of Scale
At the outset, a company may sell near price C1 even when its costs are near C in order to penetrate the market. Although the company is selling below its costs temporarily, it is selling at the costs that unit cost that it anticipates it will have once it reaches a certain level of output. If this is the firm's intention, then pricing below average cost is not anti-competitive in the short-run.
Average cost
LRAC
C
C1
O
Q
Q 2
Output

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Forced Labor in the Modern Global Economy
Emily Donelson

Throughout the world, human beings are being bought and sold like property, held in bondage by chains and terror, and denied the most basic of human rights, the right to live free. Forced labor is nothing less than a modern form of slavery. Although this claim is controversial, to deny it is to diminish the tremendous suffering of those who endure forced labor. There are at least twelve million people enslaved today (Belser, de Cock, and Mehran, 2005: 1). This appalling practice is found in every region in the world, and in both developing and developed states. The scope and gravity of modern forced labor, and its accompanying moral imperative, demand urgent attention and cannot continue to be ignored.

Forced labor is defined by ILO Convention No. 29 as "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily" (Belser 2005: 2). The practice of forced labor not only persists today, but is flourishing. The International Labour Organization (ILO), a United Nations agency which addresses labor standards, employment, and social protection issues, offers the figure of 12 million people currently in conditions of slavery as a minimum estimate based only on reported cases (Belser, de Cock, and Mehran, 2005: 1). Other reasonable estimates range as high as 25 million (Bales, 2005). The very existence of slavery is a major violation of international human rights laws and numerous international conventions and treaties. The lack of accountability and effective enforcement of these laws regarding slavery is consequently a major threat to the legitimacy of these legal regimes.

In an increasingly global economy, forced labor is a global problem and one which requires a global solution. In an age in which the most basic human rights are generally widely accepted norms and are preserved in numerous international declarations and agreements, the continuation of such a practice as forced labor presents the international community with a critical challenge. The questions of why people become victims of forced labor, why it is so prevalent in the modern era despite a near international consensus on the immorality and repugnance of slavery, and what is the impact of the conditions of economic globalization on forced labor are important research questions. Ultimately the research presented here investigates the causes of forced labor in the modern global economy.

Theory

Drawing on the factors which the globalization literature identifies as important in defining the modern global economy, the theory presented here attempts to explain the causes of forced labor. The theory utilizes the arguments that economic and political forces of globalization have given rise to increased global economic inequality, increased demand for cheap labor, and increased importance of global governance. These consequences of globalization are theorized to be responsible for the rise of modern forms of forced labor around the world.

Given that in order to meet the ILO definitions of forced labor a worker must labor under involuntary circumstances and threat of penalty, it is reasonable to assume that the laborer is unable to avoid the conditions of forced labor. The worker does not receive sufficient benefit from conditions of forced labor to justify it; however, the nature of forced labor gives them no choice. They therefore do not have other labor options or potential recourse, and so must come under conditions of forced labor because they were previously in economically and politically vulnerable situations. Increased inequality caused by globalization is theorized to increase the economic vulnerability of workers to conditions of forced labor.

A rational cost-benefit analysis of forced labor indicates that there must be another party who benefits from forced labor, since it is not the worker who benefits. The benefit of forced labor is the economic profit which can be derived from the low cost of producing goods by means of forced labor. The employers of forced laborers pay their workers paltry wages, if any, since the workers have no option to pursue higher wages elsewhere. This cheap labor leads to lower production costs for the employer, and ultimately for the businesses supplied by and consumers of products produced under conditions of forced labor. The increased demand for cheap labor and goods due to global competition created by the liberalized trade and open markets of the globalized economy is theorized to have increased the profitability of forced labor.

Potential costs of forced labor must also be taken into account in order to explain its existence and prevalence in the modern economy. The effects of globalization have also altered the structure of the international political system in which a greater variety of actors can more effectively increase the costs of forced labor. International efforts to combat forced labor can increase the risks of illegal forced labor and make it more costly. These efforts often take the form of international conventions and campaigns against forced labor, which can eventually result in greater domestic regulation of labor. Greater regulation makes it more difficult and risky to attempt to use forced labor. The increased potential for global governance, when translated into action at the domestic level, is theorized to have made forced labor more potentially costly, and therefore less frequent.

Globalization does not attempt to replace the explanations of forced labor offered by comparative political theories which emphasize cultural, historical, and other root causes of slavery and forced labor. This theory does, however, attempt to explain forced labor as a broader modern global phenomenon which has been impacted by recent economic and political forces of globalization. The literature of globalization theories frequently points out this impact, but rarely offers evidence or provides tests of the theories and arguments. This research is one effort to offer empirical evidence to evaluate the contributions of globalization theory to the study of forced labor in the modern global economy.

The hypothesis of the two independent economic variables, variation in economic vulnerability of workers in an industry and variation in the profitability of forced labor in an industry, and the intervening political variable, variation in the domestic efforts to combat forced labor in an industry, impact the dependent variable, variation in the magnitude of forced labor within an industry. The theory predicts that the greater the economic vulnerability of workers, the greater the magnitude of forced labor. It also predicts that the greater the profits to be made from forced labor, the greater the magnitude of forced labor. Additionally, with increased efforts to combat forced labor, there is predicted to be less forced labor.

Research Design and Methods

The variable of economic vulnerability could potentially encompass a great number of factors. It is therefore assumed that skill level of labor required to produce industry products will be a reflection of the economic vulnerability of a worker population. The industry work will be considered to be high-skilled work if education and training are required, medium-skilled work if some education or training is necessary or beneficial, or low-skilled work if education or training is neither necessary nor beneficial. High-skilled work will be described as low economic vulnerability, medium as medium vulnerability, and low-skilled work as high vulnerability. The workers will be assumed to have corresponding skill levels to the type of work in which they are involved. Although it would be preferred to incorporate additional situational factors of workers, such measures are not available by industry rather than country.

The measurements for the variable of profitability of forced labor will employ the economic formula for profit, $\Pi = P - AC$ (profit equals price minus average cost), where $AC = F(L,K)$ (average cost is a function of labor and capital). The prices and the wages (cost of labor) will be the components considered in order to measure variables, as capital should hold relatively constant across an industry. High profitability is indicated by high prices of industry products or services and low average costs (wages paid). Medium profitability will be defined as average prices and average costs (wages paid), compared to other available opportunities. Low profitability will be indicated by low prices and high costs (wages paid).

The intervening variable of efforts to combat forced labor in an industry will also be measured and described as either high, medium, or low levels. Domestic efforts will be described as high if there is effective prosecution and costly consequences of forced labor for the industry. If there is convincing domestic prohibition of forced labor and commitment to addressing forced labor, although effectiveness is lacking, the variable will be considered to be a medium level. If there is no commitment to prosecution of forced labor, then domestic efforts will be defined as a low level.

The dependent variable of the magnitude of forced labor within an industry will be measured by instances of reported cases of forced labor. Numerical figures for forced labor are never more than best estimates, so classifications will be used to describe the level of forced labor rather than raw numbers. The magnitude of forced labor for each industry in the countries examined will be classified as high, medium, or low. ILO figures will be used, as well as other reported incidents of forced labor in assessments offered by Human Rights Watch, reports of the

US government, the UN Human Rights Commissioner, and the *Factbook of Global Sexual Exploitation*, a relatively comprehensive effort to collect facts, statistics, and known cases through a compilation of primarily media sources.

In order to evaluate the hypothesis, the results of the examination of the various cases will be compared with those values predicted by the theory driving the research. High levels of economic vulnerability and high potential profits, when combined with low efforts to combat forced labor are predicted to yield grave levels of forced labor. High levels of the independent variables with high levels of international efforts to combat forced labor should result in less severe levels of forced labor. When low economic vulnerability and low potential profit along with high efforts exist, then little to no forced labor is expected. If these predicted relationships are similar to the patterns of relationships which are found after research is conducted, then this would suggest the potential accuracy of the proposed hypothesis.

By assessing the dependent variable of the magnitude of forced labor by industry, the research will be able to compare the various forms of forced labor within a single country. This will achieve variation of the independent variables, while allowing for analysis on a feasible single-country scale rather than across an entire global industry. The industries selected for the case studies are agriculture and prostitution. Forced labor is particularly prominent in these two industries. The economic vulnerability of workers in an industry, profitability of the products of labor, and the potential to impose costs for engaging in forced labor all vary greatly between the commercial sex trade and agricultural industries.

This method of comparing forced labor in different industries within a single country will also hold alternative explanatory variables such as an individual country's culture and history relatively constant. The workers of the various industries being examined within each country will share a common context, which can then be discounted as the origin of the variation in the magnitude of forced labor in each of the industries. Additionally, comparing forced labor by industry rather than between countries allows for a comparison of the varying effects of globalization forces on the industries.

In order to examine forced labor in more than one context, a comparison of forced labor by industry will be conducted in several countries. Research of forced labor in multiple countries will observe the effects of such factors as geographic region and economic development levels. It will also ensure that the patterns observed apply to more than one country, and indicate that the patterns will hold throughout the global economy. India, Myanmar, and Brazil are the three countries to be examined. These countries were chosen because little was known about the comparative levels of forced labor in their industries prior to the examination, but according to ILO reports forced labor does exist in each of the countries. These countries vary in terms of situational context to a great extent. India and Brazil are developing economies, while Myanmar is considered to be a least developed country by the UN Office of the High Representative for the Least Developed Countries (2007). The selection of two Asian countries is reasonable, despite the fact that it does not further increase regional variation, because the greatest number of forced laborers in the world are in the Asia Pacific region (Global Alliance, 2005: 13). India, specifically, is a useful case to study as it is generally accepted that India has the most forced laborers of any country in the world (Lerche, 2007). Myanmar was selected due to its relative political and economic isolation. It is not expected to be as influenced by the forces of the modern global economy.

Empirical Support

The Commercial Sex Trade

The variation in economic vulnerability of workers in the commercial sex trade will be measured by the skill-level required for the industry. Workers in the commercial sex trade require little to no education. Commercial sexual exploitation is classified as a low-skilled form of forced labor. This measurement does not vary by country, as the work performed is equivalent. Economic vulnerability of workers in the sex trade industry is high.

The second independent variable to be considered is the profitability of forced labor. In India, there is considerable evidence that the profits of the commercial sex industry can be comparatively high for Indian low-skill wages. An estimated minimum of $400 million of annual revenue is generated in the red light district in Bombay alone, where approximately 100,000 prostitutes earn an average $2 from each of their average of six customers each day (Freidman, 1996). In Hyderabad, one brothel owner employing only two prostitutes reported earning 15 rupees or $0.38 from each customer seen. The man must pay approximately 1,000 rupees, which is $25.27, each month to the local police station as *hafta*, or bribe to overlook the illegal brothel. The owner earns approximately 4,000 to 5,000 rupees, or $100 to $130 per month (Hughes, et al., 1999). The average wage earnings per month in India has been on the rise in recent years, and by 2004 the average manufacturing employee still earned only 1731.8 rupees, or $43.73, which is far less than even an extremely small-scale profiteer of the sex industry (ILO Labor Statistics, 2007).

One of the reasons that the commercial sex trade is so comparatively profitable is the influence of foreign tourists. India is attractive for sex tourism due to its relaxed laws, poor enforcement of limits to prostitution, abundant child prostitutes, and the false impression of low prevalence of HIV/AIDS. Pedophile tourists from wealthy, industrialized countries, including Europeans and the United States are increasingly common (Hughes et al., 1999).

Forced labor in prostitution is affected by the high demand, and corresponding prices, for the sex industry in India. High demand for children and specifically Nepalese prostitutes, because of distinctive physical traits and supposed docile personalities, contributes to involuntary prostitution (Hughes, et al., 1999). Nepalese trafficked into prostitution are bought for as little as 1,000 rupees from traffickers, and earn those who reap the benefits of their forced labor as much as 30,000 rupees per person. The profitability of forced labor in the commercial sex trade is therefore considered to be high.

The profits of the commercial sex industry in Brazil are even higher than in India. Like India, Brazil has a thriving sex tourist industry. Brazil is also a favored destination of pedophile sex tourists from Europe and the United States. Fifteen percent of all women trafficked in South America originate in the North or Northeast regions of Brazil (Hughes, et al., 1999). According to a 2001 US State Department study, Brazil is considered to be one of the main sources of human trafficking worldwide, with trafficking occurring both domestically and internationally (Toneto, 2004). In 2004, the “market values” of Brazilian woman trafficked into prostitution ranged as high as $15,000 (Toneto, 2004). The ILO estimates the annual profitability per worker in forced sexual labor in Latin America is $18,200 (Global Alliance, 2005). The profitability of the commercial sex industry in Brazil is measured as high.

Unlike in India and Brazil, in Myanmar the vast majority of people forced into the commercial sex industry are trafficked out of Myanmar to other countries. Thailand is the primary destination for Burmese forced laborers in the commercial sex trade. Between 20 and 30,000 Burmese women now reside in Thailand as a result of trafficking for the purpose of forced labor. The Burmese traffickers who play a role in this certainly make profits from the sale of forced labor to profiteers in Thailand, but the variable is limited to the profitability of forced labor in the country of destination, not origin.

Prostitution for profit certainly does exist within Myanmar as well. Since Myanmar's transition to a market economy in 1988, and corresponding slight growth in tourism, prostitution and trafficking for prostitution have increased somewhat. Military officers continue to dominate as the clientele, however, and top military officials are not charged by prostitutes (Htaw, 2003). According to students from Moulmein University, the girls at Kyaw Restaurant in Moulmein, one of the main locations for low-ranking military to hire prostitutes, offer their services at a price of Kyat 3,500 per hour, or approximately $5. Girls in the state of Mon receive a going rate of Kyat 2,000, or the equivalent of $3, in the local towns. Prostitutes in Three Pagodas Pass and other border areas make as much as 200 to 400 Thai Baht, or $6 to $13, per customer (Htaw, 2003). Myanmar's political and economic circumstances, free services to the top clientele, and the limited prostitution which is found in Myanmar as compared to the Burmese prostitutes working in Thailand where higher profits are possible, indicate that the profitability of forced prostitution which takes place within Myanmar is far less than the Asian average and than that of India. The profitability of forced labor in the commercial sex trade in Myanmar is considered low.

The intervening variable to be measured is the regulation of the industry. Regulation of the commercial sex trade is very limited in India. Prostitution is legal in India, although brothels, pimping, and solicitation are illegal (Hughes, et al., 1999). In theory, India abides by international norms for forced labor, including the ILO Conventions No. 29 and No. 105 on forced labor, as well as Convention No. 182 on the worst forms of child labor (Compliance, 2007). The Constitution directly prohibits all forced or bonded labor in Article 23 (Mishra, 2001). The law does not impose particularly severe penalties for those found guilty of both child prostitution and the trafficking of women for prostitution, however (Freidman, 1996). Poor enforcement is a major challenge. Collaboration by police and law enforcement officials with traffickers is common. Trafficking in Nepalese women and girls is largely considered far "less risky than smuggling narcotics and electronic equipment into India" (Hughes, et al., 1999). Domestic efforts are considered to be low.

Brazil pledges its commitment to international norms addressing forced labor, but regulation of the commercial sex industry remains weak. As in India, many police stations receive a weekly contribution from the owners of bars and brothels to ignore their activities. In October 2006, however, President Lula called for the creation of a national plan of action against trafficking for all forms of exploitation, which includes coordinating government anti-trafficking efforts through the Secretariat of Justice and dedicating funds for anti-trafficking efforts (2007 Trafficking, 2007). Prosecutions and convictions of trafficking offenders have since increased. Domestic efforts to combat forced labor in the commercial sex trade in Brazil are considered to be a medium level.

In Myanmar, the military dictatorship maintains strict control of much of the economy, although the informal economy, including the commercial sex trade, is larger than the formal economy. It has tightened laws to curb the prostitution trade, which has grown somewhat since the economic reforms of the 1980s. The ruling State Peace and Development Council (SPDC) amended the 1949 Suppression of Prostitution Act in 1998 and significantly raised the jail term for those convicted of the offence to a maximum of five years (Hughes, et al., 1999). This increased penalty potentially raises the cost of forced labor for those who stand to benefit.

(Hughes, et al., 1999). In practice, however, government regulation is severely lacking. Myanmar has expressed plans to cut down on sexual exploitation by raising awareness and increasing education for officials and potential victims, yet even these measures are not always well-funded or effective (Trafficking in Persons, 2004). Efforts in Myanmar are considered to be a medium level.

In measuring the dependent variable of the magnitude of forced labor, it is reasonable to consider statistics of commercial sexual exploitation which only measure forced labor of women and girl children, as they make up 98 percent of all forced workers in the sex industry (Belser, 2005). Every day, about 200 girls and women in India enter prostitution, 80 percent of them against their will. Approximately 50,000, or half of the women estimated to be involved in prostitution in Bombay, are estimated to be the victims of trafficking for the purposes of forced labor from Nepal (Friedman, 1996). More than 40 percent of 484 prostituted girls rescued during major raids of brothels in Bombay in 1996 were trafficked for forced labor (Hughes, et al., 1999). According to the 1997 UN Special Report on Violence Against Women, between 5,000 and 7,000 forced sex workers are trafficked to India every day from Nepal and between 100,000 and 160,000 Nepalese are currently prostituted in brothels in India (Hughes, et al., 1999). A 2001 report published by UNICEF estimates there are 400,000 victims of commercial sexual exploitation in India. According to Human Rights Watch reports, there were 10 million prostitutes in India in the 1990s (Freidman, 1996). The magnitude of forced labor within the industry is the percentage of forced labor within the overall commercial sex industry, which is approximately 4 percent for India. This results in the measurement of the magnitude of forced labor in the commercial sex industry in India as high.

Brazil has one of the worst child prostitution problems in the world, a practice which is inherently exploitative forced labor. According to Brazilian Congressional reports, Brazil has the highest rate of child prostitution in Latin America and the second highest rate in the world. The Brazilian Centre for Children and Adolescents has estimated that there are 500,000 children in prostitution in Brazil (Guardian Angel). The trafficking of women and children for prostitution is "widespread and almost an institution in the Amazon basin of Brazil" (Guardian Angel). In a 1993 *Time Magazine* article estimated that 25,000 girls had been forced into prostitution in remote mining villages in the Brazilian Amazon. Many are in a form of bondage due to cocaine debts. In 2001, UNICEF reported that a minimum of 100,000 workers were victims of commercial sexual exploitation in Brazil. Brazil is also described as having a high level of forced labor in the commercial sex trade industry.

In Myanmar, exact numbers are difficult to ascertain considering the secretive, isolated nature of the state, and the tendency of the government to make unsubstantiated, unrealistic claims. The trend of forced laborers being trafficked abroad indicates, however, that forced labor in the commercial sex trade in Myanmar itself is not as widespread. As described previously, however, forced sex work does occur in Myanmar, particularly in service of the army. It is coded as a medium level for Myanmar.

Agriculture

The variation of the skill level required for workers involved in agricultural labor is the first independent variable to be examined. Although agricultural labor is often considered low-skilled work, according to the Farm Worker Institute specialized skills and training are required for successful agricultural labor. Though agricultural workers generally perform physical labor, each crop has distinct traits which require time and training to learn and perfect before a worker is proficient (Investing, 2002). A laborer in agriculture must routinely make judgment determinations and calculations in the course of their work of picking crops (Investing, 2002). For this reason, the skill level of workers involved in agricultural forced labor is described as medium. Again, this measure applies across all countries being considered, as skill level for the comparable work does not vary based upon where the labor is performed.

The profitability of forced labor does vary across country context, however. In India, agriculture is a large and important sector. Agricultural activities account for 27 percent, and the largest portion, of the nation's GDP. The agricultural industry accounts for 21 percent of total Indian exports, and employs 65 percent of the Indian workforce (Mishra, 2001).

In 2001, the Indian National Human Rights Commission (NHRC) Expert Group reported that an average group of bonded agricultural laborers were paid a daily wage rate of about 2 kg of coarse grain and were given a tiny plot of land, on average one-seventh of an acre, to meet their most basic subsistence needs (Srivastava, 2005). The report highlighted another typical agricultural laborer who was forced to work 16 hour days for a daily wage rate of 10 rupees. The prevailing free wage rate for this worker's labor was 60 rupees. A survey carried out by the Deccan Development Society in the Medak district of Andhra Pradesh reported that laborers, who had taken loans from their landlords which required them to remain in a state of bondage, earned wages which were 50 to 90 percent less than the statutory minimum wage and worked for 12 to 14 hours a day. The report also described that child laborers received "a pittance" for their work (Srivastava, 2005). *Jeetam,* or farm servants, of whom 82.5 percent are indebted to their employers, are required to work about 12 hours per day on average, and are paid less than the minimum wage (Srivastava, 2005). Bonded laborers were generally expected to repay loans through work at low pre-determined wages, while also having to perform unpaid tasks. In the case of sharecropping, the laborers had to work at wages which were not pre-determined and so were not only lower than market levels, but fluctuated unexpectedly (Srivastava, 2005). Although Indian agricultural workers are paid very little generally, they are paid even less in conditions of forced labor. The profitability of forced agricultural labor in India is therefore considered to be a medium level.

Agriculture in Brazil is a major industry. Brazil has an agricultural land area of 264 million hectares, an amount surpassed only in China, Australia and the United States (Brazil's Agriculture, 2006). The agrifood sector accounts for approximately 30 percent of Brazil's GDP. Brazil's agriculture continues to contribute significantly to the overall economy and to the problem of the country's balance of payments. Primary agriculture accounts for 8 percent of GDP and about 30 percent of exports. (Brazil's Agriculture, 2006). As of 2002, Brazil became the third largest exporter of agricultural products in the world, with almost $30 billion in agricultural exports (Brazil's Agriculture, 2006). Despite recent growth Brazil continues to have relatively cheap wages overall, and agricultural incomes have not even kept pace with non-agricultural income in rural areas (Brazil's Agriculture, 2006). In Brazil, as in India, the already cheap wages for agricultural workers are reduced even further under conditions of forced labor. Brazil is also considered to have a medium level of profitability for agricultural forced labor.

Agriculture is the key sector of Myanmar's economy. It provides employment to two thirds of the population, contributes 58 percent to the county's GDP and 48 percent of its exports. The sector, however, has shown mixed performance over the last two decades. The agricultural potential is under-realized (Myanmar Agriculture). Despite the size of Myanmar's agricultural sector, it does not reap huge economic gains for the country. Wages in Myanmar are extremely low, and poverty is extremely high, even when compared with Brazil and India. Myanmar's GDP per capita in 2005, for example, was only $1,027 (PPP) and in 2004 Myanmar ranked 57th lowest in the world on the Human Poverty Index (Myanmar, 2007/2008). The profitability of forced labor in Myanmar is described as low.

In India, domestic regulation of economic forced labor is based on the Bonded Labour System (Abolition) Act of 1976. This Act provided a legislative framework for the elimination of bonded labor to be enacted by the states. The Indian Supreme Court and the NHRC report, however, that to date implementation by the states has generally remained weak (Srivastava, 2005). The state of Tamil Nadu of India is an exception. It has enacted a program to focus on the elimination of bonded labor, including preventative measures but also support for sub-district vigilance committees (Srivastava, 2005). The overall weak compliance with the Abolition Act, however, indicates that India has shown low level of efforts to combat forced labor in agriculture.

Since 2003, the Brazilian Government has shown a renewed commitment to tackling the issue of economic exploitation, referred to in Brazil as slave labor. The Government has taken a pro-active role to acknowledge the existence of slavery within its borders and begin a dialogue concerning the issue among the general public, the media and within government departments. In March 2003, President Lula began the National Commission for the Eradication of Slave Labor (Forced Labour, 2004). The campaign included an appeal from the president to all farm owners to cooperate with the state and join the fight to combating slavery in agriculture and a permanent forum for government, NGOs, and the federal police to cooperate as well. At the UN Commission on Human Rights of 2004, Brazil recognized that forced labor is a critical problem for the nation and offered a commitment to eliminate slave labor by 2006 (Brazil, 2004). The campaign incorporated actions as well as words. More than 650 new labor inspectors were hired and trained, and their salaries improved (Brazil, 2004). Police raids on ranches to seek out forced labor increased and the fines and penalties for those caught became far more meaningful. By August 2003, several months after the start of the government efforts to address and better regulate economic exploitation, inspectors had freed more than 2,000 forced laborers under conditions of economic exploitation, mostly in the Amazon region, and levied heavy fines for the offenses (Brazil, 2004). A 2006 Supreme Court ruling has also proved to further strengthen the federal government's ability to prosecute and punish offenders of slave labor (2007 Trafficking, 2007). Brazil has a high level of domestic efforts to combat economic exploitation.

In Myanmar, the government outlawed forced labor in 2000 as a result of ILO investigations which found that there was persistent use of forced labor in the country, and circulated directives throughout the country immediately afterwards (Jagan, 2001). This has had limited impact, however, because the government had not prosecuted a single instance of forced labor (Jagan, 2001). This intervening variable considers domestic efforts against forced labor in an industry to be a reflection of pressures from international, domestic, and citizen levels, Myanmar's role in the international community is a concern. In 2005, the regime held anti-ILO rallies, refused to investigate death threats against the ILO Liaison Officer in Myanmar, and expressed interest in withdrawing from the ILO entirely (McCormack, 2005). This lack of commitment to a United Nations organization which seeks to protect labor is extremely troubling, and has implications for the domestic efforts which are a reflection of compliance with international norms and pressures for free labor. Myanmar has exhibited a low level of domestic efforts to combat forced economically exploitative labor.

The huge number of agricultural workers employed under conditions of forced labor in

India is a severe and indisputable reality. Many landless agricultural laborers are exploited in conditions of debt bondage. From 1970 to 1995, the number of bonded agricultural laborers in India increased 32 to 40% (Srivastava, 2005). Almost all land-owning farmers "owned" one or two laborers, either bonded laborers or sharecroppers (Srivastava, 2005). The government estimates that 251,000 people in total are under conditions of forced labor in India (Anti-Slavery 2001 as reported in Lerche, 2007). Independent estimates are as high as 20 million, however (Lerche, 2007). By far the greatest numbers of these workers are under conditions of economic exploitation (Belser et al., 2005). ILO estimates 5,964,000 forced laborers in economic exploitation in Asia and the Pacific region, however the vast majority of these cases are found in South Asian countries, especially India and Pakistan (Belser et al., 2005). India has a high magnitude of forced labor for the purposes of economic exploitation.

Brazil has made progress in curbing the use of forced labor, but it remains a problem. According to the Catholic Church's Pastoral Land Commission, at least 25,000 people were working under forced labor conditions in Brazil in 2002, often with the tolerance of local authorities. An estimated 25,000 Brazilian victims, mostly men, are trafficked within the country for forced agricultural labor, mostly to areas of the Amazon and the central state of Mato Grosso (2007 Trafficking, 2007; Miller, 2005). The ILO estimates that there are a minimum of 994,000 economically exploited workers in the region of Latin America and the Caribbean, to which Brazil contributes significantly. Brazil is described as having a medium level of forced agricultural workers, as it is far less than the Indian level.

The ILO reports that forced labor exists in Myanmar, but draws a distinction between state-imposed forced labor and economic exploitation by private individuals. It is private forced labor which is the subject of the theory of the causes of forced labor in the modern global economy. In Myanmar, the ILO reports that forced economic exploitation is commonly used by the military. Local military officers force civilians to labor as porters, build military camps and do agricultural work for the army (Jagan, 2001). This practice is common and affects large numbers of the Burmese population, but does not qualify for consideration in measuring the variable of the magnitude of forced labor in the agricultural industry for the purposes of this project. Forced labor in economic exploitation in Myanmar is therefore coded to be at a low level.

Analysis of Results

An analysis of the evidence is necessary in order to determine whether the hypothesis was supported by the research, and if the theory behind the hypothesis is a useful explanation for forced labor in the modern economy. For the commercial sex trade case, the predicted and actual values matched exactly. Please see Table 1. In both India and Brazil, high levels of both independent variables and only low or medium levels of the intervening variable resulted in high numbers of forced prostitutes. In the case of Myanmar, the second independent variable was low. This is explained by the original expectation that Myanmar would be an outlier due to its relative isolation from the global economy. With high vulnerability, but without the potential for high profits and some domestic action to contain forced labor, the result was only medium levels of the dependent variable. The commercial sex trade case study provides empirical support for the hypothesis, and therefore also supports the logic of the theory.

The agricultural case study is slightly more complex. Please see Table 2. In India, although vulnerability and profitability were only at medium levels, with low levels to combat forced labor, the result was high forced labor. The predicted value of medium, given the medium levels of the causal variables, did not match the actual value. The results for India could be interpreted, however, as being reasonable given the logic of the theory. The low efforts to combat forced labor become crucial in this light. Given the lack of risk of dealing in forced labor due to the its tacit acceptance by so many law enforcement officials, those who profit are able to take advantage of even the somewhat vulnerable population to earn greater profits than they otherwise would through agriculture. Had the value of the intervening variable not been so low, it is possible that these profiteers would not have risked the only medium level of profits or the forced laborers themselves would have been not so easily preyed upon. The other case in which the predicted value of the dependent variable did not match the actual value was agriculture in Brazil. This case points to the opposite scenario as the Indian agriculture case. The medium levels of both the independent variables and a high level of the intervening variable resulted in a medium level of the dependent variable, whereas a low level of forced labor was predicted. The medium levels, despite high efforts to combat forced labor, continue to provide enough incentive for some individuals to participate in these illicit activities.

A comparison of the case of agriculture in India to that of agriculture in Myanmar reveals the significance of the second independent variable. Given identical values for the two cases of the first independent variable and the intervening variable, the second independent variable is accountable for the difference in the dependent variable in India and Myanmar. There is greater potential profit to be made in India, whereas only low profits from agriculture are possible in Myanmar. Consequently, there is much more forced labor in agriculture in India than in Myanmar.

A comparison of the two case studies is also necessary in order to evaluate the hypothesis. Please see Table 3. The two cases, prostitution and agriculture, provide considerable variation of the independent variables. The two independent variables are both high for prostitution and medium for agriculture. The intervening variable is medium for the sex trade and low for agriculture. Although the results did not exactly match the actual dependent variable values, they are not contradictory to the logic of the theory. High levels of the two independent variables, with only medium counter efforts to combat forced labor, resulted in a high magnitude of forced labor. This is reasonable given the causal logic of the theory. Similarly, the medium levels for the independent variables for the agriculture case study, with low efforts to combat those incentives, result in medium levels of forced labor. Thus the overall comparison of evidence for the two industry cases offers some support for the accuracy of the hypothesis.

The side-by-side comparison of the two industry case studies reveals an unexpected aspect of the results, however. The evidence points to greater incentives and a corresponding greater magnitude of the dependent variable for forced labor in the sex industry than the agricultural industry. Currently, the ILO indicates that there are more forced laborers who are exploited economically than who are exploited sexually (Belser, et al., 2005). This might indicate the need for further case studies of other economic industries or that the patterns of forced labor are changing due to global economic forces, and India and Brazil are economies that are both substantially affected by them.

The results reveal that the predicted values of the dependent variable according to the logic of the theory are very similar to the actual values. The evidence provides some support for the proposed hypothesis. The independent and intervening variables do seem to have a causal relationship with the dependent variable. As the Myanmar case suggests, the global economy does appear to impact the occurrence of forced labor. Finally, the results provide useful implications for what action is needed to end the practice of forced labor.

Conclusions

In order to confirm this interpretation of the results, more cases must be examined and more accurate data is required. The discrepancies in the agriculture case, though slight, could also be explained by omitted variables or the challenge of limited data. The assigned values for any of the variables are also potentially vulnerable to criticism, given the necessity of extrapolating from available information on reported cases or patterns of forced labor. Comprehensive and systematic measurements simply do not exist. This is an area which is ripe for future research.

The preliminary support for the hypothesis of the case studies suggests that additional research will be useful in confirming or refuting the apparent pattern of relationships between the causal and dependent variables. Further research must be done on greater numbers of industry cases that vary the independent and intervening variables. Forced labor in industries such as textiles and others which require more capital inputs and are therefore less easily hidden and transferable, certainly than at least commercial sexual exploitation, would test the significance of the intervening variable more directly and to a greater degree. The addition of a developed country to the case studies would be valuable in continuing to examine the effects of involvement in the global economy, as the case of Myanmar suggests is important to consider.

This analysis of results points to several policy implications. Globalization must be better managed. The importance of the intervening variable implies that serious efforts to combat forced labor should be pursued, both at the domestic and international levels. It is essential that governments and other actors do as much as possible to raise potential costs of being involved in forced labor. Commitment to combating forced labor requires diligent prosecution of offenders, consumer protests and boycotts of goods produced by forced labor, and more careful monitoring of borders and immigrant populations, who are perhaps the most vulnerable victims. It is also important to reduce the vulnerability of worker populations through education, training, and government aid. People do not choose to endure forced labor, and if they are better protected they will be able to avoid conditions of forced labor.

Forced labor is an atrocious and reprehensible reality of today's global economy. The overall lack of scholarship grounded in theory about modern forced labor represents a failure of scholars to accept the difficult methodological challenge of doing sound social science on such a difficult subject, despite its tremendous impact on millions of lives and the legitimacy of human rights law. The dearth of scholarship means that the phenomenon has not been sufficiently investigated nor received necessary attention. This research has provided an attempt to fill the deplorable gap through a rational theory-based explanation for why forced labor continues to exist and flourish throughout the world. The results suggest that quite simply the benefits outweigh the potential cost of holding people in forced labor. In order to address forced labor, therefore, workers must be made less vulnerable; opportunities for profits must be blocked through improved management of globalization; ways of increasing costs must be realized and implemented through international, domestic, and consumer action. It is essential that the international community, governments, firms, and individuals condemn and act to eliminate the practice of forced labor for the sake of the millions who suffer.

Results Tables

Table 1: Case Study: Commercial Sex Trade

Country Cases:	IV 1: Economic vulnerability of workers in industry	IV 2: Profitability of forced labor in industry	Intervening Variable: Efforts to combat forced labor in industry	Predicted value of DV based on hypothesis	DV: Magnitude of forced labor in industry
Commercial Sex Trade in India	HIGH	HIGH	LOW	HIGH	HIGH
Commercial Sex Trade in Brazil	HIGH	HIGH	MEDIUM	HIGH	HIGH
Commercial Sex Trade in Myanmar	HIGH	LOW	MEDIUM	MEDIUM	MEDIUM

Table 2: Case Study: Agriculture

Country Cases:	IV 1: Economic vulnerability of workers in industry	IV 2: Profitability of forced labor in industry	Intervening Variable: Efforts to combat forced labor in industry	Predicted value of DV based on hypothesis	DV: Magnitude of forced labor in industry
Agriculture in India	MEDIUM	MEDIUM	LOW	MEDIUM	HIGH
Agriculture in Brazil	MEDIUM	MEDIUM	HIGH	LOW	MEDIUM
Agriculture in Myanmar	MEDIUM	LOW	LOW	LOW	LOW

Table 3: Case Studies Compared

	Commercial Sex Trade	Agriculture
IV 1: Economic vulnerability of workers in industry	HIGH (3/3)	MEDIUM (3/3)
IV 2: Profitability of forced labor in industry	HIGH (2/3)	MEDIUM (2/3)
Intervening Variable: Efforts to combat forced labor in industry	MEDIUM (2/3)	LOW (2/3)
Predicted value of DV based on hypothesis	HIGH (2/3)	LOW (2/3)
DV: Magnitude of forced labor in industry	HIGH (2/3)	MEDIUM (No pattern)

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Ghanaian and Kenyan Trade with the United Kingdom:
When Different Processes Lead to Similar Outcomes

Laura Sellers

Colonialism, the "Scramble for Africa," and the waves of decolonization after World War II are now the material covered in history books. This does not mean, however, that the last chapter has been written on the effects of colonialism. Even after independence, some former colonies still maintain comparatively strong trade relations with their former colonizer. Given the separation of time, it is still possible to see the effects of these political decisions on the current global marketplace. This is the case with the former colonies of Ghana and Kenya and their relationship with the United Kingdom.

This paper will focus on the United Kingdom and its trade relationships with two of its former colonies—Ghana and Kenya. The research question of this paper asks, to what extent did the variables of efficiency, colonial governance and colonial economic development, and initial decisions made after independence impact these trade flows between the UK and Ghana and Kenya?

Dependent Variable

The dependent variable in this analysis is the amount of trade between the UK and two of its former colonies, Ghana and Kenya. First, this study will consider what percentage of Ghana's and Kenya's respective exports go to the UK and what percentage of Ghana's and Kenya's respective imports come from the UK. Second, the same procedures will be used to determine what proportion of the UK's exports go to Ghana and Kenya respectively and what proportion of the UK's imports come from each of these two countries. This will demonstrate the extent to which the trade between the two countries is concentrated or specialized among various sectors of the economy.

Case Selection

This paper examines the case studies of Ghana and Kenya and their trade relations with the United Kingdom. By focusing on one colonial power and one continent, it eliminates many of the possible spurious correlations and other external explanations that could be used to elucidate the relationship between colonialism and trade. In addition, both of these colonies had peaceful methods of separation from the UK, which would also eliminate other reasons as to why a country might discontinue trade relations as retribution for violence (Fage, 1995; Schraeder, 2004). Both of these countries exhibit variation in the independent variables outlined below in the literature review, while the dependent variable remains relatively constant.

Now that the research question, the dependent variable, and the case selections have been addressed, the rest of the paper will proceed in the following manner: the next section will describe three theoretical approaches (modernization theory, dependency theory, and path dependence) that can be used to explain the research question. From these theoretical perspectives, the related independent variables will be explained and operationalized. From these independent variables, hypotheses for each as possible explanations are generated. Next, the evidence section includes historical analysis, economic data, and an analysis of the trade relations. The final section summarizes the conclusions and delineates possibilities for further research.

Literature Review

Several theories can provide explanations linking the roles of colonial governance and economic development to trade flows. This paper will focus on modernization theory, dependency theory, and path dependence. Modernization theory provides a liberal interpretation that emphasizes the role of markets. Alternatively, dependency theory analyzes factors such as capitalism that have caused the exploitation of Third World nations. Path dependence is a useful third paradigm because it takes into account the importance of historical decisions and how they have impacted the present state of affairs. In doing so, this theory bridges the divide between economic and political science theories.

Modernization Theory

Modernization theory was popularized in the 1950s and early 1960s as the leading theory for understanding the development of Africa (Schraeder, 2004; Jackson and Sørensen 2003). Theoretically, it falls under the liberal theories of economic development which focuses on the importance of markets in decision-making and therefore views rational, utility-maximizing individuals as the central actors within an economy (Jackson and Sørensen, 2003; Frieden and Lake, 2003). Liberalism advocates a small role for the government in the economy; government is necessary as a referee to ensure that the market remains free and to prevent market failure (Jackson and Sørensen, 2003; Frieden and Lake, 2003). Another important factor in the liberal paradigm is efficiency and, as an extension of this, free trade. As outlined by Adam Smith in *The Wealth of Nations*, “If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage” (2003: 35).

Out of this liberal foundation, the analysis of Walt Rostow pushed modernization theory forward in the 1960s by emphasizing that all countries proceed along the same growth path (Rostow, 1971). For Rostow, there are five stages of growth: "the traditional society, the preconditions for take-off, the take-off, the drive to maturity, and the age of high-mass consumption" (1971: 4). He argued that all countries will follow this same path to development (Rostow, 1971). Modernization theorists can measure this transition in several units of analysis. The macro unit of analysis looks at economic measurements and movements; a micro level of analysis tends to look at how citizens individually adopt these modern values and abandon the traditional ones (Valenzuela and Valenzuela, 1981). The first factor necessary for development as mentioned earlier is a market economy with little political interference (Jackson and Sørensen, 2003). A second important economic factor for modernization theory occurs when developing countries are able to create and maintain "close market relations with the developed countries"; these relationships will aid in the growth of the economy since growth in the domestic economy comes from trade (Jackson and Sørensen, 2003: 204). Foreign direct investment (FDI) is the third economic indicator of whether a country is becoming modernized since the money would provide skills and technology that would be most useful to encourage growth (Jackson and Sørensen, 2003). When growth does not occur, modernization theory places the blame on the failure of domestic institutions (Valenzuela and Valenzuela, 1981; Schraeder, 2004).

Independent variable and hypothesis

As described earlier, efficiency is an important part of modernization theory and therefore it is the independent variable for this theoretical perspective as a possible explanation for describing the trade patterns. Efficiency will be evaluated in several ways. Mainly, a historical analysis will be used to describe how the products traded may have changed over time. If there has been a shift in the use of a certain product relative to others in the economy, this will indicate how market forces such as efficiency have led to specialization in certain products and impacted current trade relations.

With all of these factors in mind, modernization theory would hypothesize the following: A rise in efficiency and the use of markets in Ghana and Kenya would lead to a reduction in the trade conducted with the UK as the countries find more diverse partners.

Dependency Theory

Out of the deficiencies of modernization theory, scholars in the late 1960s and early 1970s formulated dependency theory (Schrader, 2004). Dependency scholars wanted to understand why, despite the rosy predictions of modernization theorists, newly-independent African countries were still suffering under political turmoil, dictators, and lack of economic development (Schraeder, 2004). Unlike modernization theory, dependency theory places the blame for the lack of economic development on external factors such as exploitation by the capitalist framework and countries in the global North (Evans, 1979). As such it has several defining characteristics. The first is the primacy of the division of labor as the mechanism of change within societies (Smith, 2002). Second, political activity occurs by means of classes or social groups that own the means of production (Smith, 2002). Third, dependency theory tends to reject the importance of identity, the importance of the state in major transformations, and the primacy of balance-of-power in international decision-making (Smith, 2002).

This theory classifies all countries into two categories: metropoles and satellites (Schraeder 2004). Metropoles can also be called core countries; either way, these states are in possession of the vast majority of economic and political power (Schraeder, 2004). Satellites (also known as peripheral countries) are controlled and exploited by the metropoles (Schraeder, 2004). Within the satellites are the political and economic elites "who knowingly or not served as the cultural, economic, military or political agents of the European colonialists" (Schraeder, 2004: 324). A third category of countries was added as the theory was developed by Immanuel Wallerstein: semi-peripheral countries, which "constitute rising regional powers that are economically and politically powerful in their immediate regions and aspire to someday join the core in its control of the capitalist world system" (Schraeder, 2004: 326). Semi-peripheral countries have the curious distinction of being both exploited by the core countries and being exploiters themselves of the peripheral nations (Schraeder, 2004).

Peter Evans' seminal book on dependency in Brazil characterizes dependent countries as those whose "whole histories of involvement with the international market have led them to specialize in the export of a few primary products" (1979: 26). His definition of dependence is "a situation in which the rate and direction of accumulation are externally conditioned" (Evans, 1979: 27). In addition, "While the income from these few products is absolutely central to the process of accumulation in the dependent country, for the center each product represents only a tiny fraction of total imports, and can usually be obtained from several different sources" (Evans, 1979: 26).

Independent Variable and Hypothesis

The variable from dependency theory is the native colonial governance and colonial economic development that was implemented before independence. The type of colonial rule is a dichotomous variable measured as either direct or indirect. Direct colonial rule means that the colony was controlled administratively by dividing the country into smaller parts, with Europeans controlling the upper levels of the bureaucracy and loyal Africans in charge of the lower divisions (Schraeder, 2004). Indirect colonial rule means that the Europeans controlled the African rulers in order to maintain power over a colony, which relieved them from the burden of maintaining order over large number of colonists—they left that up to the traditional societal structures (Fage, 1995). Second, this analysis will also take into consideration how much of the African population was involved in meaningful roles of governance under colonialism. Third, the type of colony will also be measured as a dichotomous variable: extraction colony or settlement colony. In looking at colonial economic development, this study will consider what the colonizer did or did not do to promote growth.

Dependency theory could be used to generate the following hypothesis: A rise in colonial economic development would lead to continued economic exploitation by the UK and should lead to an increase in post-colonial economic trade relations only with the colonizer since the former colony would be unable to effectively trade with any other state.

Path Dependence

Path dependence has many applications for this analysis since it encompasses both economic and political analysis. There are several components of this theoretical perspective. First, factors such as history, timing, and order of events do matter (Pierson, 2000; Liebowitz and Margolis, 1995). In other words, previous events and decisions influence the outcome of future events and decisions (Pierson, 2000; Pierson, 1993; Liebowitz and Margolis, 1995). Second, similar starting conditions can lead to a wide variety of possible outcomes (Pierson, 2000). Third, unintended (and sometimes large) consequences occur as the result of relatively small decisions or incidental events (Pierson, 2000; David, 1985). Fourth, once a particular decision has been taken, it is often quite difficult to change the conditions back to where they were before the decision was made and make an alternate choice (Pierson, 2000; Pierson 1993). Fifth, and consequently, it is these decisions that ultimately shape political development and social life (Pierson, 2000).

Another concept that needs to be defined in order to fully understand path dependence is the idea of increasing returns, which posits that once a decision has been made, the subsequent decisions tend to act as reinforcement mechanisms which support the benefits of making this choice in the first place (Arthur, 1989; Pierson, 2000). In other words, the technology chosen may have had the early lead and may eventually win, but in the long run, it may not have been the most efficient choice (Pierson, 2000). The term "positive feedback" is quite similar to increasing returns. Positive feedback, however, describes how the later decisions reinforce the previous ones and perpetuate the idea that the original decision was the right one, even if there were inefficiencies (Pierson, 2000; Arthur, 1989). Therefore, decision makers tend to ignore other options and continue to make decisions that keep them on the same path (Arthur, 1989; Pierson 2000).

Through positive feedback, "lock-in" is achieved for a certain decision. Lock-in is understood as the point at which change to a different path becomes impossible (Pierson, 2000; David, 1985). There are four conditions necessary for lock-in to occur. First, the decision must have had a high cost to initiate or high fixed costs, which after the decision is made, turn into sunk costs and cannot be recovered (Pierson, 1993; Pindyck and Rubinfeld, 2005). Second, large learning effects for a certain technology are difficult to change once it has become widespread (Pierson, 1993). Third, coordination effects also encourage lock-in since it is easier for many to adopt a single standard and stick to it for the sake of simplicity, even if it may not be the "best" choice (Pierson, 1993). Fourth, adaptive expectations means that decision makers wanting to make the "right" decision will do everything in their power to make it seem like it was the best decision even if it was not to prevent rejection and shame (Pierson, 1993).

Path dependence can be applied to the political realm as well since these decisions are also not being made in a vacuum. Pierson notes that, "Political arrangements are unusually hard to change…By contrast, the key features of political life…are generally designed to be difficult to overturn" (Pierson, 2000: 262). This theory can also be employed quite effectively in relation to colonial and post-colonial studies. For example, domestic factors such as sociopolitical cleavages, state institutions, and human capital were in large part the results of colonialism (Krieckhaus, 2006).

Independent Variable and Hypothesis

A third explanation to be considered rooted in path dependence is whether the decisions made after independence caused these two colonies to be unable to change their future courses. This independent variable will be operationalized through two mechanisms. First, focusing on the ideologies and decision-making processes of the leaders of Ghana and Kenya immediately after independence should demonstrate when lock-in occurred for the country's political ideology. Second, the economic policies and stewardship provided by the leaders may demonstrate lock-in for the economy and the products produced and traded with the UK.

With all of this in mind, the path dependence approach would argue that the choices made during colonization and immediately following decolonization are responsible for the formation of current trade relations. The type of governance and initial economic decisions made immediately after independence are the points that reflect a lock-in of specific trading patterns. Based on certain key events, the former colony may have continued the trade relations because the costs of changing them would be too large for a country with scarce resources to dedicate itself to the infrastructure development necessary for expanded trade relations. Therefore, path dependence can be used to generate the following hypothesis: Lock-in, after independence, should lead to a high concentration of trade with the UK as that trade generates increasing returns and positive feedback.

Evidence

With the theoretical explanations of modernization, dependency, and path dependence now in place, it is now appropriate to look at what actually occurred in Ghana and Kenya during and after their colonial experiences. Ghana will be examined first since it was colonized before Kenya. The sections covered in each case include history, colonial governance, colonial economic development, the role of the first leader after independence, and the current trade relations between the former colony and the UK.

Ghana

History & Colonial Governance

Ghana was originally the name of the strong seventh century kingdom in Western Africa (Kuada and Chachah, 1999). During its early history and colonial experience, it was given the name "the Gold Coast" (Ward, 1963). It became a British colony in 1844 through a four-paragraph treaty made by the British and eight tribal chiefs (Ward, 1963). The language of the short treaty "implies that the power and jurisdiction are to be exercised in the future as they have been in the past, and in no other way. There is no intention to grant to the Crown any territorial sovereignty or suzerainty, nor is there granted any authority beyond that of enforcing compliance with the orders of the court" (Ward, 1963: 194). The role of the treaty was to legalize and define the jurisdiction of the former protectorate, and the document was the only legal foundation for British rule of Ghana (Ward, 1963).

Generally, the form of colonialism exercised by the British Crown in its colonies in Africa was one of indirect rule (Fage, 1995). This term means that the British had control of the central government while the traditional tribal norms ruled at the local level (Ward, 1963). There are two further implications of indirect colonial rule. First, the British government sought to sustain the traditional institutions within the country and prevent them from changing due to Western influence (Ward, 1963). Second, the British government educated tribal and domestic leaders to carry out new tasks within the colonial structures (Ward, 1963). Quantitatively, this can be seen in the relatively small number of Europeans in control of the Gold Coast. Even in the late 1930s, 842 Europeans were in charge of the four million residents of the Gold Coast and only 191 of those jobs were administrative or security-oriented positions (Fage, 1995).

For the most part in the Gold Coast, the government was formed by a series of "Royal Instructions, along the usual line of colonial evolution. Power was at first in the hands of the Governor and his officials, and development lay in increasing, first unofficial, then African, and lastly elected representation" (Ward, 1963: 322). There was usually a legislative component in the government that had at least minimal representation by members of the local community, which was common in many British colonies in formulating colonial policy (Fage, 1995). Up until about 1900, Africans played an active role in civil society as judges, medical officers, and district commissioners (Fage, 1995). In the Gold Coast in the 1880s, Africans held one quarter of the few senior British establishment positions (Fage, 1995). Furthermore, "The Gold Coast had always been regarded as the model colony, the one in which Africans had secured the greatest advancement and prosperity, and one in which there had been signally little violence" (Fage, 1995: 478).

This evidence supports modernization theory in the sense that the Ghanaian population was turning away from traditional society and adopting "modern" values. Since these social movements were in some ways promoted through tribal leaders, they could be construed as being the social and political elites according to dependency theory, because they transmitted the views of the colonizer to the general population.

Colonial Economic Development

To be sure, the name "Gold Coast" was no accident. It was a colony of extraction where the main benefit for the colonizer in owning the colony was the natural resources it could take from the colony (Fage, 1995). Gold and cocoa were the two main colonial exports (Fage, 1995). The gold mining industry developed slowly at the end of the nineteenth century and did not produce more than 18,000 fine ounces a year (Ward, 1963). Initially, gold was the main reason other countries were interested in this coastal colony. From 1877 until the 1930s, Europeans came to the Gold Coast searching for this precious metal, and with the construction of railroads in the early 1900s, the mining industry within the Gold Coast rivaled any mining operation in Africa (Fage, 1995). The importance of gold continued after independence (Killick, 1966).

Cocoa was first brought to the Gold Coast in 1879 and "The first export of eighty pounds of cocoa beans was made in 1891; ten years later this had risen to 536 tons" (Ward, 1963: 396-397). What distinguishes this export from the others is that it was mainly peasants who were producing it (Ward, 1963). By 1935 Ghana was producing half of the world's cocoa, and the peasants established a pseudo plantation system with their revenues (Ward, 1963). The place of cocoa in the Ghanaian economy cannot be underestimated, "As a contributor to the Gross Domestic Product cocoa is the most important product of the economy; in the years 1955-61 it accounted for an average of 13.7 per cent of the Gross Domestic Product at constant prices" (Killick, 1966: 236). The importance of cocoa continued after independence: from 1960-1962, Ghana exported on average 375,333 tons per year (Killick, 1966).

The Ghanaian cocoa industry is controlled by the Cocoa Marketing Board (Killick, 1966). This institution worked to promote the success of cocoa producers through methods that could be considered interfering, and, therefore, had some inherent inefficiencies: "In Ghanaian conditions a strong case could be made out for the view that the Cocoa Marketing Board must be operated in what the Government regarded as the interests of the whole nation, and not solely as the promoter of a sectional interest" (Killick, 1966: 368). This broader perspective can be seen through the government's policies of paying the farmers less for the cocoa, taxing the cocoa, and still having an overall financial surplus for the cocoa produced (Killick, 1966). If Ghana had not used the surplus generated by cocoa for investment in other sectors of the economy, it is likely that Ghana's growth in all levels of its economy would not have been so high (Killick, 1966).

Ghana had one of the highest GDPs of the African countries at independence, and it grew during the period immediately before and after independence (Bretton, 1966; Szereszewski, 1966). As an example, Ghana experienced 13.4 percent growth in GDP in 1959 and 8.3 percent in 1960 (Szereszewski, 1966). This growth can be explained through two processes. One is the expansion of the agriculture sector through the application of more technology and efficient means of production (Szereszewski, 1966). The second component of Ghana's GDP growth was the high rate of investment in the non-agricultural sectors, including human resource development and growth in the education system (Szereszewski, 1966). The overall economic development of the 1960s was one "based on disjointed production patterns, very intensive in terms of value added – returns to labour, capital and control of natural resources – and with a relatively low input content, both local and imported" (Szereszewski, 1965: 95). Despite this growth, Ghana was considered poor by Western standards; however, "wealth was increasing more rapidly in a territory like the Gold Coast, where a substantial proportion of the population was already producing for the world market at the beginning of the colonial period…than in a colony like Kenya which had neither of these advantages" (Fage, 1995: 424).

Throughout its time as a colony, Africans in the Gold Coast eschewed "traditional society" as defined by modernization theory in favor of a western education and professional careers (Fage, 1995). In addition, Ghanaian cocoa farmers were already "receiving cash incomes from growing crops for the world market, incomes which were relatively high because of the war and post-war shortages of primary produce" (Fage, 1995: 476). Ghana has the distinction of being the first tropical British colony to gain independence in 1957 (Fage, 1995). At the time of independence, Ghana had a lot of things in its favor due to its development under colonialism: "It possessed a good range of natural resources, and its people, with a relatively high standard of education, had demonstrated that they were well capable of exploiting these resources and of managing their own affairs" (Fage, 1995: 515).

This evidence supports modernization theory for a number of reasons. First, Ghanaian society was moving away from traditional societal values. Second, the investment of capital and technology in the agricultural sector indicated that Ghana was moving into Rostow's second stage of growth. Third, the rate of GDP growth in Ghana during the 1950s and early 1960s indicate that Ghana was perhaps entering the take-off phase. In addition, since Ghana was able to make more cocoa than it needed, it was already starting to expand the number of trading partners. Through the investment in the cocoa production and the institutions set up around cocoa in Ghana, path dependence also offers a good explanation since lock-in is visible in cocoa production in the Ghanaian economy during this time. Dependency theory provides a less satisfactory explanation, however, in this case because of the absence of class conflict. The Ghanaian farmers are benefiting from selling their cocoa on the world market.

Role of Kwame Nkrumah

The name associated with Ghanaian independence is Kwame Nkrumah. He was heavily influenced by the time he spent studying and living in the United States and Great Britain (Bretton, 1996). Not surprisingly, then, a great many of his advisors as Ghana's first leader hailed from those two countries (Bretton, 1966). According to Henry Bretton, he

> was a moderately capable, highly volatile and energetic, somewhat professional, somewhat amateurish leader. On public record, he was affable, readily forgiving, decidedly humane. Guiding his conduct, there was undoubtedly a strong desire to correct the injustices wrought by the colonial powers in Africa—and in particular upon his people—and a vision, albeit somewhat darkly seen, that he could, by creating a new society in Ghana, correct the social evils he believed to have been developed over a thousand years of feudalism and capitalism. (1966: 21)

The results of Nkrumah's leadership adversely impacted all levels of the Ghanaian economy. For example, his tenure was marked by "the gradual disappearance of the substantial reserve fund, which, at the time of independence, had amounted to some £200 million, and its replacement with a national debt of £349.2 million—fifteen times the size of the debt five years earlier" (Bretton, 1966: 152). International trade also suffered, and "The balance of payments had deteriorated to the point where the ambitious industrialization program was grinding to a halt. Export and import trade had been thrown into a state of chaos, foreign exchange had been depleted, and spare parts and raw materials were not available to operate many of the newly created state enterprises" (Bretton, 1966: 152). If that were not enough, domestic taxation pushed the financial stability of the common citizen to the edge, and civil servants did not have a pay raise in nine years (Bretton, 1966). One of the more drastic indicators of decline was that between 1964 and 1965, the cost of living rose by 30 percent (Bretton, 1966). Society began to break down as the failing economy made it difficult for Ghanaian wage earners to keep food on the table, the unemployed became increasingly anxious, and robberies rose (Bretton, 1966). The rate of growth dropped from 7.5 percent in 1960 to 4.5 percent in 1964, hitting a low in 1963 at 2.7 percent (Bretton, 1966).

These poor conditions can all be explained quite simply because Nkrumah lacked a sufficient background in economics to make knowledgeable decisions in the best interest of Ghana's economy (Bretton, 1966). In many ways, Nkrumah was a man of contradictions, since he disliked plans and accounting but was completely supportive of grand projects (Bretton, 1966). In addition, he denounced capitalism, foreign investment, aid, and assistance, but readily invited it all to Ghana (Bretton, 1966).

Another possible explanation for the poor economic conditions in Ghana can be seen through Nkrumah's decision-making process. This process appeared on some levels to be completely random, and his decisions only made sense in the aggregate to him. According to Bretton (1966), his decision-making process was influenced by three factors. First, Nkrumah had to understand the concept under discussion, which sometimes was difficult because he grasped little of economic and financial matters. Second, some part of the advice he received had to be couched in a way that appealed to Nkrumah's desire to advance his Pan-Africanist ideology and his personal interests and fortunes through kickbacks. Third, rhetoric and framing of the issue was important. Nkrumah would only really pay attention if the advice or proposal contained Marxist or social-revolutionary terminology, and advisors would have to obfuscate any bourgeois traces in the idea (Bretton, 1966). The order of these factors is quite important in explaining Nkrumah's behavior:

> Advice reflecting bourgeois thought or colonial mentality was eagerly accepted by him if patently related to the advancement of his personal interests. Unscrupulous capitalist businessmen could unload unprofitable projects merely by satisfying the personal-interest and social-revolutionary phraseology requirements. On the other hand, much useful and sound advice was either heavily discounted or entirely disregarded by him because it was proffered by persons whom he suspected of harboring bourgeois designs or who, in his opinion, had not yet shed the colonial mentality. This included Ghanaian businessmen, financiers, and civil servants. (Bretton, 1966: 112-113)

Nkrumah's self interest and fixation on Pan-African unity put Ghana into a bind. Not only did Nkrumah put Ghana into difficult economic straits, but he skimmed what he could off the top, in terms of real estate, commercial property, and enough currency deposited domestically and internationally to make him a multimillionaire (Bretton, 1966). He usurped some of the pre-existing institutions (such as the cabinet, ministers, the cabinet's contracts committee, or even a relevant agency) to personally award multimillion-pound contracts because this process gave him a greater opportunity to gain more personal benefit through bribes (Bretton, 1966). Increasingly, Nkrumah's concerns were more about a Pan-Africanist unity and less about his immediate responsibilities with regards to Ghana (Fage, 1995). Therefore, "a great part of the country's substantial reserves were being expended on projects which brought more prestige than revenue, and little was being done to control politicians and other leaders who put their own interest above those of their country" (Fage, 1995: 514-515).

The evidence from Nkrumah's leadership supports modernization theory and path dependence. Due to Nkrumah's leadership, not external factors, Ghana was unable to move past the second phase of Rostow's growth stages. Although there had been large profits from the agricultural sector, and a society that was moving away from traditional values, Ghana was not advancing in other sectors. The institutions and structures necessary to maintain a liberalized economy were subjugated to Nkrumah's self-interest and therefore rendered useless. Modernization theory also offers an explanation in that Nkrumah's lack of leadership rendered Ghana unable to grow economically at the pace needed for the take-off phase.

Path dependence is supported as an explanation by the randomness and inefficiencies in Nkrumah's decision-making process. Since socialism was the initial political philosophy present in Ghana after independence, it was the one that won out. In addition, the smaller contractual decisions that Nkrumah carried out resulted in inefficiencies and a retardation of economic growth. Dependency theory has the least traction in this explanation. Yes, Nkrumah was influenced by leaders from nations such as the UK and the US, and business people from these countries had at least the opportunity to exploit the Ghanaian economy, but much of the causes of Ghana's difficulties can be placed squarely on the shoulders of Nkrumah's corruption and economic ignorance.

Current Trade Relations

Ghanaian trade with the UK over the past twenty years or so has been fairly strong.

[Insert Figure 1 Here][1]

[1] There are some difficulties with using the source based on the methodology of its measurements. More recent editions of the CIA *World Factbook* contain percentages of trade with the top trading partners. Other editions simply list trade with the EU (or EC depending on the year). This is also true for other sources such as the WTO. For example, the WTO has total trade with Ghana and the EU. The IMF lists raw data for each country, but given changes in the value of the pound sterling, this was a bit more difficult data set to use for evidence. The data provided by HM Customs & Revenue is broken down by industry. Therefore, I have converted it to percentages to aid in interpretation. However, that more detailed data is only available online since 2000.

From 1984 until 1988, the UK was Ghana's largest trading partner (CIA). In the early 1990s, it was the second-highest trading partner after the United States (CIA). Imports from the UK comprised 22 to 23 percent of total imports into Ghana from 1993-1996 (CIA). During this same period, 12 to 13 percent of Ghana's exports were heading to its former colonial power (CIA). From 1996 until 2002, the UK was the country that sent the most imports to Ghana (CIA). For these years, the UK was listed as one of the top three countries receiving Ghanaian exports (CIA). This demonstrates both the stability and strength of the relationships forged during colonial times and the desire of both countries to continue this partnership.

The more recent numbers have dropped somewhat. In 2003, 10 percent of Ghana's exports were to the UK while 7 percent of Ghana's imports came from the UK (CIA). In 2007, 8.6 percent of Ghana's exports traveled to the UK while 5.6 percent of its imports came from the UK (CIA). This tends to support modernization theory as Ghana is now efficiently finding new trading partners for its products.

[Insert Figure 3 Here]

In the past eight years, the UK has sent anywhere from 0.07 percent (2002) to 0.10 percent (2007) of its exports to Ghana (HM Revenue and Customs). In contrast, on average, the UK receives 0.05 percent of its imports from Ghana (HM Revenue and Customs). Although this relationship appears miniscule, the number in the aggregate ignores the main commodities being traded between the two countries.

[Insert Figure 5 Here]

The concentration of trade for Ghana is still in its production of cocoa and cocoa paste. Since 2000, the trade in these products with the UK has shifted. There has been a tripling in the value of the cocoa exported while the value of cocoa butter exported has been halved (HM

Customs & Revenue). In 2000, the UK got 24.6 percent of its cocoa from Ghana, and in 2007 to date, it has received 52.5 percent of its cocoa from Ghana (HM Customs & Revenue). The figures for cocoa butter show a drop: the UK received 13.7 percent of it cocoa butter in 2000 from Ghana; now, it only gets 4.8 percent from Ghana (HM Customs & Revenue). This demonstrates market efficiency as Ghana is shifting its resources towards cocoa production, which is more profitable.

[Insert Figure 7 Here]

Proportionally, over the past eight years, the largest export from the UK to Ghana has been worn clothes. In 2000, 4.8 percent of the UK's used clothes went to Ghana (HM Revenue & Customs). This increased to 13.0 percent in 2004, but dropped in subsequent years until 2007, when 11.7 percent of the UK's worn clothes were destined for Ghana (HM Revenue & Customs). This shift could also be explained through an upswing in the charitable donations sent to Sub-Saharan Africa as a whole.

This evidence of the role of efficient markets and specialization tend to support modernization theory, but since the levels of trade have grown over the past few years, dependency theory also tends to be supported by this evidence. This is especially true due to the increase in the amount of cocoa sent to the UK. There is also the increase in the used clothing but it could be explained by an increase in charitable donations sent to Ghana. Path dependence also presents a feasible explanation since the growth in the Ghanaian economy right around the time of independence presented a lock-in of the importance of cocoa to Ghanaian trade.

Kenya

History & Colonial Governance

Contrasted with Ghana, Kenya had a much different colonial history in terms of what the purpose of colonization it was (i.e. extraction or settler), the type of colonial governance, and the leadership style after independence from the United Kingdom. The area first attracted the attention of British politicians because it was strategically important in a few ways. First, Kenya provided access from the Indian Ocean to the colony of Uganda (Fage, 1995; Mungeam, 1966). Uganda contained the headwaters of the White Nile, which legitimized the United Kingdom's power in Egypt, where the Nile flows into the Mediterranean. To facilitate access to Uganda, in the eyes of British politicians, it only made sense to control the land between Uganda and the Indian Ocean, and to build a railway from the port of Mombasa in Kenya to the interior of Uganda (Fage, 1995; Mungeam, 1966). Second, the UK could therefore control trade along the length of the river since it had control over Uganda, Sudan, and Egypt (Fage, 1995; Mungeam, 1966; Schraeder, 2004). In 1895, Kenya gained colonial status under the name the British East Africa Protectorate (Fage, 1995; Mungeam, 1966).

Kenya was a settler colony, which meant that the colony had a small but important number of Europeans who moved to the colony to farm large areas (Fage, 1995). In the cases of settler colonies like Kenya, "Indirect rule could hardly be applied to colonies [because]…Here there were white settlers who remained convinced that African society was a barbaric anachronism, who continued to put pressure on it to provide land and labour for their own activities, and who were able to influence or even control the local colonial administrations" (Fage, 1995: 415). By 1920, there were only 10,000 settlers, but they demanded their rights as subjects of the British Crown, were included in local legislative councils and wanted the British government to consider their interests first (Fage, 1995). Whites in Kenya used race to justify superiority and dominate Kenya socially and politically (van Zwanenberg and King, 1975). By

Kenya's independence, there were about 60,000 European settlers, most of them in the White Highlands, but this number represents less than 1 percent of the total population at the time (Fage, 1995).

This evidence seems to support dependency theory for several reasons. First, it demonstrates the importance of class during Kenya's colonial experience. Second, these issues of class led to a severely unequal distribution of power and structures within the colonial government. Third, these structures demonstrate the underdevelopment and exploitation of Kenya, and this is a key concept of dependency theory. In addition, this demonstrates that during colonization, Kenya was still on the first level of Rostow's development path and was unable to move forward because of the colonial government.

Colonial Economic Development

Kenya received imperial grants-in-aid until 1911 (Fage, 1995). However, these were not for development; instead, they funded the difference between revenue and essential, daily administrative costs (Fage, 1995). There was much less economic development in Kenya than in Ghana: "For many years, very little was done, in Kenya or elsewhere in British East or central Africa, by any active programme of educational, social or economic development, to prepare the African majority for participation in eventual self-government" (Fage, 1995: 454). The main reason Kenya did receive aid came in the "1950s, and then largely as a consequence of the rapid advance to self-government of colonies in West Africa (which, of course, had no European settlers)" (Fage, 1995: 454-455). Too few Europeans made the move to Kenya earlier in the colonial period to justify extensive colonial interest since the Europeans were outnumbered by Africans 250 to 1 (Fage, 1995).

Major changes in Kenyan agricultural policy came to fruition through two programs enacted by the Kenyan government in the mid-fifties. First came the Swynnerton Plan in 1954 and the East Africa Royal Commission in 1955 (van Zwanenberg and King, 1975; IBRD, 1963). The Swynnerton Plan enlarged the Kenyan government's role in agriculture by "consolidating and enclosing landholdings and establishing individual title to land, by providing capital and supervisory services, and by encouraging the extended production of cash crops and improved livestock, to enable farmers to derive an appreciable money income beyond the needs of subsistence" (IBRD, 1963: 14-15). In its first six years, from 1954 to 1960, the Swynnerton Plan spent £10.9 million on agriculture and as a result, the income from agriculture rose from £5.2 million to £7.1 million (IBRD, 1963). The East Africa Royal Commission wanted to "*remove all racial and political barriers which in any way inhibited the free movement of land, labour and capital*" (van Zwanenberg and King, 1975: 50). In addition, this commission recommended revisions in the methods of land sale and the promotion of African farmers (van Zwanenberg and King, 1975).

As a result of these programs, between 1940 and 1960, Kenya experienced massive growth in its agricultural sector. The number of cattle went up by 300 percent, the number of sheep rose 100 percent, and the yearly milk yields per cow rose by 24 gallons (van Zwanenberg and King, 1975). Technological changes also took place during this era; tractors replaced oxen and fertilizer use increased by a factor of 25 (van Zwanenberg and King, 1975). It has been estimated that between 1954 and 1960, £46,000,000 in capital was invested on the farms and used to build roads, dams, buildings, fencing, machinery and vehicles" (van Zwanenberg and King, 1975).

The manufacturing sector of the Kenyan economy came about as a result of the need to process agricultural products (IBRD, 1963). By the mid 1950s, manufacturing accounted for 10 percent of GDP; by 1960, Kenya was one of the most industrialized countries in East Africa (IBRD, 1963). These types of manufacturing sectors were focused in milling wheat and maize (IBRD, 1963). In addition, pineapple processing accounted for another large section of Kenyan produce manufacturing (IBRD, 1963). In 1961, Kenya generated £475,000 in exporting canned pineapple and pineapple juice which mainly went to the UK (IBRD, 1963).

Transitions in the Kenyan economy after independence were quite striking: "Wealthy, indigenous Kenyans, including several men well known in public life, bought farms from Europeans" (van Zwanenberg and King, 1975: 51-52). In addition, capital moved to Kenya due to the influence of the European settlers on their friends and colleagues back in Europe which allowed Kenya to finance development primarily through this revenue source (Fage, 1995; van Zwanenberg and King, 1975).

This evidence supports the hypothesis of modernization theory since the agricultural sector became much more productive through the influx of capital and new methods of farming. The money invested made the agricultural production more efficient and therefore more lucrative for Kenya. Due to the amount of capital invested, this would also tend to support path dependence as a possible explanation since that money was mainly used for agriculture; it cannot have been used for anything else. Therefore, the Kenyan investors would be better off continuing spending on agriculture. Dependency theory could also be a viable theoretical explanation since this money came through financing from the UK and the products traded as a result of the agriculture were with the UK (IBRD, 1963).

Role of Jomo Kenyatta

Kenya achieved its independence in 1962, and the leader of this movement was Jomo Kenyatta (Schraeder, 2004; Fage, 1995). At the time of independence, Kenyatta wanted to develop Kenya as quickly as possible to better the welfare of Kenyans (1968). In order to do this, Kenya spread its "commercial and trade contacts to countries with whom these activities had hitherto been either non-existent or negligible. Apart from the need to spread marketing risks, this step also suited our approach to international problems" (Kenyatta, 1968: 235). This meant maintaining Kenya's trade partnerships with Great Britain and expanding its partners to include other capitalist nations including the United States (Schreader, 2004). Kenya also began trading with the socialist countries of Europe and Asia, and Kenya's economy experienced some distinct benefits: "As a result of the trade agreements concluded with many of these countries, we have increased the volume of our external trade considerably. As the same time, we have maintained and increased trade in our traditional markets" (Kenyatta, 1968: 236). In addition, Kenyatta was a strong advocate for the reduction of tariffs and quotas to open Kenya to the world market which would increase trade (1968). This was indicative of the advantages experienced by countries using capitalism since, "The inherently open nature of capitalist free-market economies ensures that African capitalists are also the least likely…to impose significant restrictions on foreign investment" (Schraeder, 2004: 141).

Although Kenyatta was concerned about the high levels of unemployment at the time, he realized that the only solution was rapid economic development which would result in the formation of more jobs (Kenyatta, 1968). In addition, Kenyatta wanted to establish a mixed economy in Kenya, by which he meant that Kenyan private firms and the government would complement each other (Kenyatta, 1968). Furthermore, in Kenyatta's view, "in order to derive maximum benefits from our agreements for mutual trade with social countries, it is necessary to establish a single State-controlled agency. I must emphasize here that it is not the intention to swamp the distributive trade by a monolithic Government organisation, and there must remain a very large section of the economy under private enterprise" (1968: 237). In this sense, the government is serving its function in a liberal state as the referee for trade, but avoids other types of control.

Although this sounds a bit like the western understanding of socialism, Kenyatta saw his plans as most definitely rooted in capitalism (Kenyatta, 1968; Schraeder, 2004). Kenyatta provided for the protection of private property while still providing trade protection for fledgling industries (1968). The main document that explained this ideology was "African Socialism and its Application to Planning in Kenya" which promoted a "desire to ensure Africanization of the economy and the public service. Our task remains to try to achieve these two goals without doing harm to the economy itself and within the declared aims of our society" (Kenyatta, 1968: 273).

Development policy under Kenyatta was similar in many ways to Rostow's stages of growth since, in Kenyatta's view, "there is need to consider how modern techniques of resource management, including wildlife management, might be adapted to produce the optimum yields of revenue, employment and trade" (Kenyatta, 1968: 282). Even with these efficiencies in the marketplace, there were some cases of corruption within the Kenyatta regime since "national investment policies ensured the entry of Kenyan businesspersons, particularly those closely allied with the Kenyatta regime, into the tea and coffee plantation industries" (Schraeder, 2004: 141).

There were several positive results from Kenyatta's capitalist policies. First, until the mid-1970s, Kenya was one of the most stable East African countries (McWilliams and Piotrowski, 2005). Second, from 1963 to 1978, there was an annual increase of 3.4 percent in GNP (Schraeder, 2004). Third, during the 1970s, Kenya became more independent from foreign investment as it only constituted 4.5 percent of GDP (Schraeder, 2004). Fourth, by the end of the 1980s, the ratio of debt to GDP in Kenya was 34 percent, which was significantly less than that of other Eastern African nations (Schraeder, 2004). Finally, his decisions have had a lasting impact on Kenya's politics in that "Kenyatta's successors, presidents Danial arap Moi (1978-2002) and Mwai Kibaki (2002-present), have maintained Kenya's adherence to the capitalist model of development" (Schraeder, 2004: 134).

The evidence based on the rule of Jomo Kenyatta demonstrates support for modernization theory and path dependence. Since Kenyatta's leadership was able to secure the preconditions for take-off by establishing domestic institutions, expanding trading relations, and continued stability in economic growth, it fits quite nicely with Rostow's theory. In regard to path dependence, Kenyatta's leadership demonstrates that lock-in occurred during his leadership as per the decisions of his successors. In addition, Kenya decided to continue trading with its longstanding partners and, therefore, locked-in to trade with the UK which continued to grow (Schraeder, 2004; van Zwanenberg and King, 1975).

Current Trade Relations

Current trade relations as shown by the CIA *World Factbook* have over the past twenty years has been listed as relatively high in terms of trade with the UK.

[Insert Figure 2 Here]

From the available CIA *World Factbook* data, from 1991 to 1996, 44 to 47 percent of Kenya's exports were with the European Community (EC). During the same period of time, 45 to 46 percent of imports came from the EC. Although this data does is not broken down by country, it is apparent that Kenya was reliant upon First World nations in Europe to maintain its financial stability long after independence. This demonstrates Kenya's vulnerability to varying economic conditions if something were to happen to the EC's economy. When the CIA does start providing data specifically for Kenya's trading partners in 1997, 20.1 percent of Kenya's exports went to the UK and 21.3 percent of its imports came from the UK (CIA). Both of these numbers are almost halved in 1999 (CIA). The number rebounds in 2000, and the numbers for both imports and exports floats around 12 to 13 percent until about 2004. Again in 2005, there was a drop in the numbers. For 2007, exports were around 10 or 11 percent and imports were around 5 to 7 (CIA). This downward trend in the amount of trade would tend to support modernization theory since Kenya is trading less with its former colonizer.

[Insert Figure 4 Here]

UK trade with Kenya is, like its total trade with Ghana, quite small. Curiously, though, the numbers are quite similar for both imports and exports: both have floated around 0.08 percent to 0.10 percent since 2000 (HM Customs & Revenue).

[Insert Figure 6 Here]

Main sectors of exports for Kenya to the UK include coffee, tea, and also cut flowers (HM Revenue & Customs, 2000-2007). For many of the categories provided in the database, there is trade between the two, but compared to the total imports of the UK in these products overall, Kenya's exports are comparatively small. In these categories, it is also possible to see shifts between the products exported. Since 2000, the value of the coffee exported has been halved, and similarly, the percentage of total coffee imports that arrive from Kenya has been reduced from 3.5 percent to 1.9 percent. The percentages of total tea and cut flowers imports, on the other hand, have risen substantially. In 2000, 33.8 percent of the UK's tea came from Kenya. In 2007 to date, 51.1 percent of the UK's tea came from Kenya. For cut flowers during the same time period, it has risen from 6.4 percent to 8.8 percent. Throughout the past eight years, Kenya has supplied the UK with almost all of the flowers imported from Sub-Saharan Africa.

[Insert Figure 8 Here]

The products that are exported to Kenya are quite similar in nature to those exported to Ghana. In contrast to the flows of worn clothing in Ghana, Kenya has seen the importation of this product decrease substantially since 2000 (HM Revenue & Customs). In 2000, Kenya received 22.2 percent of the UK exports in this category (HM Revenue & Customs). In 2007, this was reduced significantly to 6.0 percent of total worn clothes exports (HM Revenue & Customs).

This evidence also supports modernization theory since the data shows efficiency and specialization in tea and flowers for Kenyan exports in addition to movement away from coffee in the group of products imported from Kenya. The data demonstrate that Kenya is still reliant on a few products for exports, so this supports dependency theory. On the other hand, though, dependency theory is not completely supported since Britain would be hard-pressed to find other sources for such large quantities of tea. Path dependence could also play a role here since Kenya has most definitely cornered a large share of the market for British imports of some agricultural products which reflects the agricultural decisions and spending made in the 1950s.

Conclusion

The results for the first hypothesis for modernization theory appear to be quite strong. Both Ghana and Kenya grew and diversified their trading partners over the course of their histories as they became more efficient in the production of cocoa and tea, respectively. In addition, the population in Ghana especially began to move away from a traditional society towards becoming a modern one with its increasing level of education and urbanization. In Kenya, the investment in the agricultural sector of the economy fueled the growth and efficiency in the products it traded with the UK. In the case of Ghana, due to Nkrumah's leadership, corruption, and governmental inefficiencies the country was unable to progress. Although corruption was present in Kenya as well under Kenyatta, the role of the market and capitalist philosophy tended to counteract those inefficiencies. Perhaps in the case of both countries, they were unable to move along Rostow's growth path as much as it would have been possible to do with total efficiency in the government. In addition, modernization theory is supported by the specialization of Ghana and Kenya in cocoa and tea, both cash crops that they sold in large quantities to the UK.

The results for dependency theory are not as persuasive as the results for modernization theory. Although both Ghana and Kenya are still reliant upon a few agricultural exports, as per Peter Evans' definition of a dependent country, the UK could not easily cut cocoa imports from Ghana or tea imports from Kenya without suffering some significant consequences. The role of class and class conflict in these situations seems to play a much smaller role than did investment. Both Ghana and Kenya have trading partners other than the UK, and in some instances the UK is not the most important partner. Therefore the concept of exploitation does not have much traction in answering the research question.

Path dependence presents a compelling explanation of the question when examined in the light of the decisions made immediately after independence and how they locked both Ghana and Kenya into certain tracks of development. Due to the large investment and profits within the agricultural sector, the products produced at about the time of independence have become lockedin to the system. This led to an increase in the trade conducted with the UK. Also, both countries had a wide range of possibilities available, but in both cases, the ideology of the first leader became dominant and lasting. Ghana especially experienced inefficiencies as a result of Nkrumah's leadership, but did not have the resources to combat the problem or change course. In Kenya's case, capitalism became locked in and economic development brought it out of a relatively poor colonial experience.

Overall, given these results, modernization theory presents the best explanation of the research question. Path dependence presents the second best. Although neither of these is completely perfect, they do provide a better fit than the dependency explanation for current trade relations of Ghana and Kenya with the UK. Ultimately, differences in colonies and their economic and political histories may provide the explanation for the differences in current economic and trade conditions. The ties of colonialism appear to be weakening, but the direction of the colonization process and the ideology of past leaders have put the countries on similar tracks that now make it difficult to change course.

Figure 1: Ghanaian Trade with the United Kingdom 1984-2007

Year	**Ghanaian Exports to the United Kingdom**	**Imports to Ghana from the United Kingdom**
1984	UK listed as Ghana's largest trading partner	UK listed as Ghana's largest trading partner
1986	UK listed as Ghana's largest trading partner	UK listed as Ghana's largest trading partner
1988	UK listed as Ghana's largest trading partner	UK listed as Ghana's largest trading partner
1991	UK listed second with less than 23% of total exports	UK listed second with less than 10% of total imports
1992	UK listed second with less than 23% of total exports	UK listed second with less than 10% of total imports
1993	12% of total exports	23% of total imports
1994	12% of total exports	23% of total imports
1995	11% of total exports	22% of total imports
1996	UK listed as third-highest country receiving Ghanaian exports	UK listed as sending the most imports to Ghana
1997	UK listed as country that received the most Ghanaian exports	UK listed as sending the most imports to Ghana
1998	UK listed as country that received the most Ghanaian exports	UK listed as sending the most imports to Ghana
1999	UK listed as country that received the most Ghanaian exports	UK listed as sending the most imports to Ghana
2000	UK listed as second-highest country receiving Ghanaian exports	UK listed as sending the most imports to Ghana
2001	UK listed as second-highest country receiving Ghanaian exports	UK listed as sending the most imports to Ghana
2002	UK listed as second-highest country receiving Ghanaian exports	UK listed as sending the most imports to Ghana
2003	10% of total exports	7% of total imports
2004	9.7% of total exports	7% of total imports
2005	10.6% of total exports	6.7% of total imports
2006	10% of total exports	6.6% of total imports
2007	8.6% of total exports	5.6% of total imports

Sources: CIA World Factbook

Figure 2: Kenyan Trade with the United Kindgom 1984-2007

Year	**Kenyan Exports to the United Kingdom**	**Imports to Kenya from the United Kingdom**
1984	EC listed as group of countries conducting the most trade with Kenya	EC listed as group of countries conducting the most trade with Kenya
1986	EC listed as group of countries conducting the most trade with Kenya	EC listed as group of countries conducting the most trade with Kenya
1988	EC listed as group of countries conducting the most trade with Kenya	EC listed as group of countries conducting the most trade with Kenya
1991	47% of exports went to the EC	45% of all imports came from the EC
1992	47% of exports went to the EC	45% of all imports came from the EC
1993	44% of exports went to the EC	45% of all imports came from the EC
1994	44% of exports went to the EC	45% of all imports came from the EC
1995	44% of exports went to the EC	46% of all imports came from the EC
1996	44% of exports went to the EC	46% of all imports came from the EC
1997	20.1% of total exports	21.3% of total imports
1998	20.1% of total exports	21.3% of total imports
1999	10.4% of total exports	13.2% of total imports
2000	13% of total exports	12% of total imports
2001	15% of total exports	12% of total imports
2002	13.5% of total exports	12% of total imports
2003	13.5% of total exports	12% of total imports
2004	13% of total exports	7.1% of total imports
2005	11.7% of total exports	7.4% of total imports
2006	11.3% of total exports	6.7% of total imports
2007	10.2% of total exports	5.4% of total imports

Sources: CIA World Factbook

Figure 3: United Kingdom Trade with Ghana 2000-2007

Year	United Kindgom Exports to Ghana	United Kingdom Imports from Ghana
2000	0.09% of total exports	0.05% of total imports
2001	0.08% of total exports	0.06% of total imports
2002	0.07% of total exports	0.05% of total imports
2003	0.09% of total exports	0.06% of total imports
2004	0.09% of total exports	0.05% of total imports
2005	0.08% of total exports	0.05% of total imports
2006	0.08% of total exports	0.05% of total imports
2007	0.10% of total exports	0.05% of total imports

Sources: HM Revenue & Customs

Figure 4: United Kingdom Trade with Kenya 2000-2007

Year	United Kingdom Exports to Kenya	United Kingdom Imports from Kenya
2000	0.09% of total exports	0.09% of total imports
2001	0.09% of total exports	0.09% of total imports
2002	0.09% of total exports	0.10% of total imports
2003	0.09% of total exports	0.09% of total imports
2004	0.10% of total exports	0.09% of total imports
2005	0.09% of total exports	0.08% of total imports
2006	0.09% of total exports	0.08% of total imports
2007	0.10% of total exports	0.08% of total imports

Sources: HM Revenue & Customs

Figure 5: Product Concentration of Trade between Ghana and the United Kingdom 2000-2007

Year	Commodity	Gross imports to UK in £ of this commodity	% of total UK imports of this commodity	% of sub-Saharan African imports of this commodity	% of non-EU imports of this commodity
2000	Cocoa	20,406,037	24.6%	26.5%	25.4%
	Cocoa Butter	7,695,967	13.7%	50.7%	43.6%
2001	Cocoa	49,678,886	39.8%	41.7%	41.1%
	Cocoa Butter	7,200,820	12.4%	61.6%	52.9%
2002	Cocoa	49,850,679	32.3%	33.6%	32.6%
	Cocoa Butter	5,055,272	5.8%	44.1%	18.3%
2003	Cocoa	66,178,632	40.6%	44.3%	40.7%
	Cocoa Butter	5,782,227	7.3%	37.9%	15.9%
2004	Cocoa	67,184,752	56.2%	56.9%	56.2%
	Cocoa Butter	4,875,056	5.4%	31.4%	12.2%
2005	Cocoa	67,653,995	55.9%	60.9%	58.1%
	Cocoa Butter	5,019,841	4.9%	41.3%	15.0%
2006	Cocoa	67,653,995	55.9%	60.9%	58.1%
	Cocoa Butter	5,019,841	4.9%	41.3%	15.0%
2007	Cocoa	61,536,909	52.5%	61.2%	55.7%
	Cocoa Butter	3,840,576	4.8%	46.0%	11.9%

Sources: HM Customs & Revenue

Figure 6: Product Concentration of Trade between Kenya and the United Kingdom 2000-2007

Year	Commodity	Gross imports to UK in £ of this commodity	% of total UK imports of this commodity	% of sub-Saharan African imports of this commodity	% of non-EU imports of this commodity
2000	Coffee	6,593,360	3.5%	48.1%	5.6%
	Tea	69,907,529	33.8%	54.7%	34.5%
	Cut Flowers	22,888,711	6.4%	95.5%	33.7%
2001	Coffee	5,036,631	3.4%	49.6%	6.0%
	Tea	78,447,235	38.8%	62.8%	40.2%
	Cut Flowers	31,859,448	7.7%	95.2%	43.2%
2002	Coffee	4,041,997	3.0%	53.9%	5.4%
	Tea	75,030,425	39.9%	67.9%	41.8%
	Cut Flowers	35,170,789	6.4%	95.6%	46.8%
2003	Coffee	4,336,658	2.9%	54.1%	5.4%
	Tea	70,602,190	42.5%	76.0%	45.6%
	Cut Flowers	35,077,959	6.4%	95.7%	44.7%
2004	Coffee	5,210,044	3.0%	59.9%	6.0%
	Tea	73,773,373	46.2%	80.7%	48.5%
	Cut Flowers	46,112,261	8.7%	93.2%	54.1%
2005	Coffee	5,746,034	2.5%	50.8%	4.8%
	Tea	80,336,960	44.8%	84.0%	47.0%
	Cut Flowers	54,065,517	9.8%	96.0%	51.5%
2006	Coffee	5,746,034	2.5%	50.8%	4.8%
	Tea	80,366,960	44.8%	84.0%	47.0%
	Cut Flowers	54,065,517	9.8%	96.0%	51.5%
2007	Coffee	3,264,710	1.9%	38.2%	3.2%
	Tea	55,625,966	51.1%	84.9%	54.3%
	Cut Flowers	36,805,097	8.8%	94.1%	48.5%

Sources: HM Revenue and Customs

Figure 7: Product Concentration of Trade between United Kingdom and Ghana 2000-2007

Year	Commodity	Gross exports from UK in £ of this commodity	% of total UK exports of this commodity	% of sub-Saharan African exports of this commodity
2000	Worn Clothing	3,257,329	4.8%	6.9%
2001	Worn Clothing	4,773,776	6.7%	9.9%
2002	Worn Clothing	6,844,539	8.0%	9.3%
2003	Worn Clothing	11,471,468	11.1%	20.5%
2004	Worn Clothing	14,124,836	13.0%	24.8%
2005	Worn Clothing	20,153,803	12.9%	28.3%
2006	Worn Clothing	20,153,803	12.9%	28.3%
2007	Worn Clothing	14,805,649	11.7%	28.7%

Sources: HM Revenue and Customs

Figure 8: Product Concentration of Trade between United Kingdom and Kenya 2000-2007

Year	Commodity	Gross exports from UK in £ of this commodity	% of total UK exports of this commodity	% of sub-Saharan African exports of this commodity
2000	Worn Clothing	15,130,835	22.2%	31.9%
2001	Worn Clothing	14,608,941	20.5%	30.2%
2002	Worn Clothing	14,342,816	16.7%	27.4%
2003	Worn Clothing	13,174,130	12.7%	23.5%
2004	Worn Clothing	12,918,936	11.9%	22.6%
2005	Worn Clothing	11,430,019	7.3%	16.1%
2006	Worn Clothing	11,430,019	7.3%	16.1%
2007	Worn Clothing	7,616,174	6.0%	14.7%

Sources: HM Revenue and Customs

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