WOMEN IN INFORMAL CROSS BORDER TRADE IN EAST AFRICAN COMMUNITY

Informal cross border women traders across the region do not use available formal systems/structures for most of their transactions. This makes it difficult for regional trade policy initiatives such as under East African Community (EAC) and the Customs Protocol to have any significant impact on informal trade by women.
Introduction

Studies have shown that most trade within the east African region is informal mainly in agricultural produce and that it involves millions of individual traders often selling their farm produce at the nearest local markets. It has also been proven that the biggest majority of such traders are women and that income from such informal trade is the main source of livelihood for majority of families within the region. Most predictions about growth in production of goods and services often recommend focusing on this sector for large scale poverty reduction. Food security and general security related studies, that show that one makes great strides when food poverty is reduced by focusing on family driven small scale agricultural production, processing and marketing of agricultural produce. Growth in these sectors at the lowest levels of production has been shown to enhance stability.

Most informal cross-border traders (ICBT) fall within this category of largely seasonal agricultural traders who seek to send produce and goods where they are needed across the borders often in the search for better prices than what is offered in the immediate locality of their residence\(^1\). Women and girls constitute the largest number of these traders often transporting the produce on their heads or on their backs. Typical characteristics of ICBT have been documented as being informal meaning that they are not registered as traders and neither do majority belong to any trading, business or even agricultural societies\(^2\).

Research findings show that informal cross border women traders across the region do not use available formal systems/structures for most of their transactions which makes it difficult for regional trade policy initiatives such as under East African Community (EAC) and the Customs Protocol to have any significant impact on this informal trade by women\(^3\). Such findings still persist despite informal cross-border trade coming under the spotlight for purposes of alleviating poverty in general and feminized poverty in particular. For this to happen effectively and efficiently, policy and institutional reforms should respond to the needs of women ICBT by creating an enabling environment for traders to operate profitably and safely.

Studies also enumerate numerous non-tariff barriers to informal cross border trade that include government officials charged with the responsibility of facilitating trade within the legal policy frameworks of different EAC states as well as agreed under the EAC customs protocol. Other non-tariff barriers include the trading environment that includes the state of trade infrastructure at border points and the erratic behavior of officials making business unpredictable. The tables below summarize how women are affected by regional trade:

---

# Mapping of ICBT Situation Measured Against Common “Drivers of Trade”

<table>
<thead>
<tr>
<th>Drivers of Trade</th>
<th>+VE About Situation</th>
<th>-VE About Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peace and security</td>
<td>Region is becoming more peaceful- less violence that would interfere with trade</td>
<td>General peace is often not replicated in SGBV situation so women still face violence</td>
</tr>
<tr>
<td>Existence of entrepreneurs and related skills</td>
<td>Largely not lacking among women and men-Women form majority of ICBT</td>
<td>Cross border trade skills and knowledge &amp; engagement protocol not well understood</td>
</tr>
<tr>
<td>Goods and services to trade</td>
<td>Plenty of goods and services and demand for the same across borders</td>
<td>Issues of regulation, and implementation of removal of tariff barriers and non-tariff barriers such as security for women ICBT limiting market access</td>
</tr>
<tr>
<td>Trade Infrastructure</td>
<td>-Improvements in policy legal with signing of the treaty, and coming into force of the protocol&lt;br&gt;-Existence of government, private sector and CSO trade institutions&lt;br&gt;-Improvements in regional market access by removal of some immigration, licensing and trade barriers</td>
<td>-Policy legal gaps with regard to Women ICBT &amp; credit support&lt;br&gt;-Existing institutions do not adequately address issues of women ICBT&lt;br&gt;-Border facilities and officials badly designed and constraining trade particularly by women ICBT&lt;br&gt;--Numerous non-tariff barriers exist&lt;br&gt;-Road &amp; other physical infrastructure at border a problem</td>
</tr>
<tr>
<td>Regional Interest and enthusiasm for cross border trade</td>
<td>A lot of interest shown</td>
<td>Some significant fears expressed about competition and other implications of trade-limited knowledge</td>
</tr>
</tbody>
</table>
### General Challenges to Realization of targets for cross Border Trade

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non- tariff barriers</td>
<td>Remain a challenge to free movement of goods and people within the region; biggest challenge to women ICBT</td>
</tr>
<tr>
<td>Tariff barriers</td>
<td>Ought to have been phased out but continue hampering the Regional Integration of business sector</td>
</tr>
</tbody>
</table>
| Domestication of EAC laws        | - Failures of member states to domesticate EAC laws states to fully take effect on trade  
                                 | - Lack of comprehensive understanding of EAC protocols and other legal frameworks  
                                 | - Confusion is critical among border officials & local government making it difficult for ICBT   |
| Nationalism versus regional      | Narrow isolationist nationalism by member countries or certain business and political interests groups within those countries  
                                 | integration  
                                 | - Fuel hostility from officials to women ICBT                                                                                         |
| Participation                    | Limited formal participation by all stakeholders to integration processes, since the process has remained un-inclusive of public interests, hence undemocratic  
                                 | - So far little space to lobby for women ICBT                                                                                         |
| Evolving EAC institutions        | Currently weak EAC institutions to help address the above challenges has made member countries to be more stronger than the EAC itself therefore weakening the effectiveness of such institutions |

*ICBT*: Integration of Common Border Trade
Summary of Main Challenges Specific to ICBT

The most highlighted challenges faced by women ICBT may be summarized as below:

1. Crossing borders is a risky even dangerous business for women traders who face, extortion, harassment, physical and sexual violence as well as related harassment and financial loss through direct robbery as well as bribes and illegal levies-these tends to undermine women’s livelihoods.
2. Traders operate within an unregulated “survival economy”, they lack representation and even official recognition by legal entities and structures as traders. A most unfortunate result of the anonymity of such trade is that they are often regarded as “illegal traders” with customs, security and immigration officials legitimizing the harsh treatment they suffer on the basis of illegality. In extreme cases, the business is criminalized as smuggling which tends to make it more dangerous for the traders.
3. Existing policy-legal framework for operations of women ICBT is weak both in specificity of content but even more lamentably so in implementation. There is a considerable body of rhetoric about enhancing trade by ICBT but very few workable policy interventions and even fewer actions targeting this sector. Part of the problem in policy formulation has to do with inadequate empirical research both in facts and figures of what is traded, who trades where and how much income is generated as well as on conditions of ICBT trade.

What is to be done to enhance trade by women ICBT?

The studies cited above have made a number of practical suggestions that may improve conditions of trade for ICBT as well as lead to the growth of the sector and improvement of livelihoods across the region through improved trade environment. The most immediate and potentially most effective interventions have to do with improving management of borders.

Crossing Borders

The main problem has to do with border management; women ICBT largely avoid official cross points as a way of dealing with expected bad treatment. The negative implications for trade are that such avoidance limits flow of goods as well as making it more expensive as women often resort to third parties to transport goods through informal and dangerous border routes. By using informal routes mainly through unpatrolled border crossing women ICBT entrench the perception of illegality of the trade and unwittingly attract criminal elements who offer discrete courier and protection services. Such criminal gangs further endanger the lives of women traders apart from contributing to general insecurity in border areas and as a result undermining legal trade. Studies have also shown that criminal gangs operating along the borders strengthen bribery networks as security and trade officials work

4 Masinjila, M documents case studies of individual traders as well as other information on why and how traders avoid official border posts.
5 Referred to by Kenyan security as “panya” (rat in Kiswahili) routes
with them to extort bribes from traders or their agents in order to look the other way when goods are being ferried across. The creation of attendant corruption networks between criminals and government officials constitutes a major threat to development of free regional trade since it is resisted by such networks who fear losing their illegal income.

The solution to free legal flow of trade across borders is to improve border management to make it predictable, transparent, efficient and comfortable both for traders and border officials. On one hand, policy should be strengthened to be more clear on such mundane issues as, personnel and agencies that need to be at the border and their roles and responsibilities. Testimonies of women and even male ICBT show that what matters in practice is the temperament and known behavior of individual border officials. Too much effort is spend in studying idiosyncratic traits of officials both at work and in their private social engagements to enable the trade syndicates assist women to cross over with goods even when such goods are allowed by law. Border officials have become a law onto themselves in acts of impunity that makes cross border trading unpredictable and more risky than it should be in normal circumstances. Policy should clarify and put in place practical and enforceable measures such as, issuing of receipts, elaborating procedure and/or process/tax exemption documentation and convenient payments at preferably one designated points to avoid unnecessary and time wasting movement form office to office to pay different levies.

In second place design of border points should be improved to include gender specific needs of traders and in particular women traders. Case studies and other information testify to the added insecurity that leads to sexual harassment and violence against women traders at border points particularly at night. Such threats come from security as well as other border officials but also from opportunist criminal males who hang around border points in anticipation of taking advantage of women traders in distress. Duplication of border checks and levies at the entry and exit points from one country to another are a further threat to women traders as they have to factor in stereotyped but real expected “national” behavior traits of officials. It would therefore be more practical, efficient and cost saving for traders and respective government authorities to share border points/facilities. It may cut by half time spent to cross the border and save trader a lot of stress and money.

The third layer of interventions at border crossings has to do with training and reforming border officials to know their official responsibilities and to motivate them to conduct themselves in a manner that enforces the law as well as promoting trade in the broadest sense of the word. It may be important for all training to frame the mission of border officials as that of promoting trade and free movement of people from one trading block to another. Currently, research shows that border officials perceive themselves as gatekeepers in the narrowest sense of the word that denotes allowing someone in or keeping them out. They do not seem to conceptualize their other role in a free trade environment of being border midwives of free trade. Such training should be given in equal measure to security officers whose narrow grasp of security matters sees them over exert themselves in the name of protecting national interests. Available literature shows security officers as a major non-tariff barrier to trade that should be purposively targeted. It may need respective state authorities giving special training to officers posted along borders and not treating them as any other outpost. Closely related are security agents particularly along highways inland but close to respective borders who are known to put road blocks and further harass traders.
often with a thin grasp of the law and policy regarding cross border trade. Reports that such road blocks are used for extortionist purposes make it noteworthy that training and motivation of border officials will not be fully enabling of trade if other irregular and unpredictable gatekeepers such as security agents at roadblocks are not targeted.

An important aspect of training should be on sexual harassment and sexual offenses using both, UN treaties and policy frameworks as well as laws and policies of respective countries regarding security agents and other public servants professional code of conduct. Respective government departments should put in place Human Resource (HR) mechanisms to investigate and deal decisively with sexual offences both in the office and during interactions with clients. Medical facilities along borders should be equipped with capacity to deal with sexual abuse victims as well as supporting law enforcement mechanisms such as the courts convict offenders through collection and preservation of forensic evidence. It has to be emphasized that what may appear as simple measures such as requiring governments to avail equitable numbers of female and male officials and to insist that inspections of women only be done by female officers will go a long way in improving the conditions under which women trade.

Women ICBT Traders and Policy Legal Trading Environment

It is imperative that policy makers understand the dynamics of the women ICBT trading environment adequately in order to make specific and actionable policy interventions. Among issues to be addressed in policy and practice is having a workable definition of ICBT and the holistic socio-economic and political environment of “informality” to distinguish it from the tradition of equating it to criminality. The understanding of trade should be officially broadened to include the smallest of traders and their concerns rather than restricted largely to official “tax paying” and registered traders. Such policy has of necessity to be prospective in order to create and manage conditions under which women ICBT may be identified, recognized, registered and enabled to formalize their trade in a regime that promotes their trading uniqueness and needs. It may involve a process of crafting policy on reality of the trading environment of women ICBT as opposed to traditional paradigms of enabling women ICBT fit into what is understood as the formal trading environment.

Women ICBT Policy needs to provide practical solutions to issues of organizing women for trade that may need to find out and give formal recognition and legitimacy to existing networks that may not be perceived in formal business circles as business/trade associations. Alongside this are issues of representation and dialogue with women traders- a method has to be put in place for identifying or building conditions and capacity for genuine women ICBT leadership and representation. It may also make clear what forums exist or may be put in place for dialogue that may inform public policy and provision of technical support.

Policy should address concerns of women ICBT regarding formalizing their trade such as fear of taxation and competition after disclosure and provide practical and accessible incentives for the formalization process. Women have to see the added value of treading the formal path and assurance and support should be availed from the highest levels. It may also help that the different trade regimes, departments and agencies including the revenue authorities should be wired into the process of actualization of such assurances in order to
convince women ICBT that all their fears are taken care of. Above all government policy, rules and procedures should be simple, clear and easy to demonstrate and follow by even semi-literate traders who constitute a considerable number of the women ICBT. Effort should also be made to reach them through women friendly intermediaries who may be already working with on different ventures (not necessarily of an overtly business nature). The issue of trust is crucial to the success of work with women ICBT and no effort or strategy should be spared to earn the trust of women.

**Monitoring and evaluation**

Another important activity is to do with continuous and sustained monitoring and evaluation framework to measure the progress of women ICBT. For the M & E to be effective, it has to involve the participation of women ICBT in the planning and even the identification of indicators of success. Resource people have to listen to women ICBT when they prescribe or suggest unconventional indicators in trade such as say solidarity group synergy and capacity to respond to members social needs being given high priority as indicators of success. This is because success to women ICBT as to other “community level” women organization members is often looked at in a more holistic manner as improving general welfare of the family rather than as incremental growth in finances and business opportunities. Women’s associations should also follow what is being monitored and enabled to have capacity to monitor their own progress with minimum interruption.

For M & E on women ICBT to be possible EAC should aim to develop baseline data/information and indicators for programming. Information contained in the baseline should include: quantitative and qualitative data and information,

**On legal policy and institutional frameworks**

- State/EAC policy and regulatory frameworks and what impact they have/are supposed to have on women ICBT
- Opportunities for women ICBT in (above) national frameworks and uptake so far
- Assessment of gaps in relation to women’s economic empowerment in general and women in cross border trade in particular in those frameworks
- The participation and representation of women in institutions, processes and forums which formulate these frameworks and those that develop trade policies

**On overall operating environment of women in ICBT, including**

- Operational macroeconomic and social context
- Trends and changes in ICBT and the informal trade sector
- Impacts of changes (above) on women’s activities and position in ICBT
- Key players in ICBT and their strategies, including the institutions that are currently providing services to women engaged in ICBT.

It should also present an analysis of:

- What activities the diversity of women traders undertake in ICBT, their determinants and constraints
• Mapping of where women are located within the production and value chains at different levels as well as their routing patterns
• Women’s organizing capacities and strategies,
• The different types of issues and barriers facing women engaged in ICBT

Identification of responses that should be provided for addressing those issues and barriers at the policy level as well as in terms of service provision

**Conclusion**

It is apparent that optimum benefits from regional integration and trade shall only be realized when there is truly free movement of people and goods across the borders of the EAC states. Rampant fear, skepticism and cynicism that is common among women ICBT might derive from relative ignorance of the text of the treaties and customs protocol but it is even more so derived from practical observation of conditions of trade in a socio-historical perspective by traders whose meeting with policy and law is not in documents but in the faces, personalities and behavior of government officials they have to deal with at the borders. In this way, women ICBT are at the frontline of effects of integration policy legal reforms and actions and would therefore form a good barometer with witch to measure progress. Added to this is the fact that they constitute the majority of traders and improvement in their conditions would have the greatest impact numerically across the region. Women ICBT therefore have to feel the treaty and protocol for there to be any significant gains and this may only happen when;

• Government officials including security fully understand and buy into the idea of regional integration and free trade to the extent that they play their new role as facilitators of free movement and trade rather than as punitive border gatekeepers
• Women ICBT are informed, mobilized, organized and facilitated to be represented and to participate in decision making on regional trade particularly on matters that affect them
• Issues of achieving holistic trade infrastructure from improving legal policy frameworks to adopting physical amenities such as border posts to the gender specific needs of migrants and traders have to be looked into

It is imperative to emphasize that efforts to improve conditions of trade equally for women ICBT is not just an issue of fairness or social justice even when this are good enough reasons, there are many additional benefits that will accrue from a better trading environment if such efforts are successful. Livelihoods for poor women and by extension poor households across the region will be secured through increased reliable income flows from trade. Liberalization of trade in food items shall lead to better access and with it improved food security with regard to availability even with the challenges of crop failure in many parts.

---

6 as witnessed in the literature
There is evidence to show that food shortages in parts of the region are caused not by scarcity but by inability of traders from the region to access those markets. It is also highly possible that producer prices will improve because of more predictable markets and with it stimulation of overall production of goods and services. This would be a sure way of reducing rampant feminized poverty across the region. Other benefits will come from formalized trade that will see women ICBT recognized and enabled to benefit from services such as credit. Multiplier effects of such an improved trading environment for ICBT shall include more peace along the borders and a reduction in SGBV particularly targeted at women and girls.

References


