

Cross-border Women Trade in Eastern Africa: The Policy and Institutional Landscape

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Women in Trade Programme

This brief synthesizes the results of the baseline study on women cross-border traders in Eastern Africa, conducted for the TradeMark East Africa's (TMEA) 'Women in Trade' (WiT) programme. The WiT programme strives to contribute to greater inclusion of women in trade in Eastern Africa. This brief focuses on the policy and institutional landscape of cross-border women trade in Eastern Africa.

Key messages

- The trading environment for cross-border women traders is still challenging with unfavorable policy and institutional aspects related to prohibitive transaction costs, difficult border environment, lack of confidence in border authorities to handle issues of harassment, low level of awareness of crucial EAC trade regulations, and weak women Cross-border Traders Associations (CBTAs).
- To address the policy and institutional landscape for cross-border women trade, it is imperative to: expedite the operationalization of regulatory/customs frameworks: enhance the creation of a good, gender-sensitive trade environment, enhance awareness of trade regulations, improve legal structures to enhance reporting of harassment, and facilitate increased role of CBTAs.

1. Why focus on Women Cross-border Trade?

Over the years, trading activities have been an essential source of livelihoods – and consequently a catalyst for economic empowerment – for the majority of women in African countries. Pro-poor and gender sensitive trade is considered an integral pathway towards women empowerment (UNDESA, 2015). Among other forms of trade, cross-border trade (CBT) is a vital facet of African countries' economies. Estimates show that CBT contributes to the income of about 43 per cent of the entire population, constitute 35-40 per cent of Gross Domestic Product (GDP), and forms a sizable part of overall inter African trade by 50 per cent (World Bank, 2016; IMF, 2017).

For most women near borders, participation in CBT is an essential strategy for securing decent livelihood outcomes. Women participate in both formal and informal cross-border trade (ICBT). Essentially, ICBT is primarily dominated by vulnerable, and often unregistered traders. Of these, women constitute a sizable proportion (UNICTAD, 2019). Specifically, women make about 70 per cent of informal cross-border traders in Africa (Koroma et al., 2017). Overall, ICBT accounts for between 50 per cent and 60 per cent of total intra-African trade (Fundira, 2018), and supports up to 60 per cent of non-agricultural self-employment of women within the SSA and thus provides vital income to sustain their households (Benton and Soprano, 2018).

Despite women constituting a sizable proportion of players in cross-border trading activities, as well as persistent challenges related to their active, equitable and sustainable participation, women in trade is a policy area that has so far not received requisite attention.

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2. The TMEA's 'Women in Trade' Programme

The TMEA's Corporate Strategy 2017-2023 is anchored on two strategic objectives: reduced barriers to trade; and improved business competitiveness. Anchored within the second objective of improving business competitiveness is the 'Women in Trade' Programme (WiT). The programme aims at contributing to the greater inclusion of women in trade as one of the pathways to increased business competitiveness and increased trade in the East African Community (EAC) and the Democratic Republic of Congo (DRC). To achieve its aims, the programme pursues two objectives: (i) increasing trade value and incomes of women traders by addressing the constraints faced by women as they gradually transition to formal trade and ensure that they trade gainfully; and (ii) increasing women traders through the elimination trade entry barriers for women across the EAC.

Box 1: TMEA's Work on Women (Corporate Strategy I)

- Since its establishment in 2010, TMEA work has focused on reducing barriers to trade and increased business competitiveness. The organization combines a regional approach with national-level interventions and works closely with East Africa institutions, national governments, private sector and civil society organizations.
- Responding to prevailing challenges faced by women in trade in EAC, and in line with its practices, TMEA, over the years, has joined forces with a wide range of stakeholders to implement interventions that address some of the specific challenges faced by women traders.
- In its Corporate Strategy I (S1, 2010-2017), over 27,000 women traders in Uganda, Kenya, Rwanda, Burundi, Tanzania and South Sudan (consisting of women entrepreneurs, exporters, urban traders, processors and informal cross border traders) have benefitted from these interventions, as envisioned in TMEA Corporate Strategy I.

The programme addresses these objectives through a three-pronged approach that responds to the constraints at policy, sectoral and enterprise level. The key focus areas of the program are (i) improving the trading environment for women in trade; (ii) building trade capacity of women traders/Small Medium Enterprises and institutional capacity for trader associations/cooperatives for increased market access and trade value; and (iii) increasing transparency of and access to trading and market information through Information Communication Technology (ICT) based solutions. The WiT programme operates in several borders in East Africa and DRC and targets to benefit at least 300,000 women traders.

Box 2: Baseline Study Data and Methodology

- The baseline study covered ten border posts covering six (6) countries: Kenya, Tanzania, Uganda, Burundi, Rwanda, and the Democratic Republic of Congo (DRC). The borders include: Bugarama /Kamanyola (Rwanda/DRC); Busia (Kenya/Uganda); Elegu/Nimule (Uganda/South Sudan); Gatumba/Kavimvira (Burundi/DRC); Goli/Mahagi (Uganda/DRC); Malaba (Kenya/Uganda); Mutukula (Uganda/Tanzania); Namanga (Kenya/Tanzania); Rubavu/Goma (Rwanda/DRC); Rusumo (Rwanda/Tanzania). These border points represent the major trading points in CBT among the EAC countries and the DRC
- Of the estimated 27,953 cross-border women traders operating in the targeted border points, the study used a systematic random sampling technique to draw a sample of 871. Using questionnaires, semi-structured interviews as well as Focus Group Discussions (FGDs), the study collected quantitative and qualitative data from the selected cross-border women traders as well as from leaders of Women Cross-border Traders Associations (WCBTAs), Government/ Border officials and NGOs.
- In terms of data analysis, the study employed content analysis and the narrative analysis for qualitative data, and descriptive and regression techniques for the analysis of quantitative data.

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3. The Policy and Institutional Landscape

The baseline study provides several vital insights, with respect to the policy and institutional landscape of cross-border women trade in Eastern Africa:



Transaction costs related to cross-border trade are still significant. Results show that women traders incur multiple costs when conducting CBT, the dominant being costs related to transport, local levies, custom duties, taxes and illicit payments (bribes). 89 per cent of women traders indicate transportation costs to be the most significant cost component in their trading. Local daily levies, customs/duties and taxes also contribute considerably to heightening of transaction costs. Transaction costs in CBT are particularly a challenge to women, especially those in informal CBT. The high costs can in part, be attributed to overall inadequate trade facilitation support for traders particularly for small cross-border women traders.



Trading environment at borders is still challenging. Results reveal that cross-border women traders still encounter considerable problems when crossing borders. A sizable proportion of women traders (about 57 per cent) cite bribes, harassment/abuse, rude behaviour by border officials, long waits, illegal confiscation of goods, and fines as common problems encountered when crossing borders.



There is minimal reporting of incidences of harassment and abuse to authorities. Despite the presence of harassment or abuse incidents in CBT, fewer women (24.6 per cent) report the same to relevant authorities. Among other reasons, most women traders indicate that they have low confidence in securing justice from the appropriate legal jurisdiction.



Membership in CBTAs is still low. Less than half of cross-border women traders belong to cooperatives or associations. Notwithstanding the benefits of being a member of CBTAs, membership level of women traders is still low. There is, however, considerable variation across borders in which some have considerably more women traders belonging to cooperatives or associations than others. Further, cooperatives appear to provide services that are rated positively by more members (about 62 per cent are very satisfied) compared to associations.



The level of awareness of crucial EAC trade regulations is remarkably low. Cross-border women traders appear to be aware of only a handful of EAC trade regulations. Specifically, the majority are mostly unaware of regulations related to the Simplified Trade Regime (STR) and ECGLR Protocol. Results also reveal that awareness of EAC trade regulations is associated with the education of women traders, business registration status, and membership in CBTAs.

4. Key Lessons and Recommendations for Policy

The baseline study generated several key lessons for the TMEA's work on women in trade:

1. **Expedite operationalization of regulatory/customs frameworks.** Findings reveal that transaction costs related to cross-border trade are still significant, with women traders incurring multiple and often prohibitive costs related to transport, local levies, custom duties, taxes and illicit payments (bribes). It is thus imperative therefore to facilitate operationalization and harmonization of frameworks such as Simplified Trade Regime (STR) in all borders. Importantly, the TMEA and other stakeholders should continue to advocate for regulatory/customs frameworks that are suitable to the largely small-scale

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nature of cross-border women traders' businesses.

2. **Enhance the creation of a good, gender-sensitive trade environment.** The trading environment at borders is still challenging, particularly for cross-border women traders. They still encounter problems such as bribes, harassment/abuse, rude behaviour by border officials, long waits, illegal confiscation of goods, and fines when crossing borders. Policy efforts should aim at further enhancing trade facilitation, and in particular, having gender-sensitive border environment and procedures as well as trading regulations. These are important for reducing the transaction costs associated with border crossing for women traders. For the WiT programme, sustained efforts should be put on scaling up interventions that aim at enhancing meaningful participation of women in trade.
3. **Enhance awareness of trade regulations.** The level of awareness of crucial EAC trade regulations is apparently very low, with cross-border women traders being aware of only a handful of regulations. It is therefore crucial for the relevant institutions, including TMEA, to intensify efforts and interventions geared towards enhancing awareness and knowledge of cross-border women traders on trade regulations such as the STR and ECGLR Protocol. Women CBTAs are particularly important vehicles for promotion of awareness of trade regulations, given their wider reach, and capacity to sensitize and empower.
4. **Improve legal structures to enhance reporting of harassment.** Despite incidences of harassment, findings reveal that the level of reporting to authorities is very low. It is thus important for the relevant authorities as well as stakeholders to work towards instituting effective, women-friendly mechanisms to report abuses as well as efficient legal structures and institutions to deal with issues of harassment of women traders.
5. **Facilitate increased role of CBTAs.** CBATAs are vital institutions for achieving increased participation of women in trade. Nonetheless, most of these face challenges related to governance, resource limitation, and weak technical capacity. Policy efforts should aim at institutional strengthening of CBATAs and other platforms so as to be able to provide critical services to their members. For the TMEA's WiT programme, it is imperative to forge effective collaborations with women CBATAs in undertaking interventions that aim at achieving greater inclusion of women in trade.

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