

**POLITICAL ECONOMY OF INFORMAL CROSS BORDER TRADE IN THE
EAST AFRICAN COMMUNITY: A CASE OF WOMEN TRADERS IN
BUSIA AND ISEBANIA BORDERS IN KENYA**

BY

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DECLARATION

Declaration by Candidate

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DEDICATION

I dedicate this piece of work to God, my late dad, mother, wife and my children for believing in me.

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ABSTRACT

Informal Cross Border Trade (ICBT) by women has become a critical and challenging sector for states globally with the Sub-Saharan Africa region affected the most. In the East African Community (EAC) estimates suggest that more than 60 % of intra-trade activities are informal with women accounting for more than 70% yet information gaps remain in the political economy of this trade. This research examined the political economy of ICBT in the EAC; a case of women traders in the Busia and Isebania borders in Kenya. The specific objectives were: to examine the nature and magnitude of Informal Cross-Border Women Traders (ICBWT); to establish the politico-economic drivers of women in ICBT; to assess the socio-economic and political impact of ICBWT; and to establish challenges and potential management opportunities. Neoliberalism, Vulnerability, and Rational Choice theories were used in this study for complementarity. The study adopted mixed methods research, a pragmatism philosophical paradigm, and a cross-sectional design. The study sites were Isebania and Busia Borders in Kenya where a total of 128 respondents were interviewed. Given the hidden and sensitive nature of ICBT, it was difficult to reach the target population making snowball sampling the most appropriate in recruiting ICBWTs respondents through referrals from which 103 were interviewed, 55 in Busia and 48 in Isebania Borders respectively. A total of 25 key informants interviewed including Security, Customs, Cross-Border Traders, County government, and Civil Society Organization (CSO) officials were sampled purposively from a target population of 45 in the two borders based on their knowledge of ICBT. Primary data were collected using direct observation, face-to-face administered questionnaires, and in-depth interviews. Quantitative data were analyzed statistically with the aid of the Statistical Packages for Social Sciences (SPSS) version 26, which enabled the creation of tables and charts to explain the findings. Qualitative data was analyzed thematically corroborating with secondary data to yield meaningful results. The study found that; On the nature of ICBWT, 52% of goods were primarily non-processed agricultural products, 4% processed agricultural, 20% marine products, and 24% processed goods. The drivers of ICBWTs were social, economic, and political in nature. On the impact; 21% indicated employment, 20% a source of revenue, 12% improved income, 10% peaceful coexistence, 12% entrenched regional integration, 11% food security, 3% insecurity, 5% family breakdown, and 6% loss of revenue. The challenges noted were; inadequate capital, harassment by border officials, corruption, insecurity, high transportation cost, sexual and gender-based violence, and confiscation of goods. Existing opportunities included; the Customs Union and Common Market protocol, Simplified Trade Regime, One Border Stop Post, and the presence of CSOs. The study concluded that the ICBT impacts on the political economy of EAC particularly in Busia and Isebania borders in terms of employment creation, increased income, food security, loss of revenue, and inflow of cheap goods. The study recommended: a need for the government to create awareness and appreciation of the impacts of ICBWTs at the policy level; develop a database of ICBWT to gauge their contribution to the economy, and reduce bureaucratic processes in the EAC borders.

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ABBREVIATIONS

AEC	African Economic Community
AFA	Agricultural Food Authority
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
ASYCUDA	Automated System for Customs Data
AU	African Union
CEMAC	Central African Economic and Monetary Community
CEMAC	Economic and Monetary Community of Central Africa
CFTA	Pan-African Free Trade Area
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EASSI	Eastern African Sub-Regional Support Initiative for the Advancement
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community for West Africa States
FAO	Food and agricultural organization
GDP	Gross Domestic Product
ICBT	Informal cross border trade
ILO	International Labour Organization
IMF	International Monetary Fund
ITC	International Trade Center
KNBS	Kenya National Bureau of Statistics
MENA	Middle East and North Africa
NTMs	Non-Tariff Measures

OECD	Organization for Economic Co-operation and Development of Women.
REC	Regional Economic Community
SADC	Southern African Development Cooperation
SAP	Structural Adjustment Programme
SCOO	Simplified Certificate of Origin
SPS	Phyto-Sanitary Standards
SSA	Sub-Saharan Africa
STR	Simplified Trade Regime
UBS	Uganda Bureau of Standards
UN	Habitat- United Nations Habitat
UN	United Nations
UNCTAD	United Nations Conference on Trade, Agreements and development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESC	United Nations Economic and Social Council
UNHSP	United Nations Human Settlements Programme.
UNIFEM	United Nations Development Fund for Women
USAID	United States Aid for International Development.
WB	World Bank
WBG	World Bank Group
WICBT	Women Informal Cross Border Traders
WTO	World Trade Organization

OPERATIONALIZATION OF TERMS

Border	An administrative division separating two countries demarcated by international line
Chepkube	Refers to a small market in the western border of Kenya and Uganda in Bungoma County where coffee smuggling was rampant in the 1970s between these two countries. Since then the name Chepkube has remained synonymous with illicit cross border trade.
Common Tariff	Is a form of tax that levied on imported goods by a group of countries which share a customs union
Custom Duty	Tax levied on goods when they are transported across international borders either in the form of import or export
Drivers of informal cross border trade	- These are the tangible and intangible things that make informal cross border trade work
Excise Duty	Also known as “sin tax” is an indirect tax on the importation or local manufacture of certain products and supply of excisable services
Export Duty	It is a form of tax levied on goods going out of the Country
Import Duty	A tax payable to good coming into the country
Informal cross border trade	- Any trade which primarily evades payments of charges, duties, other related transactional costs and regulations at the point of crossing.
Magnitude of informal cross border trade	-Extent of informal cross border trade
Nana Benz	Togolese Women Informal Cross Border Traders who are known for the great economic and political power they wield in Lome

- Neoliberalism** A theory that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade
- Political Economy** It refers to the interaction between the state through its agencies, the people and economy.
- Rational Choice** An assumption that sees individuals' behavior as motivated by their wants, needs and goals
- Tinubu Square** A square in Lagos Nigeria named after a woman informal cross border trade known as Madam Efunroye Tinubu who owed her socio-economic and political success to massive, cross regional informal trading in salts and arms during the British colonial era
- Vulnerability** An assumption that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade
- Washington Consensus-** Refers to a set of free-market policies supported by global financial leaders such as international monetary fund and World Bank
- Women traders** Women small scale traders who shuttle the border with goods and other merchandise to sell across the border.

CHAPTER ONE

INTRODUCTION

1.0 Overview

This study sought to examine the political economy of informal cross-border trade in the East African Community; a case of women traders in the Busia and Isebania border in Kenya. The chapter provides background information on informal cross-border trade globally, regional, and sub-regionally. The chapter also presents the research problem, objectives, and research questions upon which this study sought to examine. Furthermore, as an introductory chapter, it also gives a description of the scope, significance, and justification of the study before concluding with a chapter summary.

1.1 Background Information

Informal Cross Border Trade (ICBT) by women traders has become a critical and complex sector in political economy of states globally (Mbo'o-Tchouawou 2016). Nonetheless, the magnitude of ICBT is more pronounced in economic blocks of emerging and developing economies such as in the Sub-Saharan Africa region amounting to more than 60% of the GDP with vast socio-economic and political implications (Koroma et al. 2017). Evidence suggests that women account for more than 60% of ICBT players among the various economic blocs in the Sub-Saharan Africa Region (AWDF 2017).

There is no general consensus on the definition of informal cross border trade with scholars such as Lesser and Moise-Leeman (2009) referring to Informal cross-border trade as trade in legitimately produced goods and services, which escapes the regulatory framework set by the government, as such avoiding certain tax and regulatory burdens. This definition is synonymous with names such as invisible trade, silent trade, carriers,

international petty traders, muti, black market, smuggling, parallel trade, and survival trade among others. To Gor (2012), Ogalo (2010), Afrika and Ajumbo (2012) ICBT is defined as any trade flows that are not captured or wrongly recorded in national accounts. These definitions would mean therefore that ICBT is any trade that is done outside the government laid down procedures in terms of context, rules and place.

As earlier stated, ICBT prevalence is global in nature though with unique gender dimensions across the various regions due to a number of factors. In Eastern Europe for example Bettina et al. (2011) reported that at the Finnish-Russian border in Eastern Karelia, majorly in the towns of Niirala, Tohmajärvi, and Sortavala; at the Belarussian-Polish- borders in Białystok, Kuz'nica and Brest; at the Ukrainian-Polish border in Przemyśl and Żóvkva; and at the Romanian-Ukrainian în Sighetu Marmatiei and Solotvina, ICBT has been active for several years notwithstanding the existing regulation with economic data showing that informal trade still accounts for 19% of the aggregate GDP. Though there are no clearer estimates on the prevalence of Informal Cross Border Women Traders (ICBWT) in Eastern Europe, Sasunkevich, (2016) study on Gender and the Border Experience argue that they are the majority in the trade which is held up as a resource enabling households to cope with poverty, unemployment, economic uncertainty and food security. Accordingly, it has been noted that borders in Eastern Central Europe are often structurally weak and their inhabitants are confronted more intensely with the negative effects of the transformation process. Consequently, many depend on incomes gained from informal work and often use the nearby border as an economic resource (Bettina et al. 2011).

In the United States of America, Staudt (2001) argued that women represent more than 50% of informal cross border traders between the border of Mexico on the Northern

part and the United States in the South Texas border, specifically in Ciudad and El Paso borders. Pisani (2013) notes that the women informal cross border traders operating in the Southern Texas Border with Mexico take advantage of cheaper goods, ready market and porous border. The trade is over-represented by Mexican women accomplished on either a full-time or part-time basis, engaged in various activities such as buying goods and selling in either of the Country due to price differentials such as music CDs, clothes, cosmetics, drugs and selling foodstuffs (Michael and Richardson 2012).

In South East Asia studies indicated that the majority of those involved in the informal intra-trade activities among members of the Greater Mekong Sub-Region (Myanmar, Thailand, China, Lao, Vietnam, and Cambodia) are women (Winston 2009). Studies of informal cross-border areas show otherwise like between Malaysia and Indonesia along Tebedu and Entikong, for example, indicated that the majority of people involved are males than females though issues of insecurity were indicated as hindrances to women's full involvement (Risti'ana 2018). In this region, women in ICBT are referred to as carriers, shuttle traders, suitcase trade, international petty trade, and cross-border small-scale traders and they are mostly involved in trading all sorts for commodities with the bulk being seafood, textile, and agricultural products (Winston, 2009; Risti'ana 2018; Yoon 2012).

Scholars have also noted ICBT between Entikong (Indonesia) and Tebedu (Malaysia) has existed for hundreds of years before the formation of the concept of state-nations in both countries and corresponding to this, neglecting the inflation rate, the size of informal trading is approximately at 33% from formal trading. It reveals a significant proportion of informal trading in the border area, particularly in Entikong in Malaysia

with goods traded primarily agricultural and women feature more prominently (Wulandari, 2012:11).

The Middle East and North Africa States have not been spared either with problems of cross-border trade informalities. Although traditionally caricatured as a region with thick economic borders, where the official flow of goods is severely restricted through an array of arbitrary trade barriers, the Middle East and North African border regions remain active zones of informal economic exchange. A study on Tunisia found that ICBT was equivalent to more than half of its official trade with Libya, and more than its entire official trade with Algeria (Ayadi et al., 2013). In Iran, the size of smuggling in 2007 was estimated to lie in the broad range of 6–25% of total trade (Farzanegan, 2007).

A recent study of the Algeria-Mali corridor suggests that formal trade pales in comparison to the thriving informal trade across the border. For Algeria, the formal cross-border trade between the two countries was equivalent to only 1.2% of the informal trade (Bensassi et al., 2015). In the Libya-Tunisia corridor, informal trade is one of the largest employers in the region analyzed, if not the largest. The majority of those involved in the trade are local residents. Most are young women and men, with primary or secondary education and four dependents on average. Their income puts most of them under the Tunisian national poverty threshold' (Ayadi et al., 2013).

Among the most informally traded items across MENA (Middle East and North Africa) borders are Oil (gasoline), construction materials, electronic goods, household items, cigarettes, and clothes many of these goods originate in China and South-East Asia and are embedded in transnational networks of informal trade. Food items range from representing a small additional income for farmers in border regions to sustaining the

livelihoods of large communities in connected territories. The main goods traded are staple items, such as wheat, pasta, and milk powder, as well as meat, livestock, dates, and other fruits. Active corridors for this ICBT include the borders of Algeria (with Morocco, Mali, Tunisia), Libya (with Tunisia, Egypt, Sudan, Niger, Malta, and Italy), Iraq (with Syria, Turkey), and Iran with Afghanistan, Iraq and Turkey borders (Adeel & Gallien 2019)

In Sub-Saharan Africa, evidence from West Africa among members of the West Africa Economic and Monetary Union (WAEMU) shows a strong presence of informal inter-trade which accounts for about half of GDP and 90% of employment in the region (Benjamin and Mbaye, 2012). A large part of ICBT is illegal, running into several billion dollars with an over-representation of women at about 70% (Golub 2012). Notably, centers for these informal intra-trades are Sandaga in Dakar and Okass in Touba, Senegal, Dantokpa market in Cotonou, Benin, old Gaya in Kano State, Nigeria and “Nana Benz” in Lome, Togo known for making billions through informal trade in textile operated largely by women (Benjamin and Mbaye, 2012).

In Sub-Saharan Africa, many women are involved in the informal intra-trade cross (UN Women, 2011). In the SADC region, women comprise about 70 percent of those involved in ICBT while in Western and Central Africa nearly 60% of informal traders are women (Afrika and Ajumbo, 2012). Women often play an important role in ICBT, although the extent varies greatly among regions. MacGaffey (1991) points out that the subservient role of women in Congo (then Zaire) was exacerbated by family regulations of the colonial period, pushing women cross-border trade and smuggling in Africa into informal trading, including ICBT, which continued into the post-colonial period.

Among ECOWAS member states, women have been reported to be the major players in ICBT at 80 % between Sierra-Leone northern border and Guinea at Gbalamuya and with the southern border with Liberia at Gendema (Bo-waterside) facilitated by *Chata men* (Middlemen) who are powerful than the border officials (Vanessa et.al). Ousmanou's (2010) study of ICBT among CEMAC (Central Africa Economic Monetary Community) members in West and Central Africa indicated that women were the largest participants in this trade between Cameroon and Gabon (at Ambam, Abang-Minko'o), Cameroon and Nigeria (at Limbe and Kousseri), Cameroon and Equatorial Guinea (Kye'-Ossi), Cameroon, Nigeria, and Chad border (Amchide).

Although there are no official statistics, it is estimated that, in Ghana, cross-border trade has a gender dimension in that women are more actively involved in trading across borders than men and are present at all levels of operation with Togo, Nigeria, and Burkina-Faso (Morris and Saul 2000, Plunkett and Stryker 2002, Dupuy 2007).

In the Great Lakes region, Titeca and Kimanuka (2012) estimate that 85% of small-scale traders involved in ICBT in Goma-Gisenyi (DRC-Rwanda) Bukavu-Cyangugu (DRC-Rwanda) Uvira-Gatumba (DRC-Burundi) and Aru/Ariwara-Arua (DRC-Uganda) borders are Women who continuity in this trade is due accrued benefits like employment, reduced household poverty, food security and weak borders.

In the East Africa Community, estimates suggest that more than 60% of intra-trade activities in Kenya, Uganda and Tanzania is in the form of ICBT with women accounting for the highest proportion of about 70 % in spite of efforts to promote trade formalization through the Customs Union (2010) and Common market protocol (2014) among other initiatives(EAC,2019). A number of factors have been mentioned to drive ICBT such as food insecurity, unemployment, insecurity, poverty among others

(Nkoroi, 2015). To scholars like Ogalo (2010) and Gor (2012), the prevalence of ICBWT in EAC is due to the numerous opportunities which come with the trader such as improved income, employment creation, accessibility to cheaper goods and food security. Despite all the pros and cons of these traders, there are empirical gaps in information on the political economy of informal cross border women traders that require further exploring. This study therefore sought to examine the political economy of informal cross-border traders in the EAC with more focus on women traders in Busia and Isebania borders.

Isebania town is in Migori County and serves Kenya and Tanzania at the international border. It is approximately 200 kilometers (124 miles) South of Kisumu City, the nearest large city. According to the Kenya National Bureau of Statistics (2021) survey on informal cross-border trade, the Isebania border post recorded the highest volume of ICBT worth about 777 million Kenya Shillings. Busia border post is located in Busia County, in Kenya's Western Province, approximately 268 miles (431 km), by road, west of Nairobi, Kenya's capital and largest city. In 2018 alone, the Uganda Bureau of Statistics indicated that goods worth US\$ 150 million were exported informally to Kenya with 73% passing through Busia Border. Additionally, goods worth US\$25 million were imported from Kenya informally with the highest number passing through Busia Border. These reasons make the study areas suitable for this research.

1.2 Problem Statement

Informal Cross Border Trade (ICBT) by women traders has become a critical and complex sector in political economy of states globally (Mbo'o-Tchouawou, 2016). An important observation is that for all ICBT activities, women are the dominant players (UN Women, 2011) in Latin America, Middle East, America, Eastern Europe, Africa.

Little evidence is available from Europe and North America because of highly formalized trade and strict policies on informal economies. In the East Africa Community, estimates suggest that more than 60% of intra-trade activities in Kenya, Uganda and Tanzania is in the form of ICBT with women accounting for the highest proportion of about 70 % (EAC, 2019). Tyson (2018) observed that ICBWT is strongly associated with the politico-economic factors such as taxations, commodity insecurity, protectionism policies and transaction fees.

Studies have been done on informal cross border trade for instance (Nakayama, 2022), (Nkoroi, 2015), (Siu, 2019), and (Ogalo, 2010) which however, do not address the political economy of informal cross-border trade focusing on women traders. Further, there seems to be no clear policy to guide the interplay between political - economic factors and ICBWT that can result in cordial cross border trade in EAC. It is from the foregoing that this study sought to examine the political economy of informal cross-border traders in the East African Community, a case of women traders in Busia and Isebania borders.

1.3 Research Objective

1.3.1 The Main Objective

This study aimed at explaining how political-economy contributes to Informal Cross Border Trader in the East African Community with specific reference to women traders in the Busia and Isebania borders in Kenya.

1.3.2 Specific Objectives;

1. To assess the nature and magnitude of ICBT by women traders in the Busia and Isebania Borders.

2. To establish the politico -economic drivers of women into the ICBT in Busia and Isebania Borders.
3. To assess the social and economic impact of ICT in Busia and Isebania Borders.
4. To examine the politico -economic challenges ICBWTs encounter in Busia and Isebania borders and the potential management opportunities.

1.4 Research Questions

1. What is the nature and magnitude of ICBTs by women traders in the Busia and Isebania Borders?
2. What are the political-economic drivers of women into ICBTs in the Busia and Isebania borders?
3. What are the social and economic impacts of ICBWTs in Busia and Isebania?
4. What are the political-economic challenges ICBWTs encounter and the potential management opportunities in Busia and Isebania borders?

1.5 Justification of the Study

Trade, as a critical driver of international relations and development, plays a major part in countries' interactions and serves to strengthen the ties that exist between them. In particular, trade stems from economic, security, and political dimensions. The trade between Kenya, Uganda, and Tanzania accounts for more than 50% of the entire intra-trade share in EAC with the former leading in export to the two countries. Notably, ICBT accounts for 60% of the intra-trade share in the region with women composing 70% of the participants. A more structured and coordinated intra-trade can result in socio-economic development of states.

Political -Economics of regional economic blocs is the centerpiece of integration without which no state will want to participate in such arrangements (Njoku, 2014).

Similarly, political-economic rules and procedures impact greatly the nature of trade cross border trade. Studies have demonstrated that women account for more than 60% of the informal cross border traders within the various regional economic blocs including the East African Community (UNCTAD, 2021). It is therefore imperative to understand the extent to which the politico-economic environment within the East African Community facilitates informal cross border women traders to operate.

This study focused on women traders in Busia and Isebania borders in Kenya. This study was rationalized by a high number of women players within the sub-regions intra-trade and the scarcity of studies to explain political-economic scenarios. Busia and Isebania are among the busiest border areas and a lot of intra-trade activities between Kenya, Uganda and Tanzania respectively take place with millions of dollars from ICBT exchanging hands which qualify them as study areas (KNBS, 2021). Busia and Isebania are on the border of Kenya –Uganda and Kenya –Tanzania Respectively and a number of factors made these suitable sites for study. Busia border crossing is where high levels of informal cross-border trade occurs partly because of the presence of established local satellite towns, and due to a surrounding area with the expected presence of goods traded by the poor, especially staple foods. The majority of trade between Mombasa port and Uganda, as well as adjacent countries (Rwanda, Burundi, Democratic Republic of Congo, and South Sudan), is also routed through the border at Busia (Tyson, 2018).

1.6 Significance of the Study

It is evident that ICBT is part of inter-state trade which offers the opportunity to women but also poses threats to formal trade through unfair competition and loss of revenue streams to the governments. This study therefore, provided more understanding of women's involvement in ICBT with the information obtained aimed to benefit EAC,

member States, AU, other REC blocks, International trade and investment bodies like AfDB, World Bank, IMF, business communities, policy makers and the public in decision making and also acting as a reference point. Furthermore, it provided policy recommendations for more realistic policies of ICBT to ensure that the sub-sector activities are recognized. Scholars and academicians will always find the results of this study useful in the analysis of inter-state trade or similar scenarios upon sharing the findings through various journals, think tanks, academic institutions, and research organizations among others.

1.7 Scope of the Study

This study was conducted in Busia and Isebania border areas which serve Kenya Uganda and Tanzania respectively. The study focused on women involved in informal trade along these border areas in Kenya. These two border sites were mainly selected because of the relative importance and volume of informal cross-border trade taking place across them. This was a survey study that employed a mixed research method in data collection.

1.8 Summary of the Thesis

This thesis has eight chapters presented as follows;

Chapter One: This is the introductory chapter. A discussion is made in this chapter on the prevalence of informal cross-border trade globally, regionally, and sub-regionally. It also takes a look at informal cross-border women traders globally, regionally, and sub-regionally including EAC. This chapter outlines the problem statement setting a stage for understanding the research objectives and questions which guided this study.

Chapter 2: This chapter offered a detailed empirical review of the literature on the four main objectives which focused; on examining the political economy of ICBTs in EAC with specific reference to women traders in Busia and Isebania border. Furthermore, the study sought to examine the trends and magnitude of ICBWTs, establish the drivers, assess the socio-economic and political impact, examine the existing opportunities and challenges faced in Busia and Isebania Border by ICBWT. Neoliberalism, vulnerability, and rational choice theories were used complementarity to enable a deeper understanding of this study and to explain the variables. Finally, this chapter concludes with conceptual frameworks which show the relationship between the variables.

Chapter 3: This chapter described the methods that were used to collect and analyze research data; basically, all data methods and techniques discussed here relate to a descriptive survey study with mixed method research design (employing both qualitative and quantitative approaches). Also highlighted in this chapter is the procedure for ensuring the reliability and validity of research results, analysis of data, ethical considerations, and study limitations.

Chapter 4: This chapter examined the trends and magnitude of ICBT by women. More specifically, it focused on the bio-data and socio-demographics of the respondents, type of goods and merchandise, techniques used to cross the border, transportation of goods, destinations of goods, the value of goods, profit, source of capital, challenges faced in getting access to capital and level of male involvement in facilitating ICBWTs.

Chapter 5: This chapter assessed the social, economic, and political factors driving women's informal cross-border trade in Busia and Isebania borders.

Chapter 6: This chapter examined the social, economic, and political impacts of informal cross-border trade by women traders in Busia and Isebania.

Chapter 7: This chapter examined the challenges and existing opportunities for informal cross-border women traders. It identified coping strategies and suggested recommendations by the respondents.

Chapter 8: The chapter presents the summary of the main findings, conclusion, and recommendations of this study in line with the general and specific study objectives and sums up the recommendations of the study with a keen look into policy and areas for further research.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter gave a preview on the background of EAC, conceptualization of ICBT, Political economy of ICBT and women involvement in the ICBT. More importantly literature review culminated in exploring empiricisms in relation to the study variables pertaining nature and magnitude, drivers of ICBT, socio-economic and political impact, challenges and potential opportunity management for informal cross border women traders. Furthermore, the chapter had a theoretical framework while thematic/objective based method guided the literature.

2.1 The Nature and Magnitude of Informal Cross Border Trade by Women Traders

This section reviewed the literature on the nature and magnitude of ICBTs by women traders in EAC with specific reference to Busia and Isebania Borders. It also gave a brief historical evolution of EAC, conceptualization of ICBT and political economy for a better understanding of the study.

2.1.1 Evolution of East African Community

At the establishment of the Organization of African Unity (OAU), African founding leaders had recognized that cooperation and integration among African countries in the economic field was indispensable to the accelerated transformation and sustained development of the African continent (Olutayo, 2005). Since then, member states were encouraged to combine their economies into sub-regional markets that would ultimately form one Africa-wide economic union. In 1980, the OAU (Presently AU) Extraordinary Summit adopted the Lagos Plan of Action as a major step towards formalization of intra-trade coordinated through the newly created African Economic Community

Organization in 1991 (Brenton et al, 2011). A more formal cross border in various sub-regional economic communities was seen as a catalyst to improve Gross Domestic Product and human development Africa (Gino et.al, 1999).

Despite the presence of several sub-regional economic blocks, African intra-share share is the lowest in the world at 12.1% compared to Europe at 66.9%, Asia and Oceania 63.8%, and Americas 44.4% (UNCTAD, 2021). Some scholars suggest that the high prevalence of informal cross border trade is top on the list of factors hindering growth in the intra-trade share because such trade statistics are missed (Afrika and Ajumbo, 2012).

The East African Community (EAC) was founded in 1967, dissolved in 1977, and revived with the Treaty for the Establishment of the EAC signed in 1999 by Kenya, Uganda and the United Republic of Tanzania. Burundi and Rwanda became members in 2007 while South Sudan gained accession in April 2016 with Democratic Republic of Congo becoming a member in July 2022 (IMF, 2022).

Currently EAC has a population of approximately 312 million people equivalent to 25% of the African Continent, with a combined nominal GDP of US\$ 332.74 billion and by far the biggest regional block in terms of land mass in Africa and 7th globally . Known to be the best performing economic block and most integrated in Africa and fastest growing economic block in the World, with a 19% share of intra-regional trade, followed closely by SADC (15%), ECOWAS (9%) and COMESA (8%) the EAC is widening and deepening cooperation among the Partner States in various key spheres for their mutual benefit (IMF ,2022).

The main objective of the EAC is to introduce policies and programs to promote cooperation among its member states for their mutual benefit in a wide range of areas

including political, economic, social, and cultural affairs, research and technology, defense, security, and legal and judicial affairs. In March 2004, EAC partner states signed the Customs Union Treaty establishing a common external tariff on imports from third countries and to gradually eliminate internal tariffs which became effective in 2005 and completed in 2010 (EAC,2019).

Earlier in 2010, Ogalo noted that the EAC performance is underpinned by the historical links between Kenya, Uganda and the United Republic of Tanzania. A glance through history highlights that the people and the three countries of East Africa have traditionally been bound by commonalities, colonial heritage, cross-border affinities and common culture and language. Extensive migration and barter trade was a feature of economic and social life that predated colonization (Ogalo, 2010). Kenya's GDP (US\$70.5) accounts for almost half of the EAC GDP in 2019, followed by Tanzania (US\$47.4) and Uganda (US\$25.5). Additionally, the share for intra-trade between these Countries accounts for more than half the total trade shares in the sub-region (EAC, 2019). In 2018, East African Community trade and investment report showed that the total share of export from Kenya to Uganda accounted for 39.5%, while Tanzania was at 19.3%. Similarly, exports from Uganda to Kenya accounted for 46% while from Tanzania stood at 48% of the total share of export (EAC, 2018).

Even though the introduction of the Customs Union majorly eliminated some of the barriers to trade, other bottlenecks remained: Non-harmonized technical regulations, sanitary and phyto-sanitary requirements, customs procedures and documentation, rules of origin, and police road blocks remained among the major trade barriers in the EAC. In November 2009, East African Community Common Market was signed and came into effect in 2010 which shifted the focus from solely liberalizing goods and tariffs to furthering the free movement of goods, services, labor, and capital. Later, the ambitious

Protocol for the Establishment of the EAC Monetary Union was signed in November 2013 and it is yet to be implemented. Moreover, the process towards an East African Federation is being spearheaded with the aim of building a sustainable and powerful economic and political bloc in East Africa (EAC, 2018).

Despite impressive data on the share of export between Kenya, Uganda and Tanzania respectively, a significant proportion of cross border trade is conducted informally at about 60% of the total intra-trade share (EAC, 2019). Data from Uganda's annual 2018 survey report on ICBT showed that Kenya was Uganda's main source of informal imports representing 41.6% with goods worth US\$ 25.0 million. Busia was the leading entry point for informal imports with an import bill of US\$15.7 million (26.2 percent) in the same year with Industrial products/goods like building materials, petroleum products, utensils, beer, and soft drinks constituting the largest informal import from Kenya to Uganda (UBS,2018).

Correspondingly, Uganda's Informal export to Kenya represented 27.4 percent of the total informal exports amounting to US\$ 150 million in 2018 which saw a marginal reduction from 36.3% in the previous year. Main exported commodities on an informal basis included; Shoes, Clothes (New & used), Fish, Beans, Maize flour, Sandals, Hair synthetic, Eggs, Bread, Bags, Sorghum grains, Cattle, Polythene bags, Bed sheets, Mattresses, Tomatoes, Goats, Fruits and Suitcases (EAC,2018).

According to Kenya National Bureau of Statistics of 2021, compared to other neighboring countries, Kenya's total unrecorded informal export trade with Tanzania was highest, valued at KSh 1,447.4 million, during the second quarter of 2021. The informal exports and informal imports were KSh 909.8 million and 537.5 million, respectively, in the same period. The industrial products worth KSh 825.9 million

dominated Kenya's informal exports to Tanzania. The agricultural and industrial import products from Tanzania were valued at KSh 262.6 million and KSh 250.3 million, respectively.

The leading agricultural informal exports to Tanzania were Irish potatoes and coconuts. Under the industrial products category, the main exported commodities to Tanzania comprised building materials (paints, iron sheets, cement, steel bars, ceiling boards and nails), utensils, beer, soft drinks, margarine, wire wares, plastic buckets and basins and bread. Dry maize, onions, rice, fruits (oranges) and fish were the main imported agricultural products from Tanzania, under unrecorded informal trade during the second quarter of 2011. The leading imported industrial products from Tanzania were artificial flowers, gas, maize flour and articles of apparel and clothing accessories.

Kenya National Bureau of Statistics pointed out that ICBT was highest in Isebania, Namanga and Taveta with informal exports amounting to 778 million, 17.3million and 88.4 million accounting to 52%, 1.6% and 6% share of export from Kenya to Tanzania. Similarly, the value of imports from Tanzania to Kenya was at 283.2 million - Namanga border, 116.3 million-Taveta Border and 44.4 million-Isebania accounting for 22%, 9% and 3.5% total share of imports (KNBS, 2011).

Gor (2012) examining the type of goods informally traded, pointed out that Kenya's informal imports from Tanzania are mainly agricultural food commodities and Fish. Maize is the leading item followed by beans, fish and rice. Others include yams, carrots, tomatoes, cassava, cabbages, cow peas, sugar, rice, bananas, millet, maize meal and groundnuts. Kenya's agricultural food exports to Tanzania include wheat flour, bread, root crops, sugar, rice, bananas, maize meal, milk and coffee. Most agricultural

commodities traded are largely influenced by the food items grown around the border and in the neighboring areas.

Data on informal trade in industrial goods between the two countries show movements in both directions for most of the commodities, but overall informal trade is in favor of Kenya (KNBS, 2020). The main export items include cooking fats/oil, toiletries, petroleum products, beer, margarine, car and bicycle parts, sweets and biscuits. Other industrial exports of significant value include salt, soft drinks, construction materials (cement and corrugated iron sheets), new textiles, charcoal, timber, plastic wares, soap, mattresses, perfumes, electronic goods, leather products, polythene bags second-hand clothes, human and veterinary drugs, and general merchandise. Trade in most of these items is caused by low cost prices in countries of manufacture and high profit margins in neighboring countries (KNBS, 2020).

Most participants in ICBT between Kenya/Uganda and Kenya/Tanzania are individual traders, a large proportion of which are women and micro, small and medium sized enterprises (Lesser and Leeman, 2009). Women involvement in ICBT consequently has a great contribution in promoting and empowering women towards community development in many parts of these three states with Kenya benefiting the most. Indeed, ICBT is not only a source of income for people to meet their daily household commitments and other basic needs but also as a source of employment (Banda, 2010).

Data on ICBT misses from national statistics of these countries which implies that what has always been stated as GDP of these EAC member states is often grossly underestimated (EAC, 2019). The political economic consequence might actually be the wrong perception about the real trade balances of these economies with each other, the trade benefits accruing to them from regional integration, and it might continue to

give a wrong impression about the extent of the performance and direction of growth of regional trade in EAC since only formal trade statistics are used to make such judgments. This called for an in depth analysis of the political economy of ICBT by women traders.

2.2 Conceptualization of ICBT

Scholars, policy makers, economists, business enterprises and politicians alike are devoting increasing attention to the informal economy (which includes cross border trade informality) since early 1970,s after a study of “informal sector” in Accra Ghana by British anthropologist Keith Hart (Hart 1973). Additionally, scholars such as Manuel Castells, Alejandro Portes and Saskia Sassen however, clearly indicated that informal economies are also a characteristic of advanced industrial states as well, especially in the United States where large informal sectors exist in geographic and market concentrations (Castells and Portes 1989; Portes and Sassen 1987).

Economists such as Schneider (2002), Marcouiller and Young (1995) began investigating “informality” as a defining characteristic of “economic transition” and particular attention has been paid to the ways which “emerging states” and “emerging economies” (such as the so-called BRICS—Brazil, Russia, India, China and South Africa) have benefited from large informal sectors. This would imply therefore that informality or the second economy as explained by Maliyamkono (1990) is present in every economy.

Chauvin and Gaulier (2002) observe that conceptualization of informal trade has been a neglected area. If anything, ICBT is active and takes different forms under dissimilar

names; for example, *chepkube*¹, second economy, unrecorded trade, illegal trade, unofficial trade, underground trade, part of parallel market activity, the activities of black market, trade subject of over-and under-invoicing, smuggling or hoarding and, best characterized by its non-inclusion in the national accounts of a country or region in terms of its domestic and International trade.

Attempts at defining ICBT have not been universally conclusive. However, much thinking has gone into this and not only in the context of Africa but a definition that could be universally applied. Lesser and Moisé-Leeman study (2009), construe's ICBT as trade in legitimately produced goods and services, which circumvents the regulatory framework set by the government and as such avoiding certain tax and regulatory burdens (Lesser and Moisé-Leeman, 2009). Comparably, Afrika and Ajumbo (2012) could not agree less with Lesser and Moisé's understanding of ICBT by referring to it as "trade in processed or unprocessed merchandise which may be legal imports or exports on one side of the border and illicit on the other side and vice-versa, on the account of not having been subjected to statutory border formalities such as customs clearance" (Afrika and Ajumbo, 2012).

Until recently in 2014 for the purpose of coming up with a consensual definition of ICBT, a group of 40 African experts comprising of macro-economists, gender economists, trade economists, gender activists among others were convened together by UNECA in Lusaka, Zambia to unlock this definitional deadlock. After considering different definitions used by institutions such as AfDB, COMESA, SADC and ECOWAS, the 40 experts reached a hybrid definition that "ICBT refers to trade in

¹ Chepkube refers to a small market in the western border of Kenya and Uganda in Bungoma County where coffee smuggling was rampant in the 1970s between these two countries. Since then the name Chepkube has remained synonymous with illicit cross border trade (Kuhanen, 2017)

goods/merchandise and services which may be legally imported or exported on one side of the border and illegally on the other side and vice-versa, on account of neither having been recorded in the official trade statistics nor subjected to statutory border formalities such as customs clearance” (Koroma, 2017). These definitions are largely consistent with Uganda Bureau of Statistics (2013) which has provided one of the most successful measures of ICBT in Africa and refers to ICBT “as trade transactions between residents and non-residents across the economic boundaries of two or more countries that are not recorded by Customs Authorities” (UBS 2013).²

Schneider (2002) categorized ICBT in three broader areas that can be practiced by formal or informal traders and companies with varied practices as highlighted in Table 2.1 This categorization is helpful in measurability of ICBT.

Table 2.1: Typologies of Informal Cross border trade.

Category A	Category B	Category C
Informal unregistered traders or firms operating entirely outside the formal economy.	formal (registered) firms fully evading trade-related regulations and duties by, for instance, avoiding official border crossing points	formal (registered) firms partially evading trade-related regulations and duties by resorting to illegal practices, such as under-invoicing or declassifying

Informal cross border trade definition B corresponds to the term commonly called smuggling. Though some authors like Martin and Panagariya (1984) consider ICBT definition “C” to also mean smuggling. According to these authors, smuggling is defined as international trade by firms or individuals that either partially or fully evades trade regulations and border duties, either by avoiding official border crossing posts (full evasion) or by resorting to illegal means like under invoicing, misclassification, underpricing, etc. (partial evasion). The full-evasion type of smuggling is also called

²Source: Schneider, 2002.

the Bhagwati-Hansen type of smuggling (Bhagwati and Hansen, 1973), while the partial evasion version is called the Pitt type of smuggling (Pitt, 1981). Pitt considers legal trade to be a camouflage activity for illegal trade.

This study interpolated ICBT as all income-earning activities that are unregulated by the institutions of the state, in a legal and social environment in which similar activities are regulated and largely practiced by most marginalized social groups, like women, the unemployed, and the poor. This was because women informal cross border traders operated mostly unregistered businesses known by the customs officers besides carrying out their cross border trade outside the provided rules.

2.2.1 Political Economy of ICBT

Political economy refers to how the state through its various institutions and the economic system of different points in time interact with the market (Mause, 2019). Put correctly, the political economy deals with laws either through taxation or trade policies that regulate production, distribution and consumption of goods within a society. According to Den Hertog (2000) and Leeson (2015), political interventions in varied sectors of the economy or specific markets may take forms, different such as government subsidies, taxation, or regulations and may be done for various reasons, such as eliminating market failures allocative inefficiencies or stimulating economic growth and employment. Within the regional economic blocs, firms, business associations, trade unions, and other actors within the economic system often try to influence the process of economic policymaking via lobbying and other forms of leverage including deviating from the formal trade, this can be observed as a mutual interference of the political and the economic sphere.

In-depth understanding of political economy takes into account external factors and their influence on domestic markets; For example, global issues like poverty, climate change, and international organizations notably World Trade Organization, European Union, International Monetary Fund, World Bank, developments in international markets, or the activities of foreign governments for example tariff policy, international tax competition, sovereign debt and sovereign defaults (Ravenhill, 2016). These factors may influence the political and economic system in the regional economic blocs like the East African Community due to the fact that nation states are these days embedded, in various aspects within the international system.

The Political Economy of ICBT is all about the interplay between political - economic factors and cross border trade informality. It focuses on the influence that state institutions and the economic environment has on informal cross border trade and vice versa. In other words, the trade regulations, taxes, investments in certain subsets of the population like women through research and development, training, financing businesses, infrastructure development and creating an enabling environment for private enterprises in a politico- legal environment.

Furthermore, it also concerns how informal cross border trade impacts the macro/microeconomic, social and political activities within a state. Scholars such as Brunet-Jailly (2007), Agnew (2008) and Newman (2006) in their studies of the “borderland” trade in Europe emphasized that ICBT remains the most dynamic and complex form of cross border trade that supports the livelihoods of many people. Manuel Castells, Alejandro Portes and Saskia Sassen (1989) in their analysis of trade informalities acknowledged that ICBT is active even in advanced economies like the United States. Infact Martha Chan (2007) would further the debate by pointing out that ICBT has been a defining characteristic of the economic transition of emerging

economies such as BRICS (Brazil, Russia, India, China and South Africa) and largely benefited from such trade informalities.

Similarly, the literature on informal economies in cross-border regions in South America often views informal cross-border cooperation as a potential building-block for regional integration and development (Chen, 2007). Within European Union Eastern and Southern borders Krätke (2002) and Bruns et al. (2013) observed that ICBT just like in South and Latin America is part of survival strategies in relation to over-regulation and inefficient/corrupt governments.

Within the Africa continent, evidence suggests that ICBT impacts the political economy so much that even state officials support it because of its potential to fund campaigns and quickly get wealth which cannot be explained. No wonder it has persisted despite the effort to graft it into a formal economy (Olutayo, 2005). Schneider et.al (2010) opined that informality in general and ICBT in particular, affect the measurement of Gross Domestic Product by giving wrong statistics. In EAC, ICBT accounts for more than 60% of cross border trade and it is largely driven by small and medium scale traders who largely took advantage of the porous borders, cumbersome paperwork or corruption to participate in this trade (EAC, 2019).

According to Tijani et al, (2020), ICBT has a massive impact on the political economy because of its role in assisting poor households, especially when unemployment is high and women seem to be the highest beneficiaries. Trade has great potential to address mass poverty if the rules governing it take into consideration the interests of the poor and vulnerable groups in society. In the report of OECD (2009), ICBT plays a crucial role in emerging and developing economies as it accelerates economic development and regional development of the borderland areas within the blocks.

On the authority of OECD (2009), an enormous ICBT presents difficulty for policymakers and the overall economic development of both countries. Informal Cross Border Trade may provide a temporary solution to a household's livelihood needs, however creating an economy with a huge segment of formal enterprises and jobs is instrumental to long-term welfare creation, stability and poverty reduction. Additionally, a substantial Informal Cross Border Trade could deny governments of needed tax revenue which is important for the national development thereby impacting on the political economy. In the long term, ICBT is capable of influencing the development of economic policy objectives by skewing the reliability of trade, income and labor market data; entrench a culture of corruption in public administrations including in Customs and hinder additional investments in local formal Small and Medium Enterprises which constitute the major part of the private sector in the economic blocks of emerging and developing countries and are key to their economic development and growth.

Titeca and Kimanuka (2012) posits that the nature and composition of good trade informally depends on the complex political and economic characteristics of States such as the social networks, rate of inflation, cost of production, demand, supply, international market behaviors, climatic patterns, security and business environment.

2.2.2 Informal cross border trade by Women traders.

Informal cross border trade (ICBT) is an old phenomenon that has been and is active in almost all regions. Scholars such as Brunet-Jailly (2007), Agnew (2008) and Newman (2006) from the evidence of "borderland" trade studies in Europe emphasized that ICBT remains the most dynamic and complex form of cross border trade that supports the livelihoods of many people. Manuel Castells, Alejandro Portes and Saskia Sassen (1989) in their analysis of trade informalities acknowledged that ICBT is active even in

advanced Economies like the United States. Martha Chan (2007) would further the debate by pointing out that ICBT has been a defining characteristic of economic transition of emerging economies such as BRICS (Brazil, Russia, India, China and South Africa) and largely benefited from such trade informalities.

United Nations Development Fund for Women (2010) recent estimates point to the fact that women account for 70-80% of ICBTs globally. Additionally, World Bank (2015), International Labour Organization (2018), United Nations Development Program (2019) and United Nations Conference on Trade and Development (2019) all agree that women are the majority players in ICBT globally as a result of poor political, economic and social structures that women face.

Evidence such as by Hoyman (1987) revealed that the involvement of women in informal work (including cross border trade) since 1975 has doubled compared with men. A study by Harlan (2015) in four cross border regions: The Eurométropole (internal EU border), Bari, Italy and Durres, Albania (external EU border), San Diego, USA and Tijuana, Mexico (North American Free Trade Agreement), and (Cúcuta, Colombia–San Crístobal, Venezuela (Andean Community) revealed that women were the majority participants in informal cross border trade where they are involved in the service sectors such as hotels, bars, restaurants and in construction firms working as informally hired employees, especially migrants. Within the agricultural sector women in informal cross border trade either sell produce or work as casual laborers in the farms. The study further noted that unlike in the past where women cross border traders were engaged in the sale of unprocessed and processed food such as fish, salt, and foodstuffs, currently they have ventured into some sectors which traditionally have remained a preserve of men like construction (Harlan, 2015).

Studies analyzing intra-cross border trade in SouthEast Asia for example among members of the Greater Mekong Sub-Region -Myanmar, Thailand, China, Lao, Vietnam and Cambodia (Winston 2009), Malaysia and Indonesia along Tebedu and Entikong (Risti'ana 2018) have shown that women form the bulk of informal cross border traders. In this region they are referred to as carriers, shuttle traders, suitcase trade, international petty trade, cross-border small-scale traders and are mostly involved in trading all sorts for commodities with the bulk being seafood, textile and agricultural products (Winston, 2009: Risti'ana 2018)

According to Portes and Haller (2005), women in Sub-Saharan African (SSA) have a long history of involvement in informal trade that dates back to the colonial era particularly in the distribution of food and small consumer items as well as the trade of services. A range of studies throughout the continent confirms that the majority of informal cross-border traders at around 70% are women. Indeed, studies done by the United Nations Food and Agriculture Organization (2017) opined that 70 per cent of the informal traders in the Southern African Development Community (SADC) region are women. Similarly surveys in West and Central Africa have also highlighted that ICBT among women represents more than 60% and generates about 40 to 60% of the Gross Domestic Product (GDP) of the countries concerned (UNCTAD,2017).

Apiko (2020) opined that cross-border trade, is driven by increasing population, growing urbanization and agriculture, provides the foundation for a diversified and globally competitive economy. These traders play a key role in food security, bringing basic food products from areas where they are relatively cheap to areas where they are in short supply. The incomes they earn from these activities are critical to their households, often making the difference, for example, in whether children go to school or not (UNIFEM, 2008). It is estimated that women cross border traders in West Africa

employ 1-2 people and support an average of 3.2 children as well as 3.1 dependents who were not children or spouses (Masinjila, 2009).

Tijani et al, (2020) study on the effect of ICBT in Nigeria and Niger observed how deeply rooted the trade is in West Africa's cultural history. In fact, in Lagos, because of the influence of women in ICBT "Tinubu Square" was named after the prominent role by Yoruba informal cross border trader known as Madam Efunroye Tinubu who owed her socio-economic and political success to massive, cross regional informal trading in salts and arms during the British colonial era. Additionally, in Togo, the famous women informal cross border traders known as "Nana-Benz" conduct their businesses on the regional and even international stage, drawing on a long history of trading experience as informal cross border traders with deep socio-economic and political influence in the country.

Olabisi (2014), Boogaard et.al (2018) and Njikam (2011) in their analysis of ICBT among members of Economic Community of West African States (ECOWAS) and Central African Economic and Monetary Community (CEMAC) at the various border posts of Gbalamuya (Sierra Leone and Guinea), Gendema (Sierra-Leone and Liberia), Seme-Krake (Benue-Nigeria), Kye-Ossi (Cameroon-Equatorial Guinea) and Limbé (Cameroon-Nigeria border) observed that women (on average 25-45yrs) were the majority in cross border trade. These women were selling both agricultural and industrial merchandise notably; Clothes and textile products, shoes, cars, sugar, rice, cigarettes, household items, cereals, vegetable oil and beverages. According to Lewis (2017) from the proceeds for these very powerful women like 'Nana Benz' in Togo emerged.

Ama (2013), in his study of four border posts between Botswana and South Africa, (Tlokweng Gatekoptontein), Kazungula Ferry (Zambia), Ngoma (Namibia) and Kazungula (Zimbabwe) advanced that women accounted for 67% of informal cross border traders and products traded were clothes (41%), shoes (29%), bags (25%), beans (14%), cooking oil (14%), potatoes (14%), bananas (13%) and saucepans (13%), maize grains (9%), and coffee (10%) agro vet drugs (12%), sandals (7%) medicine (8%), fish (13%) and sorghum (10%). These scholars noted that ICBT provided an opportunity for a large number of unemployed women to earn an income considerably higher than the minimum salary in the formal sector. The authors concluded that, by engaging in ICBT, women who otherwise have no jobs become gainfully employed and in turn a chain of other service providers such as transport and commuter operators get jobs where otherwise these operators would be unemployed (Ama et.al 2013).

In terms of demographic characteristics, evidence from existing literature, for example, in Botswana, majority of the female traders were young females between the ages of 31 to 40 years (Njoku et al., 2014). Similarly, in ECOWAS, Olabisi (2014), Boogaard et.al (2018) and Njikam (2011) all observed that the majority of informal cross border women traders were aged between 25-45 years. Additionally, Ama (2014), observed that the single (never married) ranked highest 44% of the 317 women Informal cross border traders interviewed while 34% were married, a factor that can be attributed to borderland socio-cultural dynamics as reported from a SADC study.

According to a study by East African Sub-Regional Support Initiative (EASSI, 2012) in four various border posts across the region: Namanga (Kenya-Tanzania), Mutukula (Uganda-Tanzania), Kanyaru (Burundi-Rwanda) and Kakitumba (Rwanda and Uganda), women accounted for nearly 80% of all the informal traders, perhaps the highest among RECs in Africa. These findings were augmented by Tyson (2018) in her

study of Busia border post (Kenya-Uganda) which remarkably concluded that women accounted for more than 70% of small –scale informal cross border traders and depend on the modest profits generated from their trade to make ends meet (Masinjila, 2009).

Similar trends were reported by Lesser and Leeman (2009) who noted that most participants in ICBT between Kenya/Uganda and Kenya/Tanzania are individual women traders who are also running micro, small and medium sized enterprises. Women involvement in ICBT consequently has a great contribution in promoting and empowering women towards community development in many parts of these three states and Kenya in particular. The ICBT is not only a source of income for people to meet their daily household commitments and other basic needs but also as a source of employment (Banda, 2010).

The types of merchandise traded informally across the border by women trade on non-processed agricultural, semi-processed and manufactured or fully processed goods. Studies of the various RECs in Africa have shown some similarities on the nature and composition of products traded informally by women due to various prevailing conditions. Mohamadain, Eltayeb & Ati, Hassan & Abdalla, Eltayeb (2015) in their research on Informal Cross-Border Trade in Eastern Sudan in Kassala bordering Eritrea and Gedarif States bordering Ethiopia was able to report that women majorly traded products such as vegetables, fruits, dry beans, tea, coffee, fresh beans, honey, spices, meat, plastic products, handicrafts, plastic products, onions, groundnuts, dates, cosmetics, clothes, shoes, and tailored textile material. The traded goods are influenced by the consumption patterns, cultural features, inflation and accessibility.

A survey by Njikam & Tchouassi (2010) on women and cross –border trade in the Central African region covering Cameroon-Gabon-Equatorial Guinea, Cameroon-

Chad-Nigeria, and Cameroon-Nigeria, reported that male traders (19%) were more likely than female traders (15%) to deal in products of mining and forestry, while women (42%) were more likely than men (32%) to deal in agriculture products.

In the West African region, a study carried out by Marpahtia et al., (2001) found out that in the segmentation of labor in production and distribution, men and women have traded in distinct products in the market places informally across borders. Traditionally, women cross border traders have engaged in the sale of unprocessed and processed food such as fish, salt, and foodstuffs confining them to jobs such as food selling and shop assistance in businesses at border crossing areas. This study in concordance with an earlier analysis by Morris and Saul (2000) which noted that presently women cross border traders (WCBT) are now more diverse and engage in a higher value and volume of goods that entails agricultural products, agricultural processed goods, and light manufacturing commodities.

Notable ground breaking scholars like Randriamaro and Budlender, (2008) in their earlier findings of UNIFEM baseline studies of ICBWTs in Africa categorized them as retailers; wholesaler retailers; and wholesalers on the basis of the volume and value of their trade, their relationships with other traders and buyers and the particular commodities they sell. These scholars reported that ICBWTs particularly in West African Region sell and buy fresh food items such as tomatoes, plantains, beans, cassava and locally processed food such as smoked and dried fish, *garri* and *attieke* (from cassava), palm oil, *shea* butter and nuts, *dawa-dawa* (from the locust bean), fermented *neré* seeds (*parkia biglobosa*), onions and palm oil are traded in small and large quantities. Morris and Saul, (2000) further explained that different countries are known for certain agricultural and locally manufactured products, even though several

countries contribute to the trade. For example, garri is associated with Benin and Nigeria, attieke with Côte d'Ivoire, locally manufactured goods with Senegal and Benin, smoked and dried fish with Nigeria, shea butter with Mali and Burkina Faso, palm oil with Benin, locally dyed cloth (basin) with Mali and aluminum and milled lumber products with Ghana a reflection on the diverse nature of this trade driven by multiplicity of socio-economic and political factors.

Studies on ICBT in the SADC region, for example, a USAID led survey of ICBWTs between Malawi and Botswana in 2016 noted a similarity on the nature of commodities being traded. This study revealed that agricultural commodities such as vegetables (green leafs), sweet potatoes, cassava, and; crops such as groundnuts, cowpeas, sugar beans, and green maize; fruits such as bananas and mangoes, sugarcane, stock feeds such as wheat and maize bran, sunflower, molasses, and cotton cake and dried fish are commonly traded (Blumberg, Malaba & Meyers, 2016). Furthermore, sometimes trade in illegal goods, including drugs, precious stones, fuel (petrol and diesel), firearms, both labor, especially child labor, and sex trafficking, and even in human body parts have also been reported. The movements of these goods reflect the multiplicity of factors such as demand, trade transactional cost, inflation rates, security and accessibility to the border.

On the strengths of Chikanda and Tawodzera (2017), argument from a study of Informal Entrepreneurship and Cross-Border Trade between Zimbabwe and South Africa, the kind of goods coming from latter for resale in Zimbabwe were widely processed goods such as Sugar, Milk, Snacks, Bread, Cooking oil, Rice, Pasta, Canned fruits and confectionaries. Others were household items such as beddings, clothes, shoes, cosmetics and electronic appliances. These products were selling at higher prices

in Zimbabwe due to inflation rate and tough economic environment that made many industries to close thereby causing scarcity. From Zimbabwe, Women Informal Cross Border Traders sold agricultural foodstuffs largely non-processed such as Maize, Beans, Sorghum Vegetables both dried and green leafs to South Africa.

Similar study by Peberdy et al. (2015) of WICBT within South African Customs Union region reported commonly such as foodstuffs, including fresh produce and groceries, constituted the most significant category of goods transported across borders of Lesotho, Eswatani, Namibia, Botswana and South Africa reflecting the demand for these products among the communities. Evidence from South Africa and Botswana, reveals that informal cross border traders deals with manufactured goods, such as grocery items like snacks and cleaning gadgets; clothes and shoes, both new and second-hand; African clothing materials like *chitenge*; linen, curtains, jewelry; leather handbags; cosmetics; hair weaves; cheese; and takeaway packaging, handicrafts and curios and chair backs being largely traded by women. While men sell furniture; building materials; car accessories; kitchen utensils; electric appliances such as fridges and hotplates; electronic devices including phone accessories, radios, televisions, electric wires and plugs (Chipika and Malaba, 2010). These products are a reflection of the need to exploit differences in prices, wages, and regulatory practices which hinder smooth trade.

A survey by Perbody, et al., (2015) on ICBT in the South African region observed that most ICBT are bilateral in nature, which implies that traders tend to operate in their home country and one another. Trading into a third country is comparatively rare. At the same time, the vast majority of traders crossing into a country with goods to sell are citizens of that country. In these transactions, middlemen play a greater role in locating

suppliers as well as customers. Additionally, they negotiate bribes with the customs authority and police on behalf of WICBT for safe passage (Ama *et al*, 2014).

Traders mostly source their goods from the formal sector of destination countries. A small proportion of about 13% obtain their goods from informal markets in other countries. Many traders acted as wholesale importers of goods, selling the goods they carried across borders to vendors in informal markets. Others sold from their own stalls in informal markets, door to door, or to networks of family, friends and other individuals. A small proportion sold to retailers and restaurants in the formal sector as reported by Brenton *et al* (2014) in their studies of ICBWTs.

Njikam and Tchouassi (2013) in a study of ICBWTs from the Central Africa Region: Cameroon-Gabon-Equatorial Guinea, Cameroon-Chad-Nigeria, and Cameroon-Nigeria observed that the types of goods traded vary from one border post to another. These include small volumes transported by individuals crossing the border carrying goods on their head, back or in hand, walking on foot, pushing a cart or wheelbarrow, or riding a bicycle or motorcycle or a wheelchair depending on the nature, value and volume.

In the EAC, particularly trade between Kenya and Uganda at the Busia and Malaba border areas, Nkoroi (2015) observed that women traders transacted manufactured goods such as; cooking oil, salt, paraffin, wheat flour, plastic wares, second-hand clothes, soap, mattresses, perfumes, polyethene bags, leather products and drinks with the importation of these items to Uganda linked to the low cost prices in the countries of manufacture and high profit margins when sold in Uganda. Additionally, agricultural products included cereals, beans, cow peas, cabbages, cassava, groundnuts, fish, tomatoes, *matooke* (Green bananas), ripe bananas, Irish potatoes, yams, and carrots

which were influenced by the food items grown around the border and neighboring districts. The driving force for exportation of these products was linked to the high prices offered as a result of the high demand and scarcity of food items, poor soils and harsh climatic conditions in Kenya which are not conducive to agricultural activities.

Women are involved in trade within the region, but lack capital to take advantage of trade opportunities to improve their economic and social status in the society. This is so despite studies done in the sector indicating that the informal cross border trade is contributing immensely to the process of regional integration by building on the informal networks that have been developed by people over years; however, women clearly have less trade opportunities compared to men.

The nature and composition of products transacted by ICBWTs in EAC is reflected in the deep socio-economic and political characteristics among member States which plays a role in the direction of commodities. It's evident that women play a pivotal role in ICBT either by design or due to difficult political economic circumstances. But then it is important to discuss some of the drives or incentives that attract ICBWTs.

2.3 Drivers of Women into ICBT

Trade in general was and has always been motivated by several factors, among them necessity, socio-cultural, religious, economic, political, and international policies. Women involvement in ICBT can be explained empirically by critically looking at these and other emerging factors contingent on the dynamics of the regional integration.

Women involvement in cross border trade pre-dates colonialism. Evidently the footprints and patterns that this period left has remained an incentive for women involvement in ICBT between Kenya, Uganda and Tanzania respectively. Within the past 10,000 years or so, various African communities located in different topographies

for example the Sahara, Nile Valley, East and Southern Africa participated in trade and exchange relationships on various scales: local, regional, and intercontinental, as well as temporal and spatial (Chirikure,2014). One of the major elements in the creation of trade networks is geography. Trade tends to be in products which cannot be found in one area, and which are exchanged with those which are needed in another therefore making trade interesting.

In West Africa, the Trans-Saharan trade and Trans- Atlantic trade as in the rest of the trade routes in pre-colonial Africa dominated the trade history in 10th -15th century. This trade exposed the local communities and women to wealth and its beautiful affluence besides exposure to foreign goods such as glasses, cloths, ceramics, ornaments among others (Hopkins and Levtzion, 2000). In East Africa, the long distance Trade (late 17th to 18th Century) which was highly dominated by the Akamba, Swahili, Arabs, Yao, Nyamwezi, Mijikenda and Baganda played a role in motivating women to participate in cross border trade. The long distance traders thrived because of the influence of Seyyid Said (1790-1856) who provided money, protection, market networks and also offered credit facilities to the traders (Romero,2012).

Arising from this pre-colonial trade, women are now understood to have been active participants in the economic and social fabric of African societies. Women merchants, slave owners and slaves are among the groups that benefited from the trade. Robertson and Klein (1983); Campbell, Miers, and Miller (2007) and Sheldon (2017), argue that Women in varying contexts, were able to achieve power and prestige through their participation in the local and international economy. Moreover, some women became commercial partners of foreign merchants with whom they established commercial and sometimes intimate relationships (Ipsen, 2015). These women traders acted as commercial brokers, providing incoming merchants with access to local established

household and healthcare that were crucial to their survival of foreign men living in Africa out of which significant profits were made further attracting women to the trade (Candido, 2019).

These women were able to enhance their wealth and social prestige through access to imported goods that they could consume and trade locally. According to Rodrigues (2015), the most successful of them owned land, slaves, urban real estate and vessels and engaged in the production of foodstuffs to supply urban markets, caravans and slave ships. This in turn would encourage future women to participate in the cross border trade (whether formal or informal) because of the material and social benefits that came along with trade in East Africa as Oliveira (2015) observes.

Fast forward to colonialism, African States were not characterized by hard geographical borders, with rulers having limited control over territory and movements of people and goods (Herbst, 2000). The Colonial powers at the Berlin Conference of 1884 apportioned the African continent among themselves, resulting in territorial borders based on their de facto zones of control. Young (1994) noted with concern that these boundaries draconiously separated regions with long-standing ethnic ties and often without clear geographical or social separators. Studies of ICBT in West Africa observes the central role of ethnic and religious kinship groups, for example among the Mourides in Senegal and the Gambia the Yoruba in Eastern Nigeria and Benin (Igué and Soulé 1992; Flynn 1997; Golub and Hansen-Lewis 2012), the Igbo in Cameroon and Southern Nigeria (World Bank 2013), the Hausa in Northern Nigeria, Cameroon and Niger (Hashim and Meagher 1999). Moreover, in the Greater Lakes region and the Horn of Africa, common cultural ties between the Burji in Northern Kenya and Ethiopia (Mahmood 2008), the Nande in Eastern Congo (Kabamba 2013), and the Lugbara in

north-western Uganda and the northeastern Congo (Titeca 2009) has been reported to facilitate ICBT.

Benjamin et al., (2015) opines that these kinship ties have encouraged ICBT as they compromise and replace the weak official institutions, providing an informal but effective system of property rights. Igue's (2003) study of ICBT in West Africa notes a correlation between kinship ties and cross border trade while analyzing the Yoruba who remain at the center of a large, informal sector international trade network in post-independence West Africa, facilitated by kinship ties, varied market tactics, and hierarchical organizational structure.

The Yoruba trade network spans across Nigeria, Togo, Benin, Côte d'Ivoire, Niger, Burkina Faso, Ghana, Senegal, Europe and Asia with Dantokpa market of Cotonou (the largest open-air market in West Africa) being the coordination center. According to Sudarkasa (1985) the Yoruba developed an informal system of tontines (Annuity) which was limited to the group only (Tribe), fostering economic ties among the group members. Similarly, Yoruba tend to transact with other Yoruba traders because of trust, common language, and similar business styles (Sudarkasa 1985). Eades (1993) notes the prominence of Yoruba women who constitute the majority of ICBT (80%) and play a key role in the success of Yoruba enterprises having protection from kinships. Yoruba women are well known for their resilience and patience in trade and moreover, the hierarchical organization enables apprentices and other beginner traders to learn the practice before starting their own enterprises with commonly trade goods being clothing, cosmetics, utensils, plastic shoes, watches, and underwear (Igué 2003).

In the East African region, scholars have indicated the vibrancy of cross border trade due to social network and kinship ties among various surrounding communities such as

the Luo, Maasai and Kuria in Mara region of Tanzania and the Southern Western Kenya (PBitek, 1971 and Abuso, 1980). Ayot (1977) points out that Kenya and Uganda cross border Trade has always been propelled by the existence of communities like the Teso and women have used their kinship ties to enhance informal cross border trade between these countries historically. Hay (1975), in her work on local trade and ethnicity appreciated the fact that historical ties between the Luo in Kenya, Uganda and Tanzania respectively played a key role in promoting cross border trade. Similarly, Gor (2012) notes that the social networks among the Somali on either side of Kenya/Somali border at Mandera; the Luo along Kenya/Tanzania border at Isebania and Muhuru; the Samia on Kenya/Uganda border at Busia; the Sebei on either side of Kenya/Uganda border at Mt. Elgon; the Maasai along the Kenya/Tanzania border at Namanga and Loitokitok; the Bukusu/Wagisu on Kenya/Uganda border at Luahaha and the Turkana along the Kenya/Uganda/South Sudan borders among many others is a great incentive in promoting ICBT.

Interestingly, cross border trade has never been informal in any way to these communities tied by historical kinships, due to its ancient practice. To this end, parallel trade or ICBT is seen as a form of indigenous resistance to the imposition of colonial borders and metropolitan economic regulations on traditional African economic and social formations (Asiwaju, 1976; Igué, 1977; MacGaffey, 1987).

Scholars on ethnic communities in Western Kenya like Cohen and Atieno (1987) recognize the role of kinship and family ties for example the late Canon Jeremiah Awori has produced a 'clan' that spans from Samia, that is linked via marriage to families in Nyakach, Yimbo, and Bunyoro, Busoga, Buganda, Liberia, Malawi, and Britain, and that includes lawyers, financiers, real-estate developers, and journalists, with occasional

dabblers in politics both in Kenya and Uganda and women have taken advantage of this network to further trade across the borders of Kenya –Uganda.

Other than kinship, religious ties has been noted to facilitate ICBT among the border communities with women being the most favored as the saying goes in West and North Africa that “Islam is a religion of the nobles and traders” having analyzed the role it played in the growth of trade in pre-colonial period (Golub and Lewis, 2012). The Mouride Islamic brotherhood plays a major role in the informal cross border trade in Senegal and Gambia and has developed an extensive global trading network spanning West Africa, Europe, and the United States. The Mourides’ strong group solidarity and unsurpassed work ethics nurtured and furthered under the teachings of Islam with guidance from spiritual leader Cheikh Amadou Bamba of Touba have enabled their remarkable transition from rural groundnut farmers to one of the most dynamic urban trading groups in Africa (Diouf, 2000).

Scholars like O’Brien (1971) acknowledged that the teaching of Cheikh Amadou Bamba: “Go and Work as work is the remedy of life”, Pray as if you will die tomorrow and Work as if you will live forever” became an inspiration to the Mourides involvement in ICBT leading to a development of the largest informal trade center in Sandaga in Senegal. Golub and Lewis (2012) noticed that the strong religious bonds of solidarity among members of the Mourides provides a social foundation for women in informal markets in West Africa, particularly in cross-border trade, both filling the void left by deficient official institutions as well as contributing to the weakness of these institutions.

Schwartz (2005), in her earlier study on religion, acknowledged the role these network play in East Africa cross border trade where members of the Legio Maria sect provides

ICBTs with market information, ensure contract enforcement, and enable provision of credit and transfers of funds rapidly and at low cost which becomes an incentive for these women. Uniquely and as explained by Flynn (1997) in his study of the Yoruba people in Benin and Nigeria, that in as much as the border residents understand that it is illegal to sneak goods around the customs post, they do not regard it as morally wrong because of religious ties which ultimately intensifies informal cross border trade. However, much information is not available on the role of early missionaries and Islam and their influence on women involvement in ICBT.

The traditional division of labor in African society is another factor known to drive women into ICBT. Evidence suggests that the pre and post-colonial gender segmentation of the labor force prevailed upon women to participate in ICBT (Tsikata, 2009). Hodder (1961) , reflecting on the traditional division of labour, observes that men were mostly involved in agriculture, while women were more likely to be involved in processing and selling their husband's produce. Zeleza (1988) while analyzing labour processes in Kenya since independence opines that because of the marginal role of women in the production process and relying on the family agricultural surplus to be sold, these women were drawn into informal trade whose practice extended beyond the borders of Kenya.

Additionally, to Kenyan women, marketing, petty trading, or at least attending a market, forms part of their way of life; and their rewards lie as much in the social life offered by the markets as in their cash profits. In many instances, if a husband felt that his wife did not trade his produce at a fair price, he was free to sell it to another woman and this therefore created some form of competition and for women living along the borders of Kenya, they would be pushed to sell their produce across the borders to impress their husbands. For some of the women they even sought capital from their husbands to

expand their trade in agricultural and merchandised goods (Ojiambo, 1985). This traditional division of labour became a factor that would push women into informal cross border trade to fulfill societal expectations and as much as economic activities have changed in recent times, women are still the majority traders of the agricultural produce.

The developments in the international economy in the late 1970s and early 1980s had an intense impact on Sub-Saharan Africa on economic expectation during the period known as “the lost decades” due to liberalization policies (Wook, 2017). In East Africa, these policy shifts brought by Structural Adjustment Programs (SAP) known as the African “Agenda for Action” 1981, spearheaded by the World Bank and International Monetary Fund would spell doom for economic prospects coupled with the weak economies of the post -colonial states.

Mkandawire (2002) argued that IMF-led ‘adjustment’ in Africa put the continent on a slow growth path that will take decades to overcome. Indeed, the ‘*Washington Consensus*’ undermined the profitability of private firms, led to a collapse in State revenues and added to the debt that had begun to accumulate in the mid-1970s. The debt overhang from the 1970s mushroomed further, and by placing a further squeeze on investment in critical areas such as transport, health and education, additionally compromised some of the most essential conditions for sustainable growth thereby creating poverty. Similarly, inept leadership and unsound economic policies post Structural Adjustment Policies would further exacerbate household poverty in Kenya, Uganda and Tanzania as Thompson (2010) puts it. According to Schneider (2002), ICBT is a poverty reduction venture to women who want greater expenditure on children and family welfare, unlike similar increases in the incomes of men.

Furthermore, Gerald and Rauch (2005) observed that ICBT provides specific opportunities for the empowerment of women through the development of informal and formal sector retail markets, the creation of employment opportunities and access to some capital thereby creating an opportunity to alleviate poverty. Informal cross-border trade supports livelihoods, particularly in remote rural locations. It creates jobs, especially for vulnerable groups such as poor women and unemployed youth, and it contributes to food security in that it largely features raw agricultural products and processed food items (World Bank, 2014). Moreover, the incomes they earn from these activities are critical to their households, often making the difference, for example, in whether children go to school or not or seek medication. Women's income from trading activities is of particular importance to households where the spouse is not employed and helps explain the high tolerance for the difficulties that they face in crossing the border (Brenton, P, et.al, 2011).

The female predominance in ICBT is often attributed to women's time and mobility constraints, as well as to their limited access to productive resources and support systems, making such trade one of the few options available to them to earn a living (Mbo'oTchouawou et al. 2016). Women who are informal traders typically have no or limited primary education and rarely have had previous formal jobs. If married, they seldom receive contributions from their husbands to start business operations. Similarly, gender norms restricting women's mobility, access, and control over resources and decision-making within the household impact how women participate in ICBT.

Mbaye and Gueye (2018), opines that these vulnerabilities with very limited facilities and social safety nets, reduce the prospects for women to move out of trade

informalities. The recent statistics from ECOWAS (Inter-reseaux 2021) paints a worrying trend for the proponents of formal trade in Sub-Saharan Africa that as much as African women account for 66% of the agricultural labour force and 60% of the foodstuffs produced, they only account for 15% of the land held, while their access to extension services is up to 20% lower than men, which affects their productivity. Moreover, women spend over 20% of their time on domestic chores that are not remunerated and not captured in official statistics leaving them exposed to trade informalities.

A recent analysis by OECD (2019) on the rice trading networks in Benin, Niger and Nigeria demonstrate that women have limited access to finance and credit facilities which affect their social and spatial mobility. The study further notes that women are less well-connected than men and are less likely to have business partners, or to act as intermediaries, which relegate them to peripheral roles in the cross-border trade of rice. These cultural and State sanctioned marginalization and vulnerability women face drives them into ICBT.

African cross border traders, especially women, are constrained by such issues as high duty and tax levels, poor border facilities, cumbersome bureaucracies, lengthy clearance processes, weak governance at the border, lack of understanding of the rules, and corruption. Moreover, cross-border traders face other difficulties before even reaching the borders, such as problems with registering their businesses, securing capital and assets, or increasing the quality and quantity of the products they trade. Ugandan Bureau of Statistics survey (2018) on ICBT noted that despite the fact that the East Africa Community has allowed for the free flow of most goods and services, individually these countries have not been able to harmonize their tax regimes thus

encouraging ICBT. For example, the 35% excise duties applied to sensitive products such as Eggs, Milk, Maize, Steel, Sugar, Cigarettes and Tobacco by the Kenyan government have made traders from Uganda to use subtle means to enter the market (Siu, 2019).

According to Limao and Venables (2001), Trade Transaction Costs (TTCs) in intra-Sub Saharan Africa trade are substantially higher and more obstructive than those of other African countries due to the relatively low efficiency of customs procedures and institutions in the region. In fact, perishable agricultural and food products are often subject to additional trade-related procedures which are meant to ensure compliance with sanitary and phyto-sanitary requirements. For example, the permit fee for importing cereals into Kenya: maize, wheat, rice, barley, sorghum and millet is rose from Ksh 600 to Ksh1,000 in 2017 which many small scale traders would not afford (EAC,2019).

Lesser, and Moisé-Leeman, (2009) observed that on average, Africa has the longest customs delays in the world. Consignments commonly experience substantial and unpredictable delays of 30 to 40 days before release from customs control. Not only are the delays long, they are also costly. A study by OECD (2003) also emphasizes that the barriers to formal South-South trade, including intra-regional trade in Sub-Saharan Africa, are often more important than barriers to North- South or North-North (formal) trade (Kowalski and Shepherd, 2006). These lengthy and cumbersome processes lead to a considerable increase in border process fees and clearance times per consignment, hence leading to ICBT.

Additionally, the weak enforcement of laws and regulations, the arbitrary application of trade-related regulations and the pervasiveness of corruption at borders also spikes

informal cross border trade (Mwaniki, 2004). On the other hand, the arbitrary application of regulations and the quasi-automatic requirement of facilitation payments bribes (*Kitu Kidogo*) at some border points might incite some traders to engage in illegal practices such as under- invoicing and/or pass through other, sometimes unofficial routes and crossings, to avoid having to disburse such payments. It has been observed that corruption is still one of the most important obstacles to doing (formal) business on the continent and East Africa in particular (WEF, 2007).

Ruiter et al., (2017), in describing incidences of bribery and corruption among officials at the Kenya-Uganda border, traders in Busia and Malaba where border officials regularly exploit the lack of transparency surrounding trade procedures to generate uncertainty and coerce traders to pay informal fees at the risk of having their goods seized or denial to issue Simplified Certificate of Origin (SCOO) which exempt small scale traders from tariffs. Painfully, this survey showed that police (59%) and revenue authority officials (18%) were the most likely sources of corruption, with middlemen (12%) and clearing agents (10%) representing the other common individuals benefiting from corruption. In fact, the situation has been made worse with the COVID-19 pandemic with some researchers pointing out a 30% increase in cases of bribery and corruption affecting many Women small scale traders (UNECA, 2020).

In other cases, corruption at the border may also harm efforts towards regional market integration as recent research shows that local transporters carrying perishable goods like vegetables for intra-regional trade end up paying 10 times as much in (mostly informal) fees than transporting imported goods like rice from Asia (Urban Food Plus 2020). Big trading firms, even though registered, may not always comply with formal trade rules and regulations, and enjoy undue benefits in terms of market access or not

paying taxes and duties due to connections to political elites who negotiate a safe passage across the borders (Torres and van Seters, 2016). ICBT researchers such as Cantens and Raballand (2017) show how border officials, especially customs officers, have a difficult job maintaining a balance between pressure on traders for formal and informal payments while supporting the local economy and securing income both through formal payments to the State as well as informal payments to complement their low salaries which they do by playing the role of service providers and ensuring a safe passage for traders contrary to work ethics.

Beyond the costs they beget, regulatory demands are sometimes also unknown or unclear to traders. A survey conducted in the East African Community (EAC) by Ruiter, Hadley & Li (2017) for example reported that Small-scale CBTs operating at the Kenya-Uganda border lack access to reliable and accurate sources of trade and market information, more specifically on questions related to tariffs, exchange rates, customs procedures, product standards, and other regulations which leave them vulnerable to trade informalities. Similarly, the Boresha Policy on Cross Border Trade survey between Kenya, Ethiopia and Somalia acknowledges that lack of critical information on regulation compels many traders to engage in unrecorded transactions across the borders thereby missing on the opportunities of formal trade.

Afrika and Ajumbo (2012) points out that the high prices of basic commodities- majorly agricultural products impel women to look for cheaper ones across the border. The high prices are always as a result of high inflation rates, huge consumer demand, cost of production and unpredictable weather patterns. The situation has been attributed to the low productivity of East African Community agriculture, which barely makes use of inputs to intensify agricultural production such as selected seed, fertilizer and agricultural machinery. Agriculture also is hampered by declining soil fertility,

degraded natural resources and increased conflict over land use. Persons with weaker land rights such as women, tenant farmers and young people have found their access to land challenged by growing land scarcity and tenure insecurities.

Among the original members of EAC, Kenya's inflation was at 8% higher than Uganda and Tanzania at 5.3 % and 5.6% respectively in the year 2019 this pushed the prices of basic commodities significantly forcing traders to source for them cheaply across the border (EAC, 2019). Additionally, agricultural production and productivity has remained low in EAC by global standards. In fact, Kenya has been affected much more than Uganda and Tanzania resulting in food insecurity forcing traders to source from these countries informally. The food insecurity in Kenya has been blamed on vagaries of unpredictable weather such as prolonged droughts due to climate change, poor financing of Agricultural sector with the country spending less than 4% on average between 2011 to 2015 far below the 10% Maputo (2003) requirement on this sector by States (EAC, 2018).

According to Hickey (2011), states in the Sub-Saharan region do not enjoy legitimacy in performing their functions such as collecting taxes, or imposing compliance requirements. To bite the bullet, SSA States have systematically failed in their roles as: providers of services like infrastructure, employment opportunities, protection from rights abuses, redistribution through social protection, among others like health and education. Such service provision can strengthen the social contract between citizens, including those engaged in ICBT and the State. In the absence of these critical services adequately Women who are always the victims will engage in ICTB to escape the poverty trap which threatens their survival but also to rebel against the insensitive state (Vanheukelom et al., 2016).

The unsound macro-economic policy is another driver of ICBT (Schneider, 2017). A stable macroeconomic and political environment is one of the major enabling environments for growth and structural transformation. Limited fiscal resources constrain governments' ability to offer adequate coverage of social protection programs, provide broad access to public sector services, smooth business cycles, and close the productivity gap between the formal and informal sectors (Schneider, Buehn, and Montenegro 2010; World Bank 2020a). In turn, the limited access to public services further discourages firms and workers from engaging with the government, resulting in more participation in the informal sector (Loayza 2018; Perry et al. 2007). According to the World Bank Report, weaknesses in governance and revenue collection constrain the provision of public services in Emerging Markets Developing Emerging with more pervasive informality, contributing to poorer human development outcomes (Shuyu and Ohnsorge, 2020). The East African Economic outlook report (2019) revealed that the rising fiscal deficit and indebtedness are risk factors for Kenya, Uganda and Tanzania by pushing their governments to pursue stringent fiscal consolidation measures which has seen a rise in inflation rates and reduction of spending on key sectors of the economy which could spur growth their by reducing economic activities this has exposed many households to poverty further pushing them to seek for alternative means of earning livelihood for example engaging in ICBT (EAC, 2019).

Urbanization in EAC continues to provide an opportunity for the growth of ICBWTs Informal. UN-Habitat (2016) notes that Sub-Saharan Africa's urban population has been growing at a historically unprecedented rate from 1960 where Johannesburg was the only city with a population of over 1 million inhabitants; however, by 1970, there were four cities (Cape Town, Johannesburg, Kinshasa and Lagos), and by 2010, there are 33 African cities with populations of over 1 million people. The challenge with

urbanization in Sub-Saharan Africa is that it is poorly planned and cannot provide better socio-economic opportunities for dwellers for example better social amenities and formal employment.

In-fact many of the people in urban centers are slum dwellers for example in Kenya 55% of the urban people live in slums, with Uganda and Tanzania having 63% and 64% respectively (USAID, 2013). According to African Cities report (2014), due to reduce formal employment opportunity in these urban centers, informal sector (known as the big story in African cities) provide employment opportunities for millions of people beyond the formal economy, supplying the main source of employment and income for the majority of the poor in urban centers, and poor urban women in particular. According to Skinner (2008), urbanization will continue to provide opportunities for Informal cross border women traders as a means of creating employment, providing services and goods to the urban-slum dwellers.

On the far side, the existence of different and varying perspectives of traders and border officials, a key point from all of the above is that Women are being driven into ICBT as a result of a system of complex interactions between actors, shaped by a wide range of structural, institutional and informal factors. However, literature was silent on how local political networks, ethnic citizens and political hostilities were driving women into informal cross border trade.

2.4 The Social-Economic Impact of Informal Cross Border Women Traders

This section builds on recent empirical studies and literature to present on the socio-economic and political impacts of informal cross border women traders at individual traders, community, State and the regional integration level.

According to Tijani et al., (2020), ICBT plays an important role in developing countries and acts as an accelerator of economic development and regional development of the borderland areas. At the individual level, ICBT enables participants to be finally self-reliant by providing them with avenues for employment. According to Desai (2009), ICBT contributes to the economy by enabling many women to be employed, thereby improving their level of income. Empirical findings from the eastern external EU border by Bruns et al., (2011) strongly suggests that ICBT offers individuals along these peripheral border areas where chances of employment are low with income which is crucial for their survival. Similarly, evidence from West Africa shows that ICBT is an assurance for many unemployed women by affording them with sources of income (Afrika and Ajumbo, 2012).

Additionally, Njikam (2011) noted that ICBT offered women in Cameroon and neighboring Countries employment opportunities. UNIFEM (2008) surveys in West and Central Africa reveals that women informal cross border traders “employ 1.2 people in their home businesses; support on average 3.2 children as well as 3.1 dependents who were not children or spouses. An ILO (2004) report showed that trade is the most important source of employment among self-employed women of Sub-Saharan Africa providing 60% of non-agricultural self-employment.

At the household level, evidence strongly suggests that ICBT increases the level of income which is critical for survival and poverty alleviation. A study by Jaleha (2014) on Informal Cross-Border Trade in Entikong, Indonesia recognized that ICBT increases the household income up to 185% thereby providing opportunity for asset acquisition, improving expenditure on basic commodities like food and clothes. A number of studies from Africa show that ICBT may have positive consequences on the food security and income of poor households. In Rwanda, Mwanabiningo (2015) study found that 65

percent of small-scale cross-border women traders used this trade as their main source of income and their first source of food for families. UNIFEM (2010) survey of 2000 ICBWTs in Cameroon, Liberia, Mali, Swaziland, Tanzania, Zimbabwe concluded that majority of the proceeds from their trading activities was the main source of income for the family which they use buy food , pay for school fees, seek health care services and pay rent, save in *susu* clubs and banks and reinvest in their businesses.

Schneider (2002), Meagher (2003), Colin (2005) Little (2005), and Lesser and Moisé-Leeman (2009) in other studies within the continent conclude that ICBT lessened poverty burdened households and improved food security for families for the reason that as women's income increases, there is a higher expenditure on children and family welfare, unlike related increases in the incomes of men.

The profitability of ICBT causes women to earn more than even civil servants as Ama and Mangadi (2014) in Botswana revealed that the margins from ICBT are as high as 60% and on average, ICBWTs earn more than five times the minimum wage. In summary Gerald and Rauch (2005) argued that ICBT provides specific opportunities for the empowerment of women through the development of informal and formal sector retail markets, the creation of employment opportunities to traders and their employees. With access to some capital, this creates an opportunity to alleviate poverty.

Mwango et al., (2019) in Zambia revealed that ICBWTs provides food in affordable unit sizes (*kadogo* economy), while some offer food on credit, sells fresh produce at lower costs than supermarket fresh produce, and sells prepared foods appropriate for households that experience income, time, storage and energy poverty at both rural international border areas, surroundings and urban centers. In fact, Zarrilli & Linoci (2020) reports that these women informal cross border traders support food security by

supplying communities with staple food which are on demand but either in short supply or they cannot get access to them through formal channels. Many households still depend on the informal sector for many day-to-day purchases, as a source of traditional foods, some which are above the common citizen to buy from the retail stores.

The importance of ICBWTs in food security has also been well-documented in African cities beyond the international border communities (Skinner, 2019). According to Opiyo and Ogindo (2019), Kenya is a maize-deficit country necessitating importation mainly from the EAC countries, with a significant portion of the imports being contributed by ICBWT and sold in smaller measures than would ordinarily be found on supermarket shelves. These small unit measures are not meant to make items cheaper but rather to enable households with low daily incomes to purchase food is referred to as the “kadogo” economy.

Informal cross border women traders provide critical contribution to national income. In 2018 informal exports from Uganda to its neighbors were estimated at \$538 million; moreover, the country’s informal imports also increased by 19.8% to \$80.9 million in 2017 from \$64.8 million in 2016 (EAC, 2017). The proceeds from these ventures are getting back to the national revenue platforms indirectly such as when seeking for services and purchase of certain goods through formal processes (Siu, 2019). Joshi et al. (2014) observes that informal traders are a potential source of revenue that can boost the currently low tax base in African Countries. Ogalo (2010) study opines that ICBT contributes to the economies of EAC countries in various ways. For example It enables small-scale entrepreneurs to escape poverty and to meet the education, housing and other basic needs; Informal Cross Border Trade traders employ people in their home countries and in the countries where they source their goods; and, it is also a supplementary source of family income to people who are under employed and a source

of employment to some people who were retrenched following economic restructuring that was occasioned by structural adjustment programmes (SAPs).

Similar findings have been reported by Schneider (2010) surveys which acknowledge that the informal sector forms a large and, in many countries, growing share of GDP, and thus represents a potentially significant source of tax revenue for cash-strapped governments. Women informal cross border traders, in as much as they are not registered formally, still pay taxes such in the form of VAT on inputs and fees which are often disregarded in calls by the State to tax their activities. The contribution of women informal traders to national GDP amounts to 64% of value added in trade in Benin; 46% in Mali and 41% in Chad (Charmes 2000, cited in ILO 2004). While in Zimbabwe, 84% of the women ICBT traders interviewed in the UN Women studies said that they paid the required duties for the goods they imported into the country (United Nation Development Fund for Women, 2008).

Women cross border traders entrench regional integration in Africa and other sub-regional economic blocs. Although the regional and continental level efforts towards establishing a Pan-African Free Trade Area (CFTA) continues to formalize trade within Africa, a common feature of Africa's cross-border trade is the sight of women crossing the borders with their heads and backs laden and arms overloaded with goods for sale (Ogalo,2010). According to Afrika and Ajumbo (2012), these women informal border traders are continuously growing the 'real' but 'invisible' integration of Africa's economies furthering integration at a time when formal integration efforts are still struggling with many setbacks. A requirement of regional integration is a free movement of people across the borders with goods and services for trade therefore women informal cross border traders are actually furthering this process. Official sources report an average value of informal cross border trade in the SADC Region of

US\$ 17.6 billion per year. Informal Cross Border Trade contributes for 30-40% to intra-SADC Trade further strengthening regional integration (UNIFEM, 2010).

Within the regional economic blocs, women's informal cross border trading activities have reduced the effects of the financial crisis and the food insecurity in African countries. In EAC for instance, ICBWTs address vital issues of livelihoods such as food and income securities. The International Labour Organisation (2009) report demonstrates the importance of informal cross-border trade, reiterating that female cross-border traders have cushioned the effects of the financial and food crises in Uganda, Kenya and Tanzania. ICBT contributes to the economies of EAC countries in various ways.

Beyond the positive impacts associated with ICBWTs, scholars and practitioners have noted with concern that there are negative implications associated with this trade as discussed;

Women informal cross-border trade creates uneven competition tête-à-tête for formal traders, which minimize the incentives to invest in the formal economy and slow business opportunities in the state, regional and global markets. A World Bank Survey in 2006 reported that about 40% of manufacturing firms ranked competition from informal businesses as one of the top three obstacles to doing business. In Niger, Cameroon and Benin, evidence showed that informal cross-border inflows of agricultural commodities destroy the longer-term potentiality of local formal agriculture, by reducing commodity prices. Likewise, in Nigeria, Women Informal cross border flights have upset agricultural development initiatives by transferring key subsidized inputs to neighboring countries (Meagher, 2003). Furthermore, the influxes

of informal Asian manufactured imports have destroyed some manufacturing industries EAC.

More generally, when local businesses face increased basic production costs and the incapacity to avoid official taxes, they are unable to compete effectively with informal traders (Meagher, 2003, OECD, 2007, Uganda Bureau of Statistics, 2007). Ogalo (2010) on ICBT in EAC Implications for Regional Integration and Development noted that Women ICBT can create unhealthy competition with those formal enterprises that have often paid punitive taxes hence contribute to limit their growth which can result into an overall decline in economic growth through lost employment and tax revenues.

In effect, all forms of ICBT by women traders deny government's revenue both internally such as income, sales and value added taxes and customs collections from import/ export duties, licenses, taxes and other charges (Afrika and Ajumbo, 2012). Tijani, Shola, & Olanrewaju, (2020) study on the effects of the ICBT e in Western Africa between Nigeria and Niger reported that a large informal sector could also disposes governments of required tax revenue such as VAT which accounts for 25% of tax revenue limiting opportunities to reinvest into energy and infrastructure development. The EAC Secretariat (2017) through a press release observed that revenue losses from ICBT in some African countries are estimated to exceed 5% of the Gross Domestic product. According to Lesser and Mois'e-Leeman, (2009) this is particularly problematic in a region where governments could direct these proceeds toward human development priorities embracing, education, health, and poverty alleviation which are currently wanting. Furthermore, these ICBWTs enjoy the same public goods such as transportation, logistics infrastructure and social services as formal traders, without incurring commensurate costs (Nshimbi 2019).

Informal cross-border women traders cut down the efficiency of measures put in place to guarantee health, safety and environmental protection. According to a BORESHA study by Organisation for Social Science Research in Eastern and Southern Africa (2021), agricultural commodities which are traded informally, for example, escape sanitary and phyto-sanitary controls meant to ensure adequate food safety at home and avoid proliferation of diseases across borders. Similarly, UNCTAD (2021) report on Women in informal cross-border trade in Kenya noted that Informal trade may pose health and safety concerns as products traded through informal channels fall outside regulatory mechanisms of safety and standards enforcement. These prohibited or illegal goods or goods that do not meet minimum safety and health standards may eventually pose risk to consumers' wellbeing and national security.

Finally, ICBT flows lead to confusing external trade statistics which might affect the formulation of appropriate trade and macroeconomic policies. Tijani, Shola & Olanrewaju (2020) survey on the effects of the Informal Cross Border Trade in Western Africa between Nigeria and Niger noted that facts and data are not recorded in the national statistics because it's not available which implies what has always been stated as GDP of Nigeria and Niger economies is often grossly underestimated. According to Ndlela (2006), the result of unreliable data on informal cross border women traders is actually the wrong perception about the real trade balances, the trade benefits accruing to them from regional integration, and it might continue to give a wrong impression about the extent of the performance and direction of growth of regional trade. Similarly, Ogalo (2010) observes the possibility of missing ICB women traders' data resulting in wrong policy prescriptions which leads to some unintended negative impacts or unnecessary diversion of resources away from other important projects, thus impacting negatively on regional trade integration and development Countries. Uganda Bureau of

Statistics (2006) concluded that missing trade data impacts balance-of-payment and national income data and also complicates the formulation of effective macroeconomic and development policies in EAC member states.

2.5 Challenges Informal Cross Border Women Traders encounter and Potential Management Opportunities

According to Njikam and Tchouassi, ICBWTs continue to face a myriad of challenges that not only threaten their businesses but more so their survival. Nonetheless, there exist some potential management opportunities as stated by Ogalo (2010) that ICBWTs can tap into for their survival.

Women involved in trade continue to suffer many setbacks globally. In many countries, legal barriers restrict women's right to work and asset ownership. This inequality begins with inheritance rights. World Bank (2015) reported that in 33 out of 173 countries surveyed in 'Women, business and the law' sons and daughters do not have equal rights to inherit assets from their parents. Married women are especially disadvantaged in Egypt, Malaysia and 26 other countries where a husband has veto power by law as the final household decision maker. In India, Pakistan and Tunisia, unequal inheritance rights and work restrictions limit women's access to start-up capital and collateral. In countries that guarantee women paid maternity leave financed by employers, women are more expensive on the measure of short-term costs, which discourages firms from hiring them or lowers their pay. Limited access to land and finance pose more constraints to women than to men. Women have less access to finance because they have less physical and reputational collateral. This may explain why they are concentrated in less capital-intensive businesses.

Furthermore, Women in trade face a lot of cultural barriers which require them to take primary responsibility for reproductive and unpaid work, including domestic work, child care and caring for the sick and elderly. Due to these barriers, women face greater disadvantages than men in responding to new economic opportunities which explains why most women-owned companies fail to expand or internationalize (OECD, 2010). Similarly, the disconnect between education and the skills needed for private sector jobs affects women more than men. Educational systems shape gender norms in important ways, and schools and universities do not always offer girls an enabling learning environment as explained by UNCTAD (2013) that high-tech sectors, such as chemicals, electrical, electronic machinery and applications, industrial machinery and transport equipment, have a high indirect impact of services exports. These are sectors that use specialized services. Low female employment in these sectors hinders equitable distribution of gains in these sectors.

Finally, women face modern barriers to trade often taking the form of non-tariff measures (NTMs), such as standards or regulations and lengthy port-handling or custom procedures. One characteristic of NTMs is that they often lead to fixed costs for exporter's costs that do not change with the number or amount of products exported and considering the low volume of trade and size of their businesses many don't withstand such. World Bank (2013) noted NTMs, such as sanitary and phyto-sanitary standards (SPS), have the greatest impact in the agro-food sector based on their study that showed SPS and their lack of harmonization to be a burden for small producers, many of whom are women in developing countries.

De Melo and Tsikata (2014) agreed that, reminiscent of the rest of the World, women in Sub-Saharan African play a key role in trade which is essential to Africa's success in exploiting its trade potential. Women make a major contribution to trade in most

Sub-Saharan African countries through their involvement in the production of tradable goods as cross-border traders and as managers and owners of firms involved in trade. Cassim et al., (2015) observed that in many countries in SSA, the majority of small farmers are women, and they produce crops such as maize, cassava, cotton, and rice that have enormous potential for increased trade between countries in the region and with the global market. Women are also involved in providing services across borders, such as education, health, and professional services, including accountancy and legal services. Hundreds of thousands of women cross borders in SSA every day to deliver goods from areas where they are relatively cheap to areas in which they are in shorter supply (Bussmann, 2009).

In the East Africa Community, women are involved in sorts of trade selling everything from agricultural to manufactured products. The products range from cereals, fruits, vegetables, marine products, leather and leather products, clothes and textile products (EASSI, 2015). Moreover, women in EAC are also trading in various ranges of services (professional to non-professional services). In Kenya, much like Uganda and Tanzania women constitute the lowest labour force at 47%, own fewer businesses at only 9% with majority dealing with textile, eateries, cosmetics, clothing and agricultural products (Mbo'o-Tchouawou et al. 2016). The dominance of male owned businesses is likely reflected throughout the East Africa Community and driven by a range of cultural, financial and regulatory obstacles (amongst others). Majority of women up-to 70 % in EAC are informal traders who deal with legal products but don't meet the entire regulatory framework outlined by the governments. Bulk of these informalities thrives in cross border trade (EAC, 2017c).

Numerous obstacles to trade that women in the EAC community face are not unique but common among other regions. Throughout East Africa, women suffer less access

to formal financial products than men; however, the gender imbalance has steadily fallen over recent years, particularly following the introduction of mobile money around 2013 in most East African Countries. With the exception of Uganda (where financial exclusion has gender parity at 15% of the population), financial exclusion is greater for women in East Africa. In Kenya, 53% of those excluded from all aspects of the financial sector are women and in Tanzania this figure is 55% (EASSI, 2015).

UNCTAD (2021) survey on ICBWTs in Kenya reported that these traders face personal insecurity due to the secondary routes which they use to hide from the border officials which exposes them safety risks but also precludes them the possibility of benefiting from and accessing infrastructure at the border such as toilets, storage space or sleeping facilities when available. Additionally, these women informal cross border traders have no access to social protection, health coverage and other social security benefits in the formal sector thereby creating a situation of vulnerability and social marginalization that are perpetuated through their lives. Besides, the survey notes that Informal traders and owners of informal businesses face more difficulties to access credit and other services from formal financial institutions, as they are regarded as high-risk customers. As a result, they are either denied credit or offered very high interest rates.

The Eastern African Sub-Regional Support Initiative for the Advancement of Women research on informal cross borders traders in EAC which was done in Namanga (Kenya-Tanzania), Mutukula (Uganda-Tanzania), Kanyaru (Burundi-Rwanda) and Kakitumba (Rwanda-Uganda), Busia (Kenya-Uganda) and Katuna (Rwanda-Uganda) reported that 74% of women informal traders interviewed highlighted lack of adequate funds to support businesses as the major challenge affecting them. Moreover, 44% reported high taxes, 41% noted high transportation, with 36% revealing high competition from big companies and 35% acknowledging lack of information on markets as a stumbling

block. Nonetheless, there is some variation among border posts for example at Kanyaru border post the biggest challenge faced by the ICBWTs are high taxes, Katuna it is high transportation costs and in Busia it is competition from big companies (EASSI,2012).

In Central and West Africa, a study done in three border sites of the Cameroon-Gabon-Equatorial Guinea border, Cameroon-Nigeria-Chad border, and Cameroon-Nigeria border the 123 women informal traders interviewed reported , multiple control posts, access to credit to initiate and even expand their business, high transport costs(due to poor road networks and heavy rains which affect the roads), insecurity and sexual harassment, poor accommodation and storage, multiple and arbitrary taxation of goods, and high costs of communication as some of the challenges affecting them (Njikam and Tchouassi, 2011). Moreover, Informal markets use non-standard units of measurements for good trade, creating contestation for clients and sometimes fights occur.

Due to limited access to formal credit, ICBWTs turn to the informal financial intermediaries such as shylocks, moneylenders, trade-lenders, retailer-lenders who charge extreme interest rates and sometimes confiscate properties or merchandise in situations where they cannot pay. Njikam and Tchoussi (2011) further note that as a result of lack of formal exchange bureau ICBWTs face problems of exchange rate as a result of going to informal/black market exchanges where the premium rates are always volatile. These challenges make it difficult for many women traders to make profit which they can reinvest back into their businesses.

According to ILO (2015), women are much more likely to use informal means to access finances. One reason why women struggle to obtain formal financing is that female led businesses are smaller and are more likely to operate in the informal sector perceived as riskier thereby attracting smaller loans at higher interest rates because of lack of

collateral. Furthermore, because women traders are largely operating informally, their firms are stifled in so much as they are prevented from bidding for public procurement contracts and from engaging in global trade chains.

There are also regulatory barriers that affect women engaging in economic activities. For example, in Kenya and Uganda women do not have equal inheritance laws. A man's property (recall that property is much more likely to be male owned, even if used by the family) will prioritize his male heirs over his wife or daughters upon his death and as a result women risk losing their assets and collateral upon the death of their husband or father, which may also dissuade commercial banks from offering formal finance channels. Finally, despite the fact that EAC member states ratified Simplified Trade Regimes (STR), hardly have they been of help to women, in fact they are still as cumbersome as before making it hard for women to actively participate in formal cross border (UNCTAD 2015b).

According to Eastern African Sub-Regional Support Initiative for the Advancement of Women (2012) a non-state actors supporting informal cross border women traders, with the adoption of customs Union (2004) and common market protocol in (2010) by member's states of the EAC, there are opportunities for exploitation such as communications, distribution services, education, financial services, tourism and travel related services and transport services. To this end, ICBWTs can be organized to effectively penetrate these markets through diversification by supporting them with skills and information, capital for trading and development of a marketing strategy.

Another opportunity for women to cross borders in EAC is through expansion of existing markets. Empirical evidence has shown that expansion of the current market is a great opportunity for informal cross border women traders (EASSI, 2015). A survey

by the International Trade Center (2015) demonstrates how ICBWTs can tap into existing opportunities as a result of an expanded market. For example, in Peru, several organizations work with women entrepreneurs to improve market access and connectivity. For example, the ITC project Empowering Peruvian Women Business Enterprises project in alpaca garments connects women-owned businesses to the US market by organizing an export promotion event for women-owned businesses to meet buyers, including two major fashion institutes in Los Angeles. These buyer-seller meetings have allowed women entrepreneurs to initiate transactions, which have resulted in potentially productive relationships. In Australia, the Australian Trade Commission (Austrade) established the Women in Global Business programme to increase their participation in international trade and investment, and deliver economic benefits and job creation through greater diversity (ITC, 2015d).

In Malaysia, the Malaysian External Trade Development Corporation (MATRADE), women exporters are assisted to grow in non-traditional sectors through personalized coaching, product and service marketing support, skills enhancement training, and other export readiness services. Hand Holding programmes connect exporters with financial institutions and other support groups to boost their growth. Customized business coaching is complemented by links to trade finance, market and commercial intelligence, leveraging MATRADE's network of 42 offices in 35 cities; and in East African Community, ITC is working with international Women's Coffee Alliance (IWCA) to support women coffee growers, roasters, exporters and buyers in Tanzania, Burundi, Rwanda and Uganda to achieve the best quality in producing and processing of coffee. This is achieved through training women entrepreneurs to run their businesses more efficiently, for example by explaining how to open and maintain a bank account

and how to enter markets in these countries (ITC, 2015d). These programs have enabled women informal cross border traders to widen their markets (EASSI, 2012).

Group Marketing has been shown to have greater potential in supporting ICBWTs. This could be done through formation of Cooperative societies and it is aimed at reducing transportation costs, fostering competitiveness and bargaining power which would result in low costs and higher profitability. According to Eastern African Sub-Regional Support Initiative for the Advancement of Women (2012) group marketing is critical for effective trading by reducing transport cost through the use of pooled transport, fees charged by clearing agents when goods handled are for individuals, and savings made from bulk or group procurement. For example, the Burundi women informal cross border traders who import textiles from Uganda have devised a system where they travel to Kampala to buy their goods on a hired vehicle to transport all merchandise to Burundi with the hired transport owners paying for all the taxes and related charges of the merchandise at the border posts therefore women ICBT pay a single aggregated bill to the transport owner on reaching Burundi thereby reducing cost.

Simplified Trade initiatives equally present an important opportunity that ICBWTs can tap into. According to Koroma (2017), in the EAC, goods eligible for clearance through the Simplified Certificate of Origin (SCO) akin COMESA Simplified Trade Regime (STR), are provided in a list of goods, known as the EAC List of Originating Goods Commonly Traded by Small Scale Cross-Border Traders. In total, 370 products currently qualify, which include agricultural commodities like maize and beans, fish products, textiles, cosmetics, office supplies, and household goods. The ease of use of SCO has changed the way informal cross-border women traders are doing business, as it has allowed traders to clear their consignments quickly, safely, and with less hassle.

A survey by UBS (2018) on cross border trade between Rwanda and Uganda reported noticeable improvement in trade volumes between the countries since 2018 due to the Simplified Certificate of Origin and Automated System for Customs Data (ASYCUDA). The SCO is a trade facilitation document that replaced previously cumbersome Single Entry Document; it is used together with simplified declaration form all of which are available at the customs offices at the border stations. It is used for clearance of goods that have been grown or produced from the EAC Partner States whose value is US\$ 2,000 and below. It is a remarkable effort to bring ICBT within the formal trading system and to extend the benefits of the Customs Union to small traders. Although it is not specifically designed for women, it can be used to leverage women's performance in cross border trade (EASSI, 2015).

Finally, the agreement establishing the African Continental Free Trade Area (AfCFTA) signed on 1st January, 2021 explicitly and implicitly recognizes the importance of gender equality. Described as history's largest free trade agreement, as it connects 1.3 billion people across 55 countries with a combined Gross Domestic Product (GDP) valued at \$ 3.4 trillion in Africa. There is no doubt that the agreement would play a significant role in boosting trade in the informal sector which is often neglected by the government. Article 3(e) AfCFTA protocol aims to "promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation". In the same breadth, Article 27(d) on Trade in Services explicitly refers to improving the export capacity of formal and informal service suppliers, with particular attention to micro, small and medium sized operators and women and youth service suppliers. Considering that international trade has a key role in promoting gender equality, the embedding of several gender-related provisions in the agreement

establishing the African Continental Free Trade Agreement holds significant potential to support the participation of women in trade (Zhuawu and Enos, 2021).

From the reviewed pieces of literature, it is evident that ICBWTs continue to face a lot of challenges. Efforts have been put in place by the states and non-state actors to open opportunities for these traders in many regional economic groups in SSA. However, reviewed pieces of literature were not able to clearly demonstrate how states through their agents and institutions and policies and the environment (where they do their business, source for goods or reside) were posing a threat to ICBWTs as much as they were creating opportunities.

2.6 Theoretical Framework

This study adopted three theories to enable in depth understanding of the Political Economy of informal cross border traders in EAC; a case of women traders due to the complexity of this phenomenon. The theories listed are Neoliberalist (legalist), Vulnerability and Rational Choice theory. The main reason for use of these theories is for complementarity.

2.6.1 Neo-Liberalism theory

Neoliberal's theory is rather known as New Liberalist theory of IR that grew prominently in the last 25 years as a result of the inability of the classical liberal school of thought to explain the economic failures. The liberal school of economics became famous in Europe when Adam Smith, a Scottish economist, published a book in 1776 called "An Inquiry into the Nature and Causes of the Wealth of Nations". He and others advocated the abolition of government intervention in economic matters. He advocated for no restrictions on manufacturing, no barriers to commerce, no tariffs, he said; free trade was the best way for a nation's economy to develop. Such ideas were "liberal" in

the sense of no controls. The Great Economic Depression (1923-1933) would make scholars question the applicability of classical economic liberalism in helping states due to widespread unemployment and poverty. This gave birth to the New (Neo) Liberalism which required states to intervene minimally in the market – this would later be known as the legalist Neoliberalism.

Neoliberalism proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices. The state has to guarantee, for example, the quality and integrity of money. Legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets.

Moreover, if markets do not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. But beyond these tasks the state should not venture. State interventions in markets must be kept to a bare minimum because, according to the theory, the state cannot possibly possess enough information to second-guess market signals (prices) and because powerful interest groups will inevitably distort and bias state interventions (particularly in democracies) for their own benefit (Harvey, 2005; 2).

According to De Soto (1989), in his Peruvian experience about the informal sector, informal cross border trade is a response to excessive state regulations which are against the neo-liberal ideals. He subscribes to the notion that the informal sector is composed of ‘plucky’ micro-entrepreneurs who choose to operate informally in order to avoid the costs, time and effort of formal registration. Furthermore, micro-entrepreneurs would

continue to produce informally so long as government legal requirements are cumbersome and costly in terms of bureaucratic red-tapism, lack of property rights, and difficult accessibility to productive resources like finance and technology.

Swaminathan (1991) advancing De Soto's thoughts, notes that the informal sector is a 'refugee' of individuals who have found the cost of conforming to regulations and the existing laws of legitimate economic objectives is far more than the benefits. According to this view, women economic actors resort to cross border trade informality in situations where the State imposes high costs of entering and remaining in the formal realm through burdensome regulations and requirements.

The shortcoming of neo-liberal (legalist) approach in explaining cross border trade informality has seemingly failed to explain economic inequalities and the fact that it encourages governments to reduce expenditure on social safety nets which further creates political, economic and social vulnerabilities. Secondly, the neo-liberal idealization of an autonomous individual subject who is self-sufficient, rather than reliant on society, provides flawed tools for addressing systemic problems. This implies that this theory is not comprehensive enough to fully explain trade informality, especially ICBWTs in EAC. Therefore, a need to introduce a second complementary theory is necessary.

2.6.2 Vulnerability theory

Vulnerability theory is an emerging legal theory that argues normatively, to replace the neoliberal idea of the 'excessive state' with what it defines as 'the responsive state' which carries ongoing responsibility to respond to human vulnerability by building and maintaining its members' resilience (Rich, 2018). This theory was proposed by Martha Albertson Fineman guided by philosophies of justice, freedom, equality, and human

nature alongside original insights about the role of vulnerability and institutions in people's lives to argue for increased government intervention. At the heart of Fineman's theory of vulnerability is that all human beings are vulnerable and prone to dependency either chronic or episodic, therefore, the state has a corresponding responsibility to reduce, ameliorate, and compensate for that vulnerability. In Fineman's thesis, it is neither just nor reasonable to expect that mere equal treatment will meet individuals' needs in a world in which no one is assured of avoiding injury, illness, or other adverse life events. Furthermore, Fineman postulates that for a state to meet its obligation to respond to human vulnerability, it must provide equal access to the "societal institutions, that distribute social goods such as healthcare, employment, and security which is consistent with the original purpose of the state- to respond to human vulnerability (Fineman, 2015).

According to Fineman (2015) state-led marginalization results in socioeconomic vulnerabilities that drive women into informal cross-border trade for survival. According to vulnerability theorists, state institutions such as schools, hospitals, training centers, parliament, and judiciary build people's physical, human, and social resilience. This means that individuals in society are heavily intertwined and dependent upon institutions, and it is along these institutions that people gain autonomy.

Vulnerability proponents such as Nina (2015), argue that state institutions are the source of inequality. In essence, the State creates inequality because it is responsible for dispersing development which has the potential to make other communities and groups economically endowed and resilient while some are excluded (marginalized) and ill equipped to live well because of poverty. This explains the case of women cross-border traders who are excluded by the state through its institutions meant to build economic resilience thereby secluding them from formal economic opportunities.

As claimed by World Bank study in 33 out of 173, women are faced by many vulnerabilities which limits their political, economic and social development. Women do not have equal rights to inherit assets from their parents or spouses, limited space to make economic decisions at the household, lack of property rights which limits their ability to access start-up capital and collateral. Furthermore, in countries that guarantee women paid maternity leave financed by employers, women are more expensive on the measure of short-term costs, which discourages firms from hiring them or lowers their pay. Moreover, limited access to land and finance pose more constraints to women than to men. Women have less access to finance because they have less physical and reputational collateral (World Bank, 2015).

Empirical studies show that women's vulnerabilities have been worsened by a lot of cultural barriers which require them to take primary responsibility for reproductive and unpaid work, including domestic work, child care and caring for the sick and elderly thereby limiting their economic opportunity than men (OECD, 2010). UNCTAD (2013) observes that women's vulnerabilities are also as a result of the disconnect between education and the skills needed for private sector jobs affects women more than men. In other words, Women have missed out from the education acquired through attending schools (elementary, tertiary and higher learning) that shape gender norms in important ways, further worsening their vulnerabilities. For example, many women have missed out in high-tech sectors, such as chemicals, electrical, electronic machinery and applications, industrial machinery and transport equipment which have a high indirect impact of services exports and hinder equitable distribution of gains in these sectors.

Due to the above in Fineman's view, vulnerability is a universal condition of the human race; therefore, States should accept the responsibility for creating and supporting systems that promote resilience among women traders. This can be done through

adopting comprehensive laws that reduces women's political, economic and social vulnerabilities by ensuring they get access to education, have equal rights to own property, access to finances, market information, better health care, elimination of cultural barriers that limits women economic participation and less cumbersome business formalization through reduced red-tapism (Fineman, 2012). In other words, the government must intervene directly to reduce women's political, economic and social vulnerabilities.

According to Stiftung (2006), the inability of the states to cushion women from vulnerabilities by supporting their access higher education, properties and ownership, access to financial markets, social welfare services such as health and insurance, business incentives such as reduce taxes and start -up capital and grants, eliminating negative cultural barriers, equal economic opportunities, market information and easy formalization procedures. Due to burdensome institutional and regulatory requirements compounded by the inability of the state to provide basic social services (Education and Health) and guarantee private property rights, many women across EAC are pushed into ICBT.

The fact that vulnerability theory focuses more on the role of the state in addressing political socio-economical 'vulnerabilities' and limiting the role of individual self-management as means of addressing them is a limitation. No government is capable of addressing all the vulnerabilities in societies even with the best legal and policy frameworks. In fact, state responsiveness is possible only to a certain extent while for society to address political, socio and economic challenges, it will take the hands of responsible individuals. Therefore, by placing state responsiveness more than individual self-management in the face of vulnerability, this theory may not exclusively

explain the behavior of informal cross border women traders thereby calling for a third theory of Rational Choice theory.

2.6.3 Rational Choice Theory

This theory was first introduced by Adam Smith (1776) in his work in the *Wealth of Nations*. Other notable proponents later would be neo-liberal political economists such as William Stanley Jevons (1862) and William Riker (1962). The rational choice theory, also known as choice theory or rational action theory is a theory for understanding and often modeling social and economic as well as individual behavior (Green, 2002). It is the main paradigm in the currently-dominant microeconomics school of thought. Rational Choice Theory sees individuals' behavior as motivated by their wants, needs and goals. It is also saying that individuals act with specific given constraints that are based on the information they have about the conditions under which they are acting. According to Elster, (1989), the essence of rational choice theory is that "when faced with several courses of action, people usually do what they believe is likely to have the best overall outcome.

Rational Choice theory is premised on three assumptions; first, individuals have selfish preferences which mean that the actions of the individual are concerned entirely with his or her own welfare. According to Abell (2002), Individuals, as actors in the society and everywhere, behave and act always as rational beings, self-calculating, self-interested and self-maximizing, these individual social actions are the ultimate source of larger social outcomes. Secondly, individuals maximize their own utility by choosing their actions optimally, given their individual preferences as well as the opportunities or constraints with which the individual faces. This does not mean that the course of action that the actor adopts is the best in terms of some objective, and outside judgment. The rational choice theory, therefore assumes that individuals "do the best they can,

given their circumstances as they see them” (Wittek, 2013). Thirdly, Individuals act independently based on full information. This is what is called rationality where actors are fully informed about all their decision alternatives, the probabilities of their outcomes, and their consequences, and there are no cognitive limitations in the perception or processing of this information. According to Green (2002), individuals do cost benefit analysis of their decisions or actions.

Rational Choice theory is very relevant in explaining the behavior of informal cross border women traders in EAC in reference to the above assumptions. Women informal cross border economic activities are rooted in rational choice theory as any individual, before opting for cross-border trading, will have to weigh the pros and cons of such decisions like being arrested by customs and border officials, insecurity to personal health when crossing the border using unprotected routes amongst others. Since informal cross border trading may not require a lot of capital, ICBWTs do not require much capital therefore making it much easier means of easing economic repression which is normally associated with unresponsive government. Women informal cross border traders have also realized that the benefits or profits accrued from cross-border trade far outweigh its costs and risks thereby they develop tactics to cope and minimize whatever costs and difficulties that are associated with the trade. These assumptions of rational choice theory can explain why there has been growth of women’s involvement in ICBT in recent years. According to Olabisi (2015), women informal cross border traders find the ventures so much attractive due to the potential benefits which outweighs the potential danger and cost associated with it. This adequately explains why women persist in ICBT regardless of the challenges and difficulties associated with the trade.

The United Nations Conference on Trade and Development observes that African cross border traders, especially women, are constrained by such issues as high duty and tax levels, poor border facilities, cumbersome bureaucracies, lengthy clearance processes, weak governance at the border, lack of understanding of the rules, and corruption. Moreover, cross-border traders face other difficulties before even reaching the borders, such as problems with registering their businesses, securing capital and assets, or increasing the quality and quantity of the products they trade. Similarly, gender norms restricting women's mobility, access, and control over resources and decision-making within the household impact how much women and men benefit from trading activities (UNCTAD, 2019).

Being aware of the difficulties of formalizing trade due to high taxes, bureaucratic red tapes and all sorts of vulnerabilities such as illiteracy, negative gender norms and lack of property rights, women cross border traders have done cost benefit analysis based on their presences, self-interest and available information on trade informality and concluded that the benefits outweighs the cost. Nonetheless, rationality assumption is a methodological tool, not an ontology for economists because it is often very revealing, not because they believe that people really are consistently 'rational' in all situations which is a fallacy.

The complementary therefore of these three theory is that neo-liberalism and vulnerability theory explains how the actions of the state through its lengthy, cumbersome and cost trade information and failure to responsively reduce the political, socio-economic vulnerabilities such as illiteracy, access to credit and market information, medical care and private properties have informed women's behavior to engage in cross border informal trade being aware of the dangers therein and the

benefits that are geared towards hold benefits in some ways. Therefore, these three theories are relevant in explaining this study.

2.7 Conceptual Framework

According to the conceptual framework in Figure 2.1, the independent variable is the political economy while the dependent variable is the ICBT within the context of EAC traditional member states of Kenya, Uganda and Tanzania. The variable under political economy that affect informal cross border trade are; social networks, price differentials, cumbersome and cost of formalization, weak enforcement of law, cultural gender norms, corruption, unsound macro and micro economic policies, unemployment, food insecurity, high duties and taxes, trade transaction cost, structural adjustment policies, urbanization, poor border facilities, limited socio-economic opportunities. The dependent variable informal crosses border trade which in this case is participated in by women traders in Isebania and Busia border areas. The relationship between political economy and ICBWTs participated in by women traders in Isebania and Busia will be reflected on the nature of goods traded, socio-economic and political impacts, challenges and opportunities. There are other intervening variables that have the potential to create avenues for informal cross border trade such as hash climatic conditions, political stability of the neighboring state of the International market policies and structures.

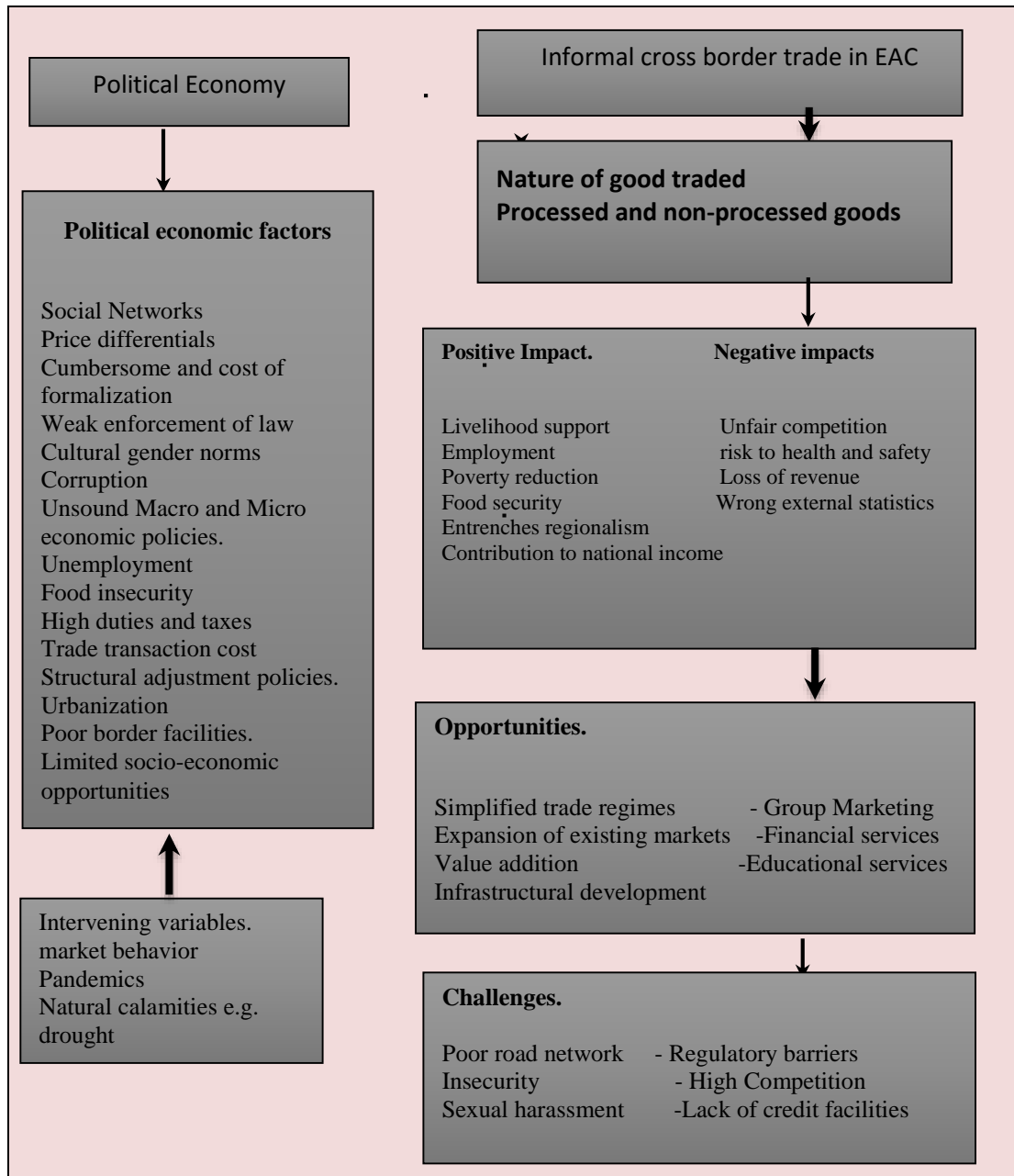


Figure 2.1: Conceptual framework

Source: Author (2022).

2.8 Chapter Summary

Above review analyzed the political economy of ICBT in EAC by women traders. This empirical review focused on the nature and magnitude, drivers of women informal cross border traders, socio-economic and political impacts of informal cross border trade, challenges and potential opportunities management for informal cross border trade by women traders. The conceptual framework shows the relationship between political economy (Independent) and informal cross border trade women traders (dependent) variables. The next chapter is on research methodology.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the overall framework that was used to conduct this study. It covers the detailed design of the research covering the methods of data collection, the study site, the sample frame and the instruments used. Additionally, it explained how reliability and validity concerns were addressed and how the evidence generated was analyzed. Ethical considerations and study limitations are also addressed in this chapter.

3.1 Research Design

This study used a mixed research method and a cross-sectional design. This method is used when both quantitative and qualitative data jointly bring a better understanding of your research problem than either type by itself. Furthermore, it enables the researcher to determine the behavior of ICBWTs in a natural setting (Creswell, 2003). The reason for using the mixed method design was because either quantitative or qualitative designs used alone was not enough to address the research problem or answer the research questions as Vulliamy, Leivin and Stephens (1990) suggest that some research questions that can only be usefully carried out by combining both to allow sense of reliability.

The convergent design was used where both qualitative and quantitative data were collected concurrently and merged at the point of analysis for triangulation. According to Marshall (1997), quantitative research helps the research to test the data precisely in order to obtain results that will help to explain and predict. In the same manner, qualitative methods help in getting the results that will assist in understanding why

people do things the way they do. In this study therefore, these two methods provided data, which explained the basis for women's involvement in ICBT in EAC.

3.2 Research Philosophy

The study adopted pragmatism philosophy. The word 'Pragma' is derived from the Greek literature "Pragma " which denotes action, from which the words 'practice' and 'practical' come (James, 2000). As pointed out by Maswoswere (2019) the origins of pragmatism can be found in the writings of Pierce (1878, 1905), James (1907) and Dewey (1938), and this has been refined, for example, by Rorty (2000) and Rescher (2000). Although Johnson and Gray (2010) point out that these writers advocate various forms of pragmatism, Johnson and Onwuegbuzie (2004) proposed a version of pragmatism that draws upon prior work that they consider is the appropriate philosophy for mixed methods.

Pragmatism is a research philosophy based on the epistemology that there is no single way of learning but many different ways of understanding because there are multiple realities (Saunders, et al. 2012; Collis, et al 2014 and Wilson, 2010). Knowledge of the multiple realities is therefore gained through an integration of multiple research methods encompassing both qualitative and quantitative research methods (Maswoswere, 2019). Through this integration, this study hoped to gain a better understanding of the manifestation problem/s under review from the views of people who lived the experiences (informal cross border women traders and other key informants) from scientific modeling and testing of facts and figures. This mixed method approach enhanced a more detailed understanding of the research questions and results leading to a balanced conclusion on the challenges and opportunities about the research problem.

Basically, with pragmatist, the mandate of science is not to find truth or reality as was the intention of this study, the existence of which are perpetually in dispute, but rather to facilitate human problem-solving by gaining the kind of understanding which is necessary to deal with the political economy and how it manifest with informal cross border women traders. This study focused on how the political economy is shaping informal cross border traders in EAC and at the heart of it are women traders. The problem at hand is ICBT and what pragmatism was interested in were the reasons for involvement in this trade, the impact and challenges and potential management opportunities all shared from the lived experiences with the aim of finding workable solutions.

3.3 Study Area

The study was conducted in the Isebania and Busia borders. Isebania town is in Migori County and serves Kenya and Tanzania at the international border. It is approximately 200 Kilometers (124 mi) south of Kisumu, the nearest large city. The coordinates of the town are: 1°14'32.0"S, 34° 28' 36.0"E (Latitude:-1.242219; Longitude: 34.476672). According to the Kenya National Bureau of Statistics survey on informal cross border trade (2011), Isebania border post recorded the highest volume of informal cross border trade worth about 777 million Kenya Shillings. Busia border post is located in Busia County, in Kenya's Western Province, approximately 268 miles (431 km), by road, west of Nairobi, Kenya's capital and largest city.

Busia and Isebania were chosen for this study for the reason that they recorded the highest volume of merchandise traded across the borders of Kenya and Uganda- Kenya and Tanzania informally. In 2018 alone, Uganda Bureau of Statistics indicated that goods worth US\$ 150 million were exported informally to Kenya with 73% passing

through Busia Border. Additionally, goods worth US\$25 million were imported from Kenya informally with the highest number passing through Busia Border.

According to Kenya National Bureau of Statistics (KNBS, 2021), Isebania remains the most notorious border where informal goods cross to Kenya and Tanzania respectively. In a 2021 Survey, KNBS noted that goods worth Ksh 775.8 million were informally exported to Tanzania from Kenya to Tanzania accounting for 52% share of export. Similarly, Tanzania exported informal goods worth Ksh 44.4 million to Kenya through the Isebania border accounting for 3.2% share of imports (KNBS, 2021). Moreover, these border regions were also considered to be the point, which clearly represent the interface between two transactional borders: an agricultural economy and market economy. Finally, these border points are the gateway of Kenya to other EAC member states like Democratic Republic of Congo, Rwanda, Burundi and South Sudan. Therefore, these two border points are crucial in analyzing informal cross border trade among these three countries.

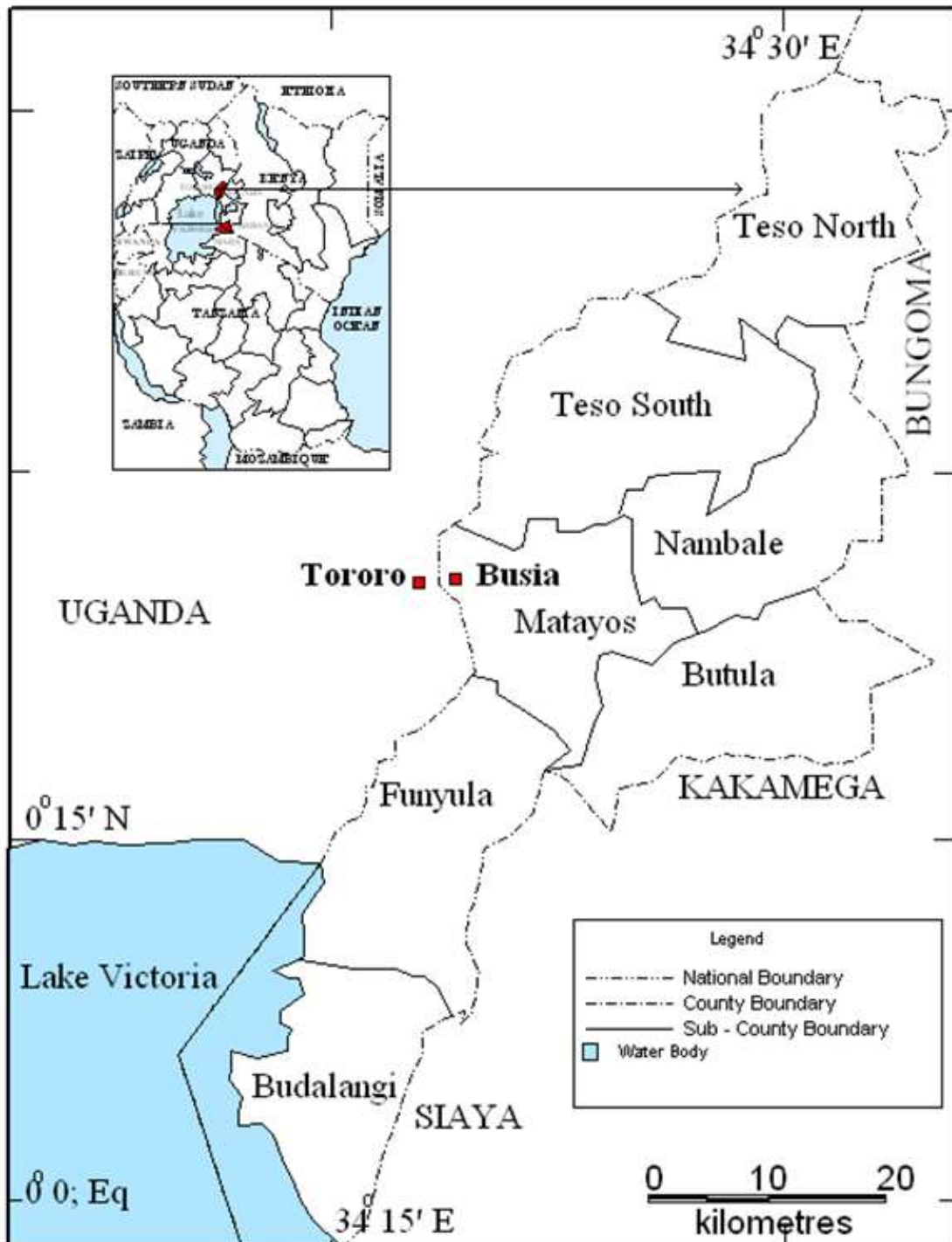


Figure 3.1: Map of Busia County showing the study areas in Kenya Busia and Uganda Tororo.

Source: Moi University Department of Geography and Environmental Studies GIS Lab



Figure 3.2: Map of Migori County showing the study areas in Kenya Isebania and Tanzania Sirare.

Source: Moi University Department of Geography and Environmental Studies GIS Lab.

3.4 Study Population

The target populations were; ICBWTs above 18 years who are citizens of any EAC member states operating within the borders or Busia and Isebania or their environs in Kenya. Further the study population consisted of 45 individuals who were Immigration officials, Customs officers, EAC officers, Agricultural Food Authority Officers, Kenya Bureau of Standard Officers, Port Health official, Kenya Plant Health Inspectorate Officers, Dairy Board Officers, Veterinary Officers, Security Officers, Interior and

Government Coordination Officers, Community Opinion Leaders, Women Cross-Border Trade Leaders, Civil Society Organisations, Clearing agents, Chamber of Commerce Officers and County Directors of Trade in Busia and Migori County.

3.5 Sampling

Sampling is defined as a procedure to select a sample from individuals or from a large group of population for a certain kind of research purpose (Bhardwaj, 2019). Sampling saves time and money, gives faster results and more accurate results as it is performed by trained and experienced investigators.

3.5.1 Sampling Technique and Size

3.5.1.1 Sampling of Informal Cross Border Women Traders

Studies dealing with “hidden populations” such as informal cross border traders have found it harder to get complete lists of the populations due to the sensitivity of the trade as Leggett (1999) points out. In this regard, this study used Snowballing technique to select ICBWTs who were interviewed till a saturation point was reached where there was no new respondent other than repetition of the already interviewed. Saturation in this study related to the degree to which there was no new element or respondent to be interviewed other than the already interviewed ones (Atkinson and Flint, 2001). As stated by Polit-O’Hara and Beck (2010), this method, which is also called the “chain method,” was efficient and cost effective in accessing people who would otherwise be very difficult to find. In both the borders, a snowballing process was initiated by border agents/clearing agents who knew ICBWTs and made referral to the first respondents in both the borders which helped in building trust and identifying more respondents. In the Isebania border after interviewing 48 informal cross border trader’s saturation point was reached while in Busia it was until 55 respondents were interviewed. In total 103 informal cross border women traders were interviewed at the end of the study. The

snowball method not only took little time but also provided the researcher with the opportunity to communicate better with the respondents, as they were acquaintances of the first sample, and the first sample was linked to the researcher which continued until data saturation.

3.5.1.2 Sampling of Key Informants.

From a study population of 45 key informants, Krejcie and Morgan (1970) table was used to determine sample size of 40 respondents of which 23 were in Busia and 17 in Isebania borders respectively as shown in Table 3.1. Purposive sampling was used to select respondents in both the borders based on the knowledge of the researcher using maximum variation sampling which enabled collection of data from a wide range of participants with different viewpoints to study the phenomenon in order to gain a more holistic view of some topic of the study. The advantages of using purposive sampling to select key informants was to enable the researcher to save on time and cost in addition to identifying individuals who had a more knowledge on the research topic therefore were able to provide insightful information (Creswell, 2003).

Table 3.1: Sample size of Key informants

Category of Study Respondents	Sample Population		Sample Size		Sampling Technique
	Busia	Isebania	Busia	Isebania	
Immigration officials	2	2	1	1	Purposive
Customs officers	3	2	3	2	Purposive
EAC officer	1	0	1	0	Purposive
AFA officers	1	1	1	1	Purposive
KEBS	1	1	1	1	Purposive
Port Health	1	1	1	1	Purposive
KEPHIS	1	0	0	0	Purposive
Dairy Board	1	0	1	0	Purposive
Veterinary officers	1	1	1	1	Purposive
Security officers	2	2	2	2	Purposive
Interior and Government Coordination officers	3	2	3	2	Purposive
Community opinion Leaders	2	1	2	1	Purposive
Women cross-border trade leaders	1	1	1	1	Purposive
CSO	3	2	2	2	Purposive
Clearing agents	1	1	1	1	Purposive
Chamber of commerce officers	1	1	1	1	Purposive
County directors of trade	1	1	1	1	Purposive
Total	26	19	23	17	

Source: Author, 2022

However, it is worth noting that only 25 key informants of the sampled population were available for interviews, 14 in Busia and 11 in Isebania borders with others citing reasons of sensitivity of the trade while others were afraid of the consequences of the study. We were not able to get replacements within the borders as those sampled were heads of sections who could not be replaced by junior officers for fear of insubordination.

3.6 Data Collection

This refers to the process of collecting information from all the relevant sources to answer the research questions (Kothari, 2019). Primary data was collected from informal cross border traders and key informants and complemented by secondary data to increase accuracy. A semi-structured questionnaire was used to collect data from Women Informal Cross Border Traders because of the difficulty in getting obvious

respondents. A schedule is a proforma containing a set of questions which is recorded by the researcher or the enumerators directly as the research participants respond (Kothari, 2019). Despite the high cost and spending too much time collecting data using a semi-structured questionnaire, it was very advantageous in this study in the sense that it was filled by the researcher who could clarify questions for deeper understanding and write the responses down without leaving any important information. Furthermore, there was a high response rate, close contact with the respondent and accurate data (Benoit et.al 2005). The questionnaire was tailored to collect data from different sets of respondents. The questionnaire was used even in the case of an uneducated primary informant. Kabir (2016), earlier noted that schedules can be used to collect data about such things which cannot be known through direct observation such as ideas, intentions and motives of the persons concerned.

The questionnaire covered several areas such as socio-demographic characteristics of informal cross border women traders, nature and magnitude of informal cross border trade, drivers of ICBWTs, socio-economic and political impacts of ICBWTs and finally challenges and opportunities of informal cross border.

Data from key informants was collected through in depth interviews. A semi-structured interview schedule is a form or instrument of collecting data which has a set of questions which respondents are required to fill from by specific key informants (Pandey and Pandey, 2015). The advantages of using semi-structured interview schedules in in-depth interviews was that it enabled the key informants to answer the questions in their own word, saves time and used to get information from illiterate respondents (Kabir,2016). The questions, which were already prepared beforehand,

were well-thought out and had focus, targeting the “heart of the matter”, thereby ensuring that the answers obtained were correct or accurate.

This study further used an observation guide to data. Observation is used as a method for collecting data about people, processes, and cultures in their natural setting (Kawulich, 2005). The research used direct observation which involved observing research participants without interacting with them in the natural setting. The advantage of using an observational guide was because it enabled the researcher to collect data as they occur which could easily be missed if only schedules and questionnaires were used. Both the schedule, questionnaire and observational guide can be used to collect both quantitative and qualitative data (Kothari, 2019).

3.7 Data Collection Procedure

This refers to the step by step gathering of data from the study respondents (Warner, 1965). A semi-structured questionnaire was administered directly by the researcher to the Busia and Isebania borders as the ICBWTs got recruited. The researcher directly met the informal cross border women traders with the questionnaire and recorded the answers as they were answered. Data collection started in Isebania then concluded in Busia Border. The semi-structured survey tool for descriptive study was designed to collect both quantitative and qualitative data concurrently.

Key informants were provided with an opportunity to answer questions in the semi-structured interview schedules by the researcher in Isebania and Busia borders respectively to answer. The interview schedule were semi- structured and had questions on specific objectives arranged and followed serially and were answered by the key informants. Observational checklist was used to note down elements that were important to the study. This supported the data that were collected from ICBWTs and

the key informants. Upon completion of the data collection process data analysis was done. Quantitative and qualitative data were collected concurrently or roughly at the same time for triangulation purposes.

3.8 Validity and Reliability

Validity in research is concerned with the accuracy and truthfulness of scientific findings (Le Compte and Goetz 1982: 32). A valid study should demonstrate what actually exists and a valid instrument or measure should actually measure what it is supposed to measure. Internal validity is the term used to refer to the extent to which research findings are a true reflection or representation of reality rather than being the effects of extraneous variables. External validity addresses the degree or extent to which such representations or reflections of reality are legitimately applicable across groups (Denzin, 1970). According to Leininger (1991) researcher and informant biases are known to be the major problems to validity and in order to address them this study will ensure that; First Triangulation or the use of two or more data sources, methods, investigators, theoretical perspectives and approaches to analysis in the study of a single phenomenon and then validating the congruence among them. The major goal of triangulation is to circumvent the personal biases of investigators and overcome the deficiencies intrinsic to single-investigator, single-theory, or single-method study thus increasing the validity of the study (Denzil 1989). Secondly, multiple repetitions of measurement over or long periods of time, at varied points of time, in different situations or settings and by diverse persons.

Thirdly, expert consensual validation from others familiar with the topic under study at various stages of the research process. This involves independent analysis of the data by others research colleagues and supervisors, a judge panel or participant informed

ants. Fourthly, by recycling analysis back to informants where conclusions are given to the informants and feedback is requested about the accuracy of the content. This ensures that the researcher and the informant are viewing the data consistently. Finally, by checking for the representativeness of the data as a whole, of the coding categories and of the examples used to analyze and present the data (Kuzel & Like 1991).

Reliability is concerned with the consistency, stability and repeatability of the informant's accounts as well as the investigators' ability to collect and record information accurately (Selltiz et al 1976:182). It refers to the ability of a research method to yield consistently the same results over repeated testing periods. In other words, it requires that a researcher using the same or comparable methods obtain the same or comparable results every time he uses the methods on the same or comparable subjects. It further requires that the researcher develop consistent responses or habits. Cronbach's Alpha coefficient measure was used to test the internal consistency (reliability) of the data collection instruments. The alpha coefficient for the 28 items was .827, indicating that the items had high internal consistency. Coefficient of .70 or higher is considered acceptable. Refer to chapter four for the reliability test results.

3.9 Data Analysis

Quantitative data was analyzed using descriptive statistical methods which aimed at generating numbers and giving them meaning. Qualitative data was analyzed thematically by emphasizing on identifying, analyzing and interpreting patterns of meaning (or "themes") within qualitative data. Quantitative data generated from the semi-structured questionnaires were coded and descriptive statistics were generated. The Statistical Package for Social Sciences (SPSS version 26) was used to aid analysis of quantitative data by generating descriptive statistics such as frequency and

percentages so as to present the data in the form of tables and graphs based on the major research questions. The qualitative or text data generated from open ended questions were categorized in themes (thematic analysis which is deductive –inductive) in accordance with research objectives and reported in narrative form along with quantitative presentation by use of tables, percentages, means, and figures through the merging process (embedded analysis). Data analysis for each data set was done separately then mixed or merged at the point of interpretation and discussion. The aim of having qualitative and quantitative data used together was for triangulation. Upon completion of analysis, a final research report was generated.

3.9.1 Ethical Consideration

This study ensured that ethical considerations were taken into account. Respondents were made aware of the nature of research, the possible risks, their rights and privileges, how data was to be handled and reported after which they were required to give informed consent. Participants had the right to withdraw at any stage of the study. Furthermore, there was no deception, no physical or psychological harm, disrespect for cross-cultural sensibilities like religion, gender among others and assured of confidentiality and anonymity. Finally, there was transparency about the method used in this study and report that was generated. The following procedures were followed and ensured compliance with expected research code of ethics; the researcher obtained a research permit from University at the beginning of the field work, also from the National Council for Science and Technology and the County governments of Busia and Migori.

3.10 Study Limitation

The major limitation of this study was associated with the research methodology as it used snowballing sampling technique (purposive). One of the limitations with this type

of sampling technique was that respondents could have been affected by the presence of an observer effect because of the fear of arrest. In some cases, respondents could possibly give inaccurate responses if they felt that a question was to assess sensitive matters. The measures to curb these limitations were to reassure the participants that the study was not harmful and also avoided putting them under unnecessary pressure. The study also relied on other data sources such as the key informants to counter check the accuracy of information generated from respondents. The study findings may not be generalized but rather applicable to the populations studied in Busia and Isebania because of the non-probability sampling methods used to which contribute more to internal validity. Over and above, the study remained objective.

3.11 Chapter Summary

This was a mixed methods study where both quantitative and qualitative data were collected for triangulation. Primary respondents (Women informal cross border traders) were selected through snowballing while key informants were sampled purposely. Data from primary respondents was collected using schedules semi-structured questionnaires while in depth interviews for key informants. Data analysis was done using both quantitative and qualitative methods. The chapter ended by highlighting ethical considerations and study limitations.

CHAPTER FOUR

NATURE AND MAGNITUDE OF INFORMAL CROSS BORDER TRADE BY WOMEN TRADERS

4.0 Overview

This thesis chapter presents analysis and discussions on the trends and magnitude of informal cross border trade by women traders in Busia and Isebania Borders. The demographic data, educational level, duration in informal trader, type of goods/merchandise, sources of good, destination of goods, transportation of goods across the border, residences of the traders, sources of capital, the value of goods, profits from the trade and the role of men in this trade are all highlighted in this chapter.

4.1 Questionnaire Response Rate

Questionnaire response rate indicates the percentages of the questionnaires that were filled by the respondents. The response rate was 100 % positive, meaning that 103 questionnaires were fully filled and returned though the answering rate per question was 98.2%; thus, valid for the study. This response rate is excellent and representative of the target population as it is adequate for analysis and reporting.

4.2 Reliability test

Cronbach's Alpha was used to measure the internal consistency (reliability) of the data collection instrument. The items measured were 28 which had continuous and binary values which had a Cronbach's Alpha of .827 indicating relatively high internal consistency as shown in Table 4.2. This means that the instruments for data collection. A reliability coefficient of .70 is considered higher or acceptable.

Table 4.1 Case Processing Summary

		N	%
Cases	Valid	103	100
	Excluded	0	0
	Total	103	100.0

a. Listwise deletion based on all variables in the procedure.

Table 4.2: Reliability Statistics

Cronbach's Alpha	N of Items
.827	28

4.3 Age of the Respondents

Analysis of age is important in understanding ICBT patterns among women traders in Busia and Isebania. As shown in Table 4.3, the ages of the respondents were analyzed in five groups. The findings revealed that women of all ages engage in informal cross border trade. From the findings, 4% (4) of the respondents were between 18-30 years, 14% were between the ages of 31-43 years, 49% who were the majority were between the ages of 44-56 yrs, 26% were between ages 57-69 years while 7% were above 69-81 years.

Table 4.3: Summary of the age of respondents

Age Distribution	Frequency	Percent (%)
18-30yrs	4	4
31-43yrs	15	15
44-56 yrs	50	49
57-69 yrs	27	26
69-81 yrs	7	7
Total	103	100

Source: Author, 2022.

These findings suggest that the majority of ICBWTs are aged between 44-69 years in the two borders of Busia and Isebania border while there are representations even among those who are 70+ years. This implies that the majority of ICBWTs in the EAC borders of Busia and Isebania are older. An interview with one-woman cross border trader had this to say;

“Most of us are in this trade because of household economic responsibilities, low education qualifications, lack of any training that can help us be employed, limited employment opportunity and lack of financial support from government to the needy forcing us to remain in this trade”. (C31, 65 years, Isebania, 22nd Aug 2022)

In addition, another respondent said;

“Many of us were introduced to this trade by our husbands and family members at an early age and it is a good business therefore we cannot abandon it. Furthermore, we have been raised here and we cannot leave this place we call home”. (C50, 47yrs, Busia, 5th Sep 2022).

These statements corroborate with Mbaye and Gueye (2018) who opined that the socio-economic vulnerabilities with very limited facilities and social safety nets, reduce the prospects for women to move out of trade informalities. Furthermore, gender roles, household responsibilities and unemployment rates which worsen with older women over time forcing them into this trade. These findings however are contrary to Olabisi (2014), Boogaard et.al (2018) and Njikam (2011) studies in ECOWAS and CEMAC regional economic blocks which observed that the majority of Women informal cross border traders are aged between 25-45 years.

These findings also revealed a different trend from a study done in Botswana’s 21 border posts (a member of Southern African Development Cooperation) which observed that the majority of the female traders (50%) were between ages 31 to 40 years (Njoku, Kagiso & Ama, 2014). Theoretically, Fineman (2015) vulnerability postulation is applicable in explaining this pattern of older women being the majority players in informal cross border trade in Busia and Isebania to the extent that inaccessibility to

education, unequal property rights, cultural barriers, difficulty in accessing capital and social safety nets are some of the vulnerabilities that older women are exposed to thereby forcing them to this trade. Therefore, policies aimed at supporting women informal traders in Isebania and Busia borders should be alive to the fact that the majority are older women.

4.4 Marital status of the respondents

The traders were categorized based on their marital status to understand whether there is a link between ICBT and the latter in Busia and Isebania. The four categories were single, married, separated and widowed as shown in Figure 4.1. Analysis indicated that from the 103 ICBWTs interviewed, married women were the majority at 58%, followed by widowed women at 16%, separated women at 15% and single women at 11% respectively. The interview did not seek to make a distinction on whether WICTs were in a monogamous or polygamous marriage but rather it just assessed marital status regardless. A number of reasons were given by the traders as to why married women are the majority in this trade. For example, a woman informal cross border trader said;

“Married women are the majority in this trade because of economic reasons like paying school fees, paying rent, taking care of medical bills and buying food for the family. This is because our husbands are no longer supporting us as many of them are taking alcohol while others just sit and wait for us to look for food. Our husbands are like leeches so we have to look for ways of supporting our children”. (C04, 52 yrs, Isebania, 4th Aug 2022)

Additionally, another study participant had this to say;

“My husband’s clan members land crosses into Tanzania and when I was married, my family encouraged me to venture into cross border trade which is doing and so are many married women in this community. In fact our husbands are happy when we are in this trade because we are not far from them unlike those who sell their goods in towns like Migori and Homabay. The moment you are married into this community, your husband and family members will support you to venture into informal cross border trade”. (C20, 45yrs, Isebania, 18th Aug 2022).

These findings are supported by Mbo'oTchouawou et.al 2016 who noted that the majority of married women are in this trade due to the support they receive from their husbands in order to supplement household income. According to Ojiambo (1985), the prominence of married women in ICBT is largely due to traditional division of labour where they are pushed into this trade to fulfill societal expectations at the household level even without support from the husband or family members. Furthermore, the need for financial independence from the husband is another factor that women cross border traders' leader in one of the border reported;

“The income from this trade empowers women to be financially liberated from their husbands”. (KI, C25, Busia, 20th Sep, 2022)

The findings however took a departure from a study done in the four borders of Botswana and other neighboring states namely: Tlokweng Gate- Koptontein (South Africa), Kazungula Ferry (Zambia), Ngoma border (Namibia) and Kazungula Road Border (Zimbabwe) which observed that the single (never married) ranked highest 44% of the 317 ICBWTs interviewed while 34% were married (Njoku, Kagiso & Ama, 2014) a factor that can be contributed to borderland socio-cultural dynamics. Women in other categories namely; single, widowed and separated as reported by a representative of EASSI an organization supporting women cross border traders were mainly in this trade due to unemployment, household poverty and the desire to improve the income which is instrumental in improving livelihood of the family members. Policy makers therefore need to be aware that interventions focusing on supporting ICBWTs should be alive to the fact that the majority of these traders in Busia and Isebania are married.

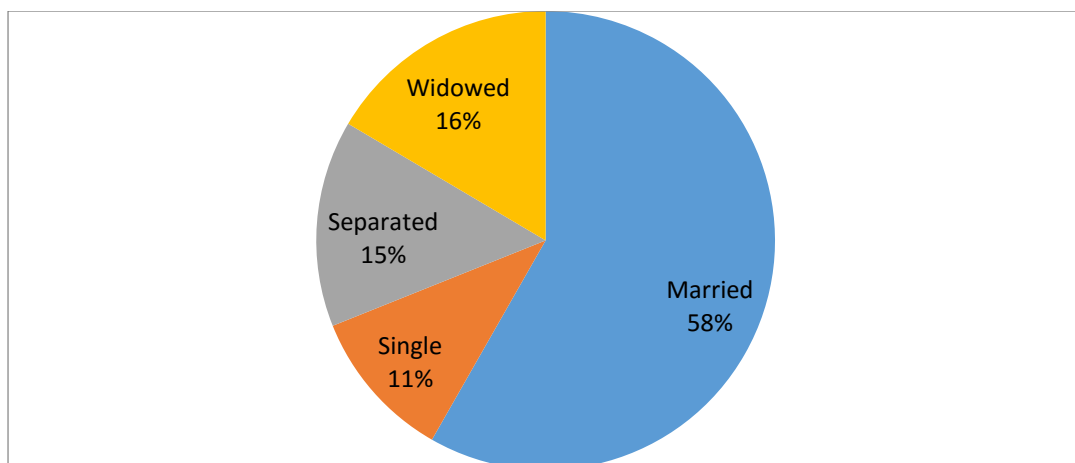


Figure 4.1: Marital Status of the respondents

Source: Author, 2022.

4.5 Number of dependents (Children and Young Adults)

This study as a means to better understand the reasons for women participation in ICBT sought to establish the number of children who were under direct socio-economic care of the study participants. Women informal traders were asked to list the number of children (0-18 years) and young adults (19-25yrs) who depended on them directly for socio-economic support. In total all the respondents reported 435 dependents under their care with a mean average of 4 dependents per respondents. The study went further to ascertain the various educational levels they were at as shown in Figure 4.2.

Table 4.4: Number of dependents

Number of Children	Frequency	Percent (%)
1	5	5
2	12	12
3	29	28
4	12	12
5	21	20
6	9	9
7	9	9
8	5	5
9	1	1
Total	103	101

Source: Authors, 2022.

The high numbers of dependents could be a possible reason why women venture into informal cross border trade as discussed in Chapter 5. Analysis of Figure 4.2 indicates that the majority of dependents are in secondary school at 43 % (187), primary school at 24 % (103), tertiary college 12 % (52), university at 6 % (26) while those who are yet to join school were at 4 % (17). An informal cross border trader had to say this;

“The income from this trade allows me to take care of my family of 7 children who are in primary school, secondary school and college. I don’t get much support from my husband to pay their household support, school fees and medication. In fact, the two who are in university rely on me to pay for their rent, pocket money for upkeep besides school fees. Therefore, my main reason for being in this trade is because of the burden I have to take care of these dependents.”
(C53, 48yrs, Busia, 5th Aug 2022)

These results clearly suggest that these ICBWTs have children whom they have to support their education among other basic needs and this could be a contributing factor pushing them to ICBT. The income these women receive are crucial for supporting education and livelihood of these dependents as Brenton et al, (2011) suggested in their study. The decision to get involved in ICBT is therefore based on rational choice theory assumption as Wittek (2013) observed that individuals “do the best they can, given their circumstances as they see them”. This is the case of women informal cross border traders who rationally participate in the trade given the socio-economic pressure from the dependents that they have to take care of.

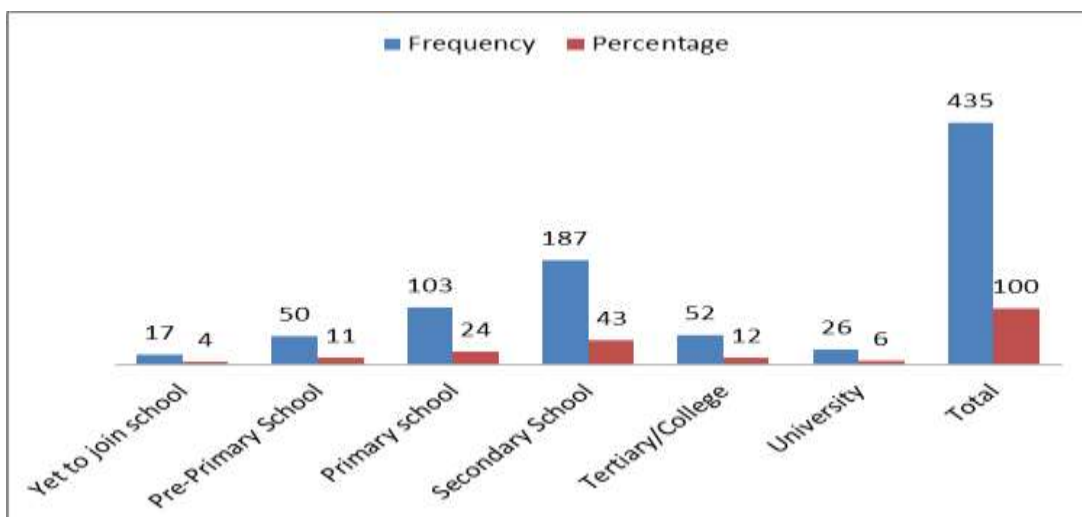


Figure 4. 2: Educational level of the dependents

Source: Author, 2022.

4.6 Level of Education

Women's education is very instrumental in determining the economic activities they engage in. For instance, a mother's education not only improves the quality of her children's intellectual achievement but also her own economic opportunities (Mbo'oTchouawou et.al. 2016). Similarly, investment in women's education increases skill sets, thus leading to better equipped women who can contribute to the economy by reducing vulnerabilities (OECD, 2019). Figure 4.3 shows the distribution of the educational achievement of women informal cross border traders interviewed. From the results, 46% of WICTs dropped out of primary school, 12% dropped out of secondary school, 5% never attended school, 18% attained primary education, 11% finished secondary education and 8% completed college education where others are trained as teachers, administrators, nurses, theologians and tailors. These poor educational performances reduce WICBT's ability to get opportunities in the formal market thereby leaving them with no option other than to venture into informal space. An officer from national government administrative office who was interviewed attest to finding by saying;

“Many of the women informal cross border traders have low formal education which can help them to acquire the necessary skills relevant for formal employment.” (KI, C03, Isebania, 2nd August 2022).

In explaining why there is low educational levels among women across the borders, one of the area Chief’s in Isebania noted that;

“Cultural barriers among the borderland communities undermine educating girls because they are to be married off at a young age therefore it is considered a wasted opportunity. This explains why many women informal cross border traders do have good education”. (KI, C05, Isebania 2nd August, 2022)

The Collaborative Center for Gender and Development representative highlighted that;

“Failure of the government to implement programs such as free primary education, complete transition to secondary school and subsequent admission to tertiary and higher learning institutions among the borderland communities has reduced opportunities for women to get quality education. Worst still, borderland communities have the tendency of acquiring education in two countries, for example they start studying in Kenya then they cross over to the neighboring country to continue with their studies which results in skills and knowledge mismatch locking women out of formal jobs”.(KI,C20,Busia, 20th September 2022)

These voices are a clear indicator that low educational performance attracts women to ICBT. This disconnect between education and the skills needed for formal jobs drives women to informal cross border trade as explained by UNCTAD (2013). Proponents of vulnerability theory argue that lack of adequate state support to address gaps enabling inequalities in higher education exposes women to the vagaries of informal jobs. Furthermore, aware of the limitations brought about by poor educational choices, women as rationalist Elster (1989) suggest joining ICBT as a means to ameliorate them economically being aware of all the dangers that are present. The 8% Women who completed college education and acquired special skills and trainings joined ICBT as a stop gap measure to supplement their income as supported by other literature from World Bank (2014), Gerald and Rauch (2005), Meagher (2003), Little (2005), and Lesser and Moisé-Leeman (2009). These findings therefore portend that low

educational performance attracts women into cross-border trade informality. Therefore, any policy should aim at addressing the education inequality which is affecting more women and enable them to acquire relevant skills and knowledge necessary for formal trade.

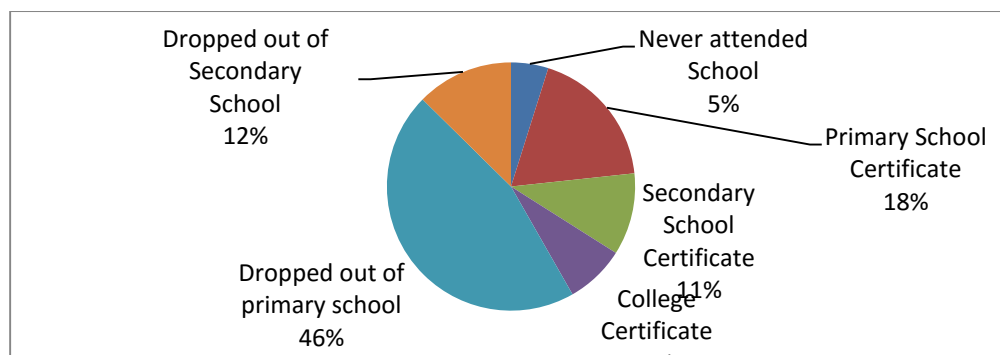


Figure 4.3: Educational Level for women informal cross border traders

Source: Author, 2022

4.7 Citizenship of the Women Informal Cross Border Traders

Cross border trade is known to attract participants (citizens) from member countries of that regional economic bloc who straddle borders in search of goods to sell back in their Countries. Informal cross border trade by traders of other nationalities is quite uncommon in Africa (Perbedy et.al. 2015). However, which citizens are the majority players is important in understanding the trade patterns across the borders. The findings as shown in Figure 4.4 reveals that Kenya (without) dual citizenship were the majority women informal cross border traders at 64%(66) in Busia and Isebania borders, Women informal traders who are dual citizens of Kenya and Tanzania were 15%(15), both citizens of Kenya and Uganda were 10%(10), Tanzanians and Ugandans citizens were 6% respectively.

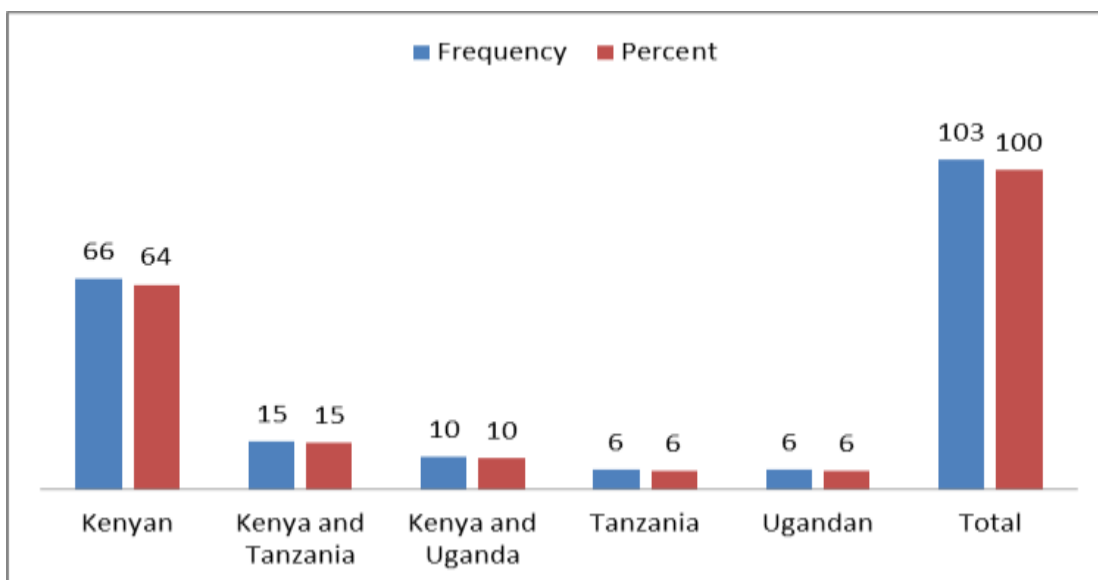


Figure 4.4: Citizenship of woman informal cross border traders

Source: Author, 2022.

The high number of Kenyan ICBWTs in Busia and Isebania seems to be supported by literature from Kenya National Bureau of Statistics (2011) which observed that unrecorded informal trade flows between Kenya and Tanzania was highest at the Isebania Border with Kenyan women accounting for the majority players at 65%. Similarly, at the Busia Border, Uganda Bureau of Statistics survey (2018) concluded that Kenyan women were the major importers of informal products from Uganda at 77%. A custom official at Busia Border argued that;

“In our routine spot check patrols to track illicit goods and arrest informal cross border traders, many culprits are always Kenyan women though there are other nationalities like Ugandans but in smaller numbers.” (KI, C12, Busia, 3rd September 2022)

International Labour Organization (2019), reported that in the EAC, unemployment rates vary across countries with Rwanda having the highest rate at 15.2%, followed by Kenya at 11.5%, with 10% and 2.3 % for Uganda and Tanzania respectively. Additionally, the high unemployment disproportionately affects more women from 4 years to 60 years. This high number of unemployment in Kenya explains why more

women are informal cross border traders from the Country. An official from the county government of Migori, department of trade observed that;

“Dual citizenship is one of the opportunities that women informal cross border traders take advantage of to continue with the trade because of protection from community members against authorities. In Isebania, Kuria and Luo women freely participate in this trade and they take advantage of their dual citizenship and the fact that when they are caught they simply cross the border to hide from arrests which encourages this trade.” (KI, C01, Migori, 1st August 2022).

Literature from other economic blocs for example ECOWAS sub-region borders are in agreement that the dual citizenship gives women informal traders’ advantage in crossing from one country’s border to another particularly those whose kinsmen spread across the international borders (Olabisi, 2014). These findings demonstrate that Informal Cross border trade is bilateral and women traders tend to operate in their home country and the neighboring state.

The above findings corroborate with the rational choice theory which suggests that individuals act on full information available to them to make their decisions to participate in informal cross border trade. In the present context, the information could be unemployment rate, proximity to the border and advantages of dual citizenship to a cross border trader. This information available to WICBTs from various nationalities will influence their continued participation in this trade. Therefore, states need to be aware of the fact that the number of Women informal cross borders at any given time is influenced by factors mentioned and efforts to address trade informality should be alive to them for any meaningful gain to be realized.

4.8 Ethnic Composition of the WICBTs

Studies have shown that there is a strong link between kinship / cultural ties and cross border trade. These historical ties have been noted to encourage informal cross border trade by women from Yoruba in Gambia and Nigeria (Golub, 2012), Mourides in

Senegal (Flynn, 2012), Igbo in Cameroon and Nigeria (World Bank, 2013) and Hausa in northern Nigeria, Cameroon and Niger (Hashim and Meagher 1999). Findings as shown in Figure 4.5 on the ethnicity of WICBTs reported that Kuria were 18%(19), Luo 15% (15), Kisii 17%(18), Kikuyu 3%(3), Luhya 22%(23), Sukuma 2%(2), Wachanga 2% (2), Teso 15%(15), Wagisu 4%(4) and Meru 1(1%). In terms of distribution across the two borders, the majority Kuria, Kisii, Sukuma and Changa were found operating in Isebania borders while the Teso, Luhya, Wagisu, Kikuyu and Meru were predominantly in Busia border. The Luo were spread across the two borders though majorities operating in Isebania. A community leader in Isebania said;

“The Kuria community migrated to Kenya due to livestock confiscation by the colonial government in Tanganyika. Before customs officials came to the border, there were no security officers except colonial chiefs who used to collect taxes on behalf of the colonial government. The Kuria and Luo communities in Mara region in northern Tanzania used to trade freely across the border with their kinsmen in Kenya. The colonial government was based in Nairobi, Kisumu and Kisii so nobody would interfere with their trade. The Kuria feel that the border that was drawn divided a united people (motemorabu) artificially otherwise people freely cross the border for trade, family visits, cultural events like circumcision are done in Tanzania where the majority of the four clans of Kuria (Bungumbe, Bukira, Nyabasi and Buirege) live presently. The land where Isebania one border stop post is built was donated by the Bukira clan in the hope that it will help them only to realize later that it was meant to curtail their economic activities. The presence of Kuria’s and Luos stretched across from Kenya to Tanzania towns of Musoma and Tarime helped facilitate informal cross border trade.” (KI, C04, Isebania, 2nd August, 2022).

According to the County Commissioner of Busia;

“The Kinship relationship among the Teso and Samia is spread from Busia County in Kenya to Tororo and parts of Mbale districts in Uganda. Infact the Teso King lives in Tororo Uganda and kinsmen from Kenya pay homage to him every year and these communities take advantage of these networks to further informal cross border trade”. (KI, C13, Busia, 3rd September 2022).

These kinship ties and shared geographical boundaries facilitate trade in Isebania and Busia borders and this is supported by Mahmood (2008) study of the Burji community

in Northern Kenya who observed that ethnic ties promote trade. According to Golub (2015), ethnic and kinship play a large role in organizing the informal sector, and are particularly important in facilitating informal cross border trade.

The ethnic communities which are not traditionally and historically borderland communities without any shared cultural or geographical boundaries with communities in Uganda and Tanzania and vice versa are largely motivated to get into informal trade by the difficult economic environment brought about by realization that the cost of conforming to regulations and the existing laws of legitimate economic activities is far more than the benefits as put forth by neo-liberalist De Soto (1989). Understanding the ethnic composition of women informal cross border traders in the Isebania and Busia border is instrumental in the development of policies which are sensitive to those ethnic segments. For example, in Isebania, the majority of Kisii are in cross border trade not because of any ethnic ties with communities in Tanzania but due to the difficult economic environment and lack of employment as reported by a study participant.

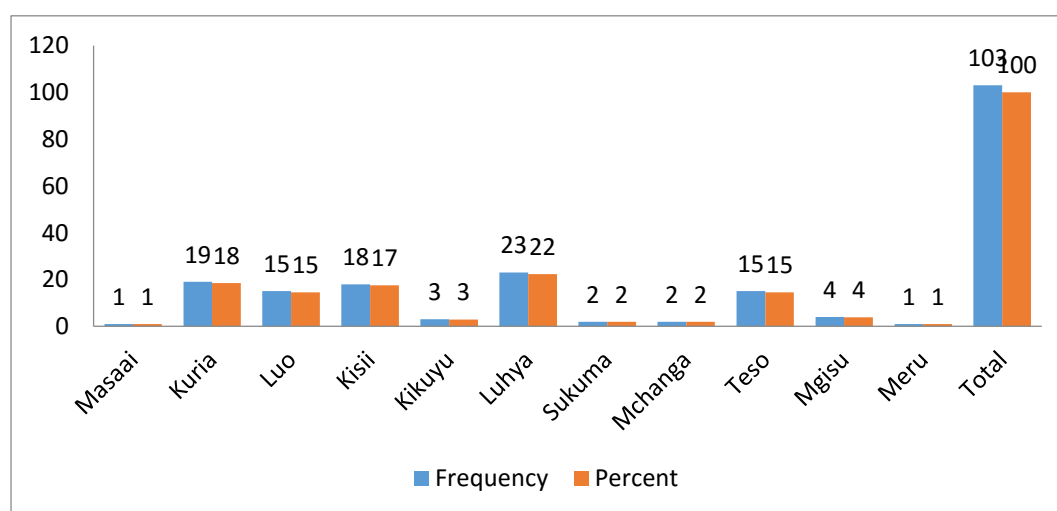


Figure 4. 5: Ethnicity of Traders
Source: Author, 2022.

4.9 Residence Status of WICBT

The study sought to describe the residences of ICBWTs operating in the Isebania and Busia borders. According to Olabasi (2014), proximity enables ICBWTs to do quick trading before returning home at the close of work. Furthermore, living next to the border makes it easy to cross with goods and hide them easily without being caught as in the case of a longer transportation period. Residence therefore is a key determinant in this trade for analysis. The findings are shown in Table 4.5.

Table 4.5 Residence of the respondents

Residence	Frequency	Percent (%)
Isebania Town	26	25
Sirare in Tanzania	18	17
Kehancha	4	4
Busia Town	11	11
Adungosi Center	7	7
Arubaine Town in Uganda	6	6
Teso North	10	10
Amukura	5	5
Malaba	5	5
Amarachi	10	10
Total	103	100

Source: Author, 2022.

The patterns in respect of residence at Isebania and Busia border post indicated that 25% resides in Isebania Town, 17% in Sirare in Tanzania, 4% in Kehancha Town, 11% in resides in Busia Town, 7% in Adungosi Center, 6% in Arubaine Town in Uganda, 10% in Teso North, 5% in Amukura Town, 5% in Malaba, 10% in Amarachi. These results suggest that many ICBWTs do reside near the borders of Isebania and Busia. An officer from the national government administration and coordinator department in Busia argued that;

“Women informal cross border traders prefer to live near the border post for ease of access to goods and also coordination with middle men. Additionally, proximity to the border reduces the cost of transport and hiding goods quickly from government authorities in-

charge of tracking contraband, sub-standard and goods traded illegally without relevant permits” (KI, C14, Busia, 3rd September 2022)

Customs officials pointed out that some border informal settlements such as Amarachi and Adugosi in Busia and Highway in Isebania town are known to informal traders. These informal settlements have coordinated informal cross border networks that serve neighboring urban centers and cities like Kisumu and Nairobi. Interestingly these informal settlements also offer protection to traders at a fee against arrest from security and customs officials whenever they come for border patrols therefore making it convenient for ICBWTs to operate.

In the Isebania border post, informal cross border women traders prefer to reside in the Tanzanian towns just across the border such as Sirare while in Uganda border towns like Aruibaine and Tororo are preferred because of low cost of renting houses as reported by traders. Migori county trade department official noted that;

“The cost of living along the border towns is relatively cheaper due to availability of goods particularly food and this makes it easy for traders to prefer such places”. (KI, C01, Migori, 1st August 2022).

These findings clearly suggest that many ICBWTs prefer residing along the border towns because they do quick trading before returning home at the close of work, ease of accessing goods, reduced cost of transport, access to middle men to facilitate crossing of the border, preventing immigration officials from arrest and confiscation of goods and also for intelligence gathering on the movement of customs officials. This observation in essence requires that stakeholders tasked with dealing with informal cross border traders need to be aware that border dwellings are key in facilitating this trade and any meaningful policy framework should work towards ensuring informal settlements are upgraded for ease of movement and patrols by customs officials.

4.10 Duration in Informal Cross Border Trade.

The study sought to understand the duration these women traders had been in this trade. According to Lesser and Moisé-Leeman (2009) understanding the dynamics behind the duration in ICBT is necessary to come up with proactive policies that can reduce the impacts of cross border trade. From the results shown in Figure 4.6, 33% of interviewed ICBWTs reported that they have been in the trade for more than 20 years, 26% have been in the trade between 10-15 years, 18% indicated between 5-10 years, and 10% had been in trade between 15-20 years, 15% reported 1-5 years while 1% indicated that they had been in the trade for less than 1 year. The average duration women informal cross border traders have been in this business is 10 years.

An informal cross border woman trader argued:

“Have been in this business for 20 years because it sustains me and my family through the income that I receive on a daily basis”. (C67, 56yrs, Busia, 19th September 2022).

A cross border trader’s woman leader had this to say;

“Many women are trapped into informal cross border trade because of the less requirements, proximity to the border, family support particularly from their husbands who want them to continue in this trade because it enables them to continue managing home affairs and profitability of the trade.” (KI, C10, Isebania, 6th August, 2022).

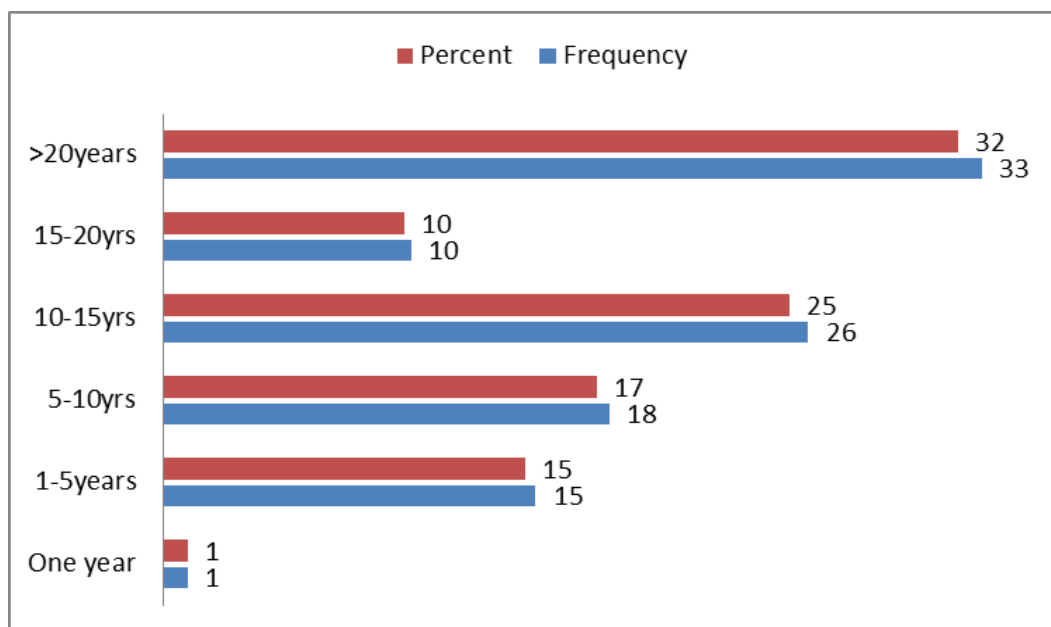


Figure 4.6: The duration in informal cross border trade

Source: Author, 2022.

These findings are supported by literature from UNIFEM (2010) surveys which observed that many informal cross border women traders on average have been in the business for more than 7 years with the contributing factors for duration being profitability of the trade, lack of alternative business, convenience, family business ties, availability of tradable good, availability of market and poor skills which cannot enable them to take up formal jobs.

Abell (2002), a rational choice theorist, premised that individuals maximize their own utility by choosing their actions optimally, given their individual preferences as well as the opportunities or constraints with which the individual faced. The OECD (2019) reported that state sanctioned marginalization and vulnerabilities that women are exposed in the formal market place relegate them to informal work which is they continue in for longer periods due to lack of better alternatives. These findings revealed that the majority of women informal cross border traders have been in the trade for longer duration not only as a result of opportunities that they get but because of state sanctioned marginalization and vulnerabilities.

4.11 Frequencies the Traders Cross over the Border to Source for Goods

The frequency of crossing the border to source for goods is critical in determining the demand, profitability of some products as well as the nature of the goods. This study sought to find out the number of times in a week ICBWTs cross the border to source for goods as shown in Figure 4.7. From the findings, 23% (24) of the informal cross border women traders reported that they were crossing the border daily to source for good. The study further found out that 29% (30) who were the majority ICBWTs were crossing the border twice weekly to source for good across the border, 20% (21) were crossing the border thrice a week, 19%(20) were crossing once a week, 7%(7) were crossing four times in a week while 1%(1) of the traders were crossing five times in a week. The frequency of border crossing to source for goods depended on perishability of the goods for example fresh vegetables, fish, and fruits were highly perishable and could only be sourced daily to avoid wastages. An EASSI official argued that;

“The frequency of crossing the border by informal cross border women traders depends on the size of business one has. For example, if the business is medium size then traders may not cross the border daily to source the goods due to the relatively large volume which will be difficult to smuggle every day. Other determinants are the nature of goods such as fresh vegetables, rice, fruits and fish which have high demand on a daily basis therefore forcing traders to source them to meet customer’s needs”. (KI, C11, Isebania, 29th August, 2022).

Other factors which were mentioned to influence border crossing to source for goods included ease of transport, profitability, availability and availability of capital. A cereals informal cross border trader said;

“It is not possible for me and other women traders to cross the border to Tanzania daily sourcing for cereals to sell because it is very risky to transport them like that without being noticed by customs officials. I choose to cross the border once a week to buy cereals to be sold for the entire week and in any case my stock runs out. I will call a Tanzanian to bring me cereal because I fear being arrested. Customs have spies everywhere and if you expose yourself a lot they will arrest you”. (C07, 33yrs, Isebania, 4th August 2022).

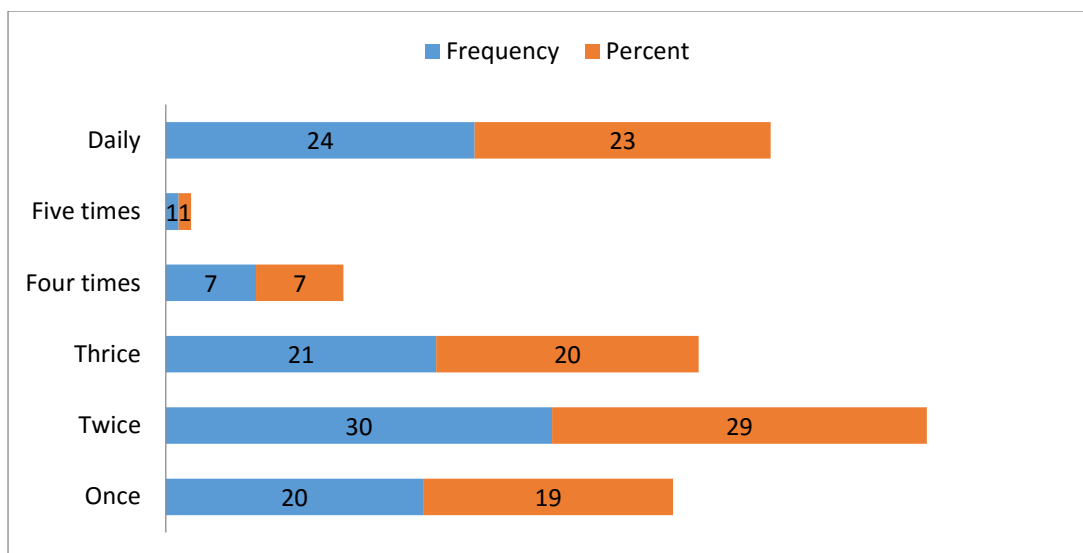


Figure 4.7: Frequency of crossing the border to source for goods

Source: Author, 2022.

Mbo'o-Tchouawou et al. (2016) points out that the frequency of crossing the border by informal women cross border traders is a function of the demand, volume and nature of the goods/products traded and the size of the business. These findings further support available literature by EASSI (2015) which reported that perishable goods such as fresh vegetables, fruits, fish, milk and eggs are mostly sourced on a daily basis across the border. Furthermore, small scale cereal traders on rice particularly cross the border on daily to restock due to high demand and profitability. Therefore, factors such as perishability of goods, demand, ease of crossing the border, availability of the goods and the size of the business influence the decisions that informal cross border women traders have to make on when and how often they should cross the border to source for goods. These factors as rationalist Green (2002) put it forms the basis of cost benefit analysis and influence the decision on how and when informal cross border women traders cross the border to source the goods. It is therefore imperative for policy makers and stakeholders to look into these factors in addressing informal cross border traders as they are central to the decisions traders make on a daily basis.

4.12 Types of Good and Merchandised Commonly Traded

The nature and kind of goods and merchandise traded by ICBWTs is crucial in understanding cross border trade. This study sought to examine the types of goods and merchandise commonly traded by ICBWTs in Busia and Isebania as shown in Table 4.6. The findings showed cereals were the most traded goods at 21%, fresh vegetables (6%), *Omena/dagaa* (7%), fruits (4%), Rice (13%), beer products (4%) textile products (8%), Cosmetic products (8%), fish (8%), tables eggs (15%) milk (8%) animal feeds (2%), plastic wares (2%)- Cups, jugs, containers, sandals, shoes and cigarette (2%).

From these findings, it can be concluded that cereals, table eggs, rice, fish, textile products and *Omena* were the most traded products by ICBWTs. More cereals, rice and textile products trading was taking place along the Isebania border of Kenya and Tanzania while Table Eggs, Fish and *Omena* were mostly traded at the Busia Border of Kenya and Uganda. For the textile products, *Vitenge* from Democratic Republic of Congo are informally exported to Kenya through Tanzania while Bed sheets and Duvets imported from Uganda Informally.

Table 4.6: Types of goods and Merchandises Traded across the border

<i>Type of goods and Merchandises sold</i>		
	Frequency	Percent
All sorts of cereals	22	21
Fresh Vegetables	6	6
Omena	7	7
Fruits	4	4
Rice	13	13
Beer products	4	4
Textile products	8	8
Cosmetic products	8	8
Fish	15	15
Tables Eggs	8	7
Milk	2	2
Animal Feeds	2	2
Plastic Ware- Cups, Jugs, Containers, Sandals, Shoes	2	2
Cigarette	2	2
Total	103	100

Source: Author, 2022

Most commonly traded Cereals were mainly Maize, Sorghum, Millet, Beans, Dry Cassava, Cowpeas, Green Grams, and Finger Millet while for Fish, Tilapia and Nile perch were the most traded. A lot of whole milk was coming from Uganda to Kenya through Busia Border while Cosmetic products which largely were aimed at lightening dark skin pigmentation came from Kenya to Tanzania through Isebania Border. Fresh vegetables such as Onions, Kales, Cabbages, African nightshade, Spider plant, Amaranthus, Spinach, Tomatoes, Bananas, Capsicum, Carrots, arrow roots, Dhania, French Beans, Cowpeas leaves, Irish potatoes were majorly coming to Kenya from Uganda and Tanzania which is the same case with fruits such as oranges, mangoes, ripe bananas, pineapples, sugar cane were coming from Uganda and Tanzania to Kenya. Along the border areas, beer products such as Tanzania Kilimanjaro and Heineken are informally exported to Kenya due to their relatively cheaper prices for example a bottle of Kilimanjaro and Heineken cost Ksh 80 and 150 respectively while in Kenya a cheapest local manufactured beer cost Ksh 200 a bottle while Heineken goes at 250.

A One Border Stop Post official in Busia reported that lately live animals are informally traded by women who import them from Uganda and sell them in Kenya. This includes fertilized eggs and small animals such as day old chicks. Furthermore, animal feeds and sugar are also illegally smuggled into Kenya by ICBWTs. Uganda is the leading informal exporter of cigarettes to Kenya. An official at the One Border Stop Post in Isebania noted that;

“Informal cross border traders are also involved in smuggling gold to Tanzania and human trafficking of young girls to Migori and into towns and cities in Kenya. Others that are illegally exported to Kenya are bhang, petroleum products, sugar, tar and ethanol in small and large quantities”. (KI, C09, Isebania, 28th August 2022).

A study Gor, (2012) noted that Kenya’s informal imports from Tanzania are mainly agricultural food commodities and Fish. Maize is the leading item followed by beans,

fish and rice. Others include yams, carrots, tomatoes, cassava, cabbages, cow peas, sugar, rice, bananas, millet, maize meal and groundnuts. Kenya's agricultural food exports to Tanzania include wheat flour, bread, root crops, sugar, rice, bananas, maize meal, milk and coffee. Most agricultural commodities traded are largely influenced by the food items grown around the border and in the neighboring areas.

These findings are supported by Ama (2013) study of four border posts between Botswana and South Africa; (Tlokweng Gatekoptontein), Kazungula Ferry (Zambia), Ngoma (Namibia) and Kazungula (Zimbabwe) which opined that ICBWTs traded on textile products, cereals such as beans, maize and sorghum, potatoes, bananas, and saucepans, coffee, agro vet drugs, sandals, medicine, fish and processed products such as cooking oil. Moreover, studies by Mohamadain et al., (2015) on Informal Cross-Border Trade in Eastern Sudan in Kassala bordering Eritrea and Gedarif States bordering Ethiopia reported similar findings on women majorly traded products such as vegetables, fruits, Dry beans, Tea, Coffee, Fresh beans, Honey, Spices, Meat, Plastic products, Handicrafts, Plastic products, Onions, Groundnuts, Dates, Cosmetics, Clothes, Shoes, and Tailored textile material. The traded goods are influenced by the consumption patterns, cultural features, inflation and accessibility.

These findings are also in concordance with an earlier analysis by Randriamaro and Budlender (2008) which noted that informal cross-border women traders across West African region sell and buy fresh food items such as tomatoes, plantains, beans, cassava and locally processed food such as smoked and dried fish, cassava, cooking oil, shea butter and nuts, onions and palm oil are traded in small and large quantities.

From the analysis of goods commonly traded by informal cross border women traders in Busia and Isebania, this study concludes that goods mostly traded are non-processed

agricultural products with few semi-processed goods. This is largely influenced by the food items grown around the border and in the neighboring areas as reported by an area chief.

A Trademark East Africa (an aid-for-trade organization that was established in 2010, with the aim of growing prosperity in East Africa through increased trade) official opined that the prominence of informally traded agricultural produces particularly dry cereals such as Maize, Beans, Sorghum and Millet in Busia and Isebania is also due to the fact that as the agriculture sector still represents an important share of GDP in sub-Saharan Africa and plays an important role in the livelihood of many of many of The East African Community member state Citizens.

The County Administrator in Migori County pointed out that Kenya is the main importer of goods informally particularly cereals due to scarcity occasioned by poor weather such as prolonged drought, high cost of agricultural inputs and poor technology. Similarly, in Busia County an administrator had this to say;

“Informal goods such as table eggs, cereals, milk, animal feeds, vegetables and cereals find their way into Kenya due to food scarcity, high demand, unemployment, high inflation rate, poverty and more unfortunately the inability of the border communities to cultivate their farms due to overreliance on cheap products from Uganda” (KI, C19, Busia, 17th September 2022).

Afrika and Ajumbo (2012) acknowledged that the high prices of basic commodities- majorly agricultural products and high inflation rates push women to look for cheaper ones across the border. Among the traditional members of EAC, Kenya’s inflation was at 8% higher than Uganda and Tanzania at 5.3 % and 5.6% respectively this pushed the prices of basic commodities to be higher forcing traders to source for them cheaply across the border (EAC, 2019). Additionally, Agricultural production and productivity has remained low in EAC by global standards. In fact, Kenya has been affected much

more than Uganda and Tanzania resulting in food insecurity forcing traders to source these goods informally. The food insecurity in Kenya has been blamed on vagaries of unpredictable weather such as prolonged droughts due to climate change, poor financing of Agricultural sector with the country spending less than 4% on average between 2011 to 2015 far below the 10% Maputo (2003) requirement on this sector by the exchequer.

The household vulnerabilities affecting many families due to high inflation rate, scarcity of goods and unpredictable weather patterns in the East African Community inform the types of goods which are being traded informally by women. Informal Cross border women traders take advantage of these vulnerabilities to bring goods which are meant to cushion families from high inflation rates and food scarcities. In Finerman's vulnerability theory, the inability of the state to cushion women from high inflation rates, scarcity of goods, high inflation rates, harsh weather patterns and costly agricultural inputs pushes women to source for cheaper and available goods across the borders instead of waiting for a non-responsive State. Addressing high cost of living, climate change, investing in modern agricultural technology to increase production and address food security and reducing inflations should be priority areas by EAC member states to address cross border trade informalities.

4.13 Countries where Informal Cross Border Women Traders Import Goods

The source of goods and merchandise traded by ICBWTs is very instrumental in understanding the trends and nature of this trade. This study sought to examine the source of goods or merchandise that these traders sell in Busia and Isebania borders as shown in Figure 4.8. The findings revealed that the majority of goods traded informally in Kenya were imported from Uganda at 47%, Tanzania at 33%, Democratic Republic

of Congo at 16% and other Countries outside EAC at 1%. The informal exports from Kenya to either Uganda or Tanzania was at 6%. These findings clearly show that Uganda is the main leading exporter of informal traded goods in Kenya followed by Tanzania. However, Kenya exports less informal goods to Uganda and Tanzania. As earlier discussed, the majority of goods imported informally to Kenya from Uganda and Tanzania were majorly non-processed Agricultural goods with cereals traded most.

This trend and composition of trade flow confirm that Kenya has a comparative advantage in manufactured and processed goods in relation to Uganda and Tanzania which mainly export non-processed goods. Additionally, the high demand and profitability for non-processed goods in Kenya also explains the informal trade flows.

An official in Isebania One Border Stop Post had this to say;

“Kenya informal cross border women traders export to Tanzania processed goods such as cosmetics, vitenge, cooking oil, salts, cloths, utensils, kitchen wares and plastic products. Tanzanians love Kenyan products because of the high quality”. (KI, C08, Isebania, 28th August, 2022).

An inquiry from the customs officials into the reasons why informally traded goods were mainly coming from Uganda and Tanzania found noted that Kenya had the highest demand for some of the non-processed goods such as cereals, kinship ties between the borderland communities such as the Abakuria in Isebania and the Teso’s in Busia who are one community and does not see the one border stop post as barrier to their Trade and should be avoided. Furthermore, the porosity of the border areas of Busia and Isebania also lends credence to the high informal exports to Kenya. Other factors mentioned for the prevalence of informal goods into Kenya from Uganda and Tanzania was the profitability of the trade due to the high value of the Kenya Shillings against the neighboring countries. This encourages traders to make more profit when exporting to Kenya than selling in their own countries.

This study noted that seasonality is a key determinant for the types and quantities of commodities traded by ICBWTs especially for agricultural commodities. This explains the demand and supply forces on either side across the borders as one of the key informant from at Customs office had this to say:

“Certain goods are commonly traded informally during certain seasons for example dry grains such as Maize, Beans and Rice cross more into Kenya in large quantities around the months of March to October when there is food scarcity”. (KI, C12, Busia, 3rd September 2022)

According to Ogalo (2010), a glance through history highlights that Kenya, Uganda and Tanzania have traditionally been bound by commonalities, colonial heritage, cross-border affinities and common culture and language. Extensive migration and barter trade was a feature of economic and social life that predated colonization among their citizens. Additionally, the share for intra-trade between these Countries accounts for more than half the total trade shares in the sub-region (EAC, 2019). In 2018, East African Community trade and investment report showed that the total share of export from Kenya to Uganda accounted for 39.5%, while Tanzania was at 19.3%. Similarly exports from Uganda to Kenya accounted for 46% while from Tanzania stood at 48% of the total share of export (EAC, 2018).

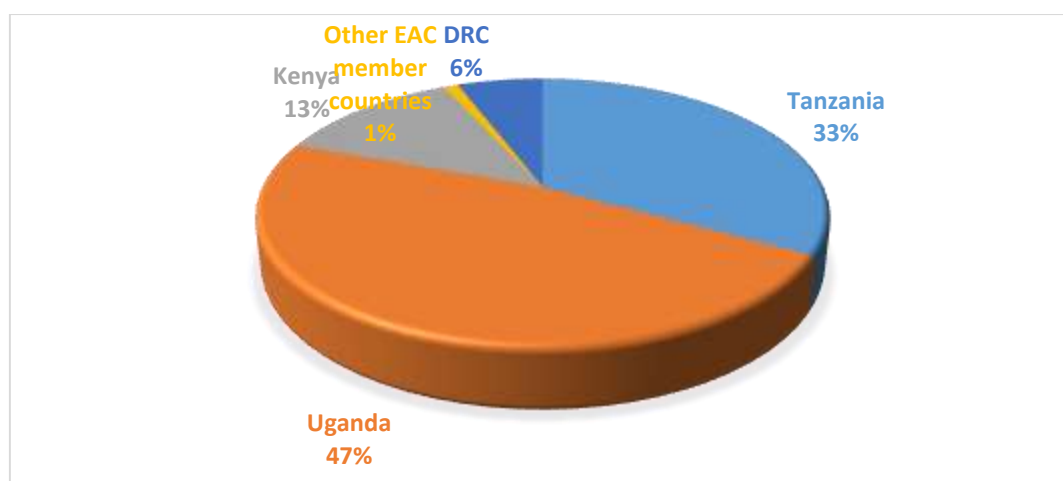


Figure 4.8: Countries where respondents imports goods

Source: Author, 2022.

Data from Uganda's annual 2018 survey report on ICBT showed that Kenya was Uganda's main source of informal imports representing 41.6% with goods worth US\$ 25.0 million. According to the EAC report (2018), Busia was the leading entry point for informal imports with an import bill of US\$15.7 million (26.2 percent) in the same year. Additionally, Kenya National Bureau of Statistics pointed out that Informal cross border imports from Tanzania to Kenya was highest in Isebania, Namanga and Taveta amounting to 778 million, 17.3million and 88.4 million accounting to 52%, 1.6% and 6% share of export from Kenya to Tanzania (KNBS, 2021). A County officer in Busia County had this to say;

“Many informal cross border women traders import a lot of cereals such as Maize, Millet, Sorghum, Beans, finger millet and cowpeas from Uganda and sell them to Kenya because of high demand and low domestic supply which can meet the gap. In addition, the Kenyan market is highly profitable to our neighboring traders thus attracting a lot of informal goods. On the contrary, few processed goods are exported informally to Uganda”. (KI, C21, Busia, 20th September 2022).

According to the Food Security and Nutrition Working Group (a regional platform, currently co-chaired by Intergovernmental Authority and Development on Climate Prediction and Applications Center and Food Agricultural Organization) report (2022), Kenya has the second highest demand for dry cereals after South Sudan in EAC. This has been occasioned by prolonged drought, high cost of production, high population, high US dollar exchange rate against the Kenyan Shillings, pest and fungal infections and the Russian Conflict which disrupted global supply Chain causing acute shortage. This food insecurity forced Kenya to import informally 63,892 Metric Tonnes of dry white maize from Tanzania (56,686 MT) and Uganda (12,836 MT) valued at US\$ 63 million. Rice informal import from Tanzania to Kenya stood at 16,291 MT valued at US\$ 21 million and second highest in the EAC region. Finally, Kenya informally

imported a total of 15695 MT of beans from Uganda (13,665 MT) and Tanzania (2,040 MT) valued at US\$ 17 million from the months of January to July 2022 (FSNW, 2022). Opiyo and Ogindo (2019), noted that Kenya is a maize-deficit country necessitating importation mainly from Uganda and Tanzania, with a significant portion of the imports being contributed by ICBWTs and sold in smaller measures than would ordinarily be found on supermarket shelves. These small unit measures are not meant to make items cheaper but rather to enable households with low daily incomes to purchase food is referred to as the “kadogo” economy. In Migori County, an official from the department of Trade noted;

“Informal Cross Border Women Traders imports mostly cereals from Tanzania in small scale and are very crucial in addressing perennial Kenyan food insecurity in the neighboring Countries such as Kisii, Homabay and Kisumu”. (KI, C01, Isebania, 1st August 2022).

Zarrilli & Linoci (2020) observed that ICBWTs support food security by supplying communities with staple food which are on demand but either in short supply or they cannot get access to them through formal channels. Many households still depend on the informal sector for many day-to-day purchases, as a source of traditional foods, some which are above the common citizen to buy from the retail stores.

According to rationalist Green (2002), individuals do cost benefit analysis of their decisions or actions. In this case, these traders are aware about high demand for non-processed goods such as cereals in Kenya households which incentivizes them to import them across the borders of Tanzania and Uganda where they are available at a cheaper price. States in EAC and Kenya specifically should look into ways of reducing household food vulnerabilities by investing in modern agricultural practices that would guarantee food security. This will reduce informal importation of non-processed goods such as cereals into Kenya from Uganda and Tanzania.

4.14 Techniques Used to Informally Cross the Border by Women Traders

Informal cross border traders use various techniques to evade arrest by the state officials. The techniques used by these women traders are very crucial for the success of the trade along Busia and Isebania borders. This study sought to find out the commonly used techniques by the ICBWTs to cross the border and the results are shown in Table 4.7. Analysis of the finding revealed that 15 % of the traders reported bribing (oiling the hands) the officials at the OSBP and satellite border points, 12% indicated concealing goods, 5% preferred using brokers commonly known as paper pushers get documentation to enable them cross with the goods informally, 60% reported use of non gazetted government crossing points (*kupita chocho or piga mbaao or komoa*) and 11% used negotiations and giving favors to border post officials to enable them cross over with the goods. These findings reveal that the majority of ICBWTs preferred using the non gazetted government routes, bribing border officials, negotiations and offering favor's and use of brokers or paper pushers.

Table 4.7: Techniques used to informally cross the border by women traders

Techniques	Frequency	Percent
Bribing the officials at the OSBP and satellite border points	15	15%
Conceal goods	12	12%
Use brokers/or paper pushers to get the fake' 'permits" to facilitate crossing	5	5%
Use alternative ungazetted routes	60	58%
Negotiations and favor's	11	11%
Total	103	100

Source: Author, 2022.

The most commonly preferred ungazetted crossing point used by ICBWTs to bring goods into and out of Kenya is shown as shown in Table 4.8. In Isebania border are,

these traders reported using Highway (12%), Bukingiri (8%), Nyamotiro (7%), Nyangiti (6%) Kopanga (5%), Nyametaburo (5%), Maringumu (5%) and Nyamaranga (3%) to cross with the goods to Kenya from Tanzania and vice versa. Similarly, informal cross border women traders in Busia border preferred using Marachi (17%), Sophia (12%) Railway (10%), Buteba no-man (7%) and Malaba river (5%) to bring the goods into Kenya and to Uganda. Traders reported that these routes are commonly used early in the morning from 3 am to 7 am or late in the evening from 7pm to 9pm to avoid arrest. An informal cross border woman trader had this to say;

“We rely on the information that is normally provided by our informers whom we pay something small (Pesa ya kuchunga mtaa) to tell us about the movement of security and customs officials before we use the alternative routes because if you are arrested the penalty is very high or they take you to prison”. (C57, 27yrs, Busia, 5th September 2022).

The traders further reported that because of the insecurity commonly experienced when using the unofficial routes, many traders rely on arranged community informal security members for protection. In Busia the Marachi boys gang or Bulanda Boys are known illegal groups that women traders seek their protection at fee to cross the border illegally particularly when transporting sizable goods. Busia County government officer in charge of coordination and security noted:

“Some illegal gang groups such as Bulanda and Marachi Boys earn a living from the fees they charge informal cross border traders using unofficial routes. We have had cases of even firearm exchange with members of the County security team in Busia or duty to protect the border. Casualties such as serious injuries and even death of our officers have been reported when these gang members are confronted. In other situations, they ambush the officers on duty or attack them in their houses while in others they try to poison in the social entertainment places or cafeterias’. (KI, C17, Busia, 16th September 2022).

Table 4.8: Ungazetted border crossing points

Border area	Unofficial route	Frequency	Percent
Isebania	Nyamotiro	7	7%
	Kopanga	5	5%
	Nyametaburo	5	5%
	Nyangiti	6	6%
	Nyamaranga	3	3%
	Bukingiri	8	8%
	Maringumu	5	5%
	Highway	12	12%
Busia	Sophia	12	12%
	Marachi	17	17%
	Buteba	7	7%
	Malaba River	6	6%
	Railway	10	10%
Total		103	100.0

Source: Author, 2022.

Bribing is a common technique that informal cross border traders use to bypass the formal procedures at the One Stop Border Post or security patrol as this study found out. From the interviews with the traders, they reported that government officials value bribes and this facilitates informal trade. The bribes are given in various forms as reported by one ICBWTs in Isebania who said;

“We traders always identify one government officer in each Country who receives bribes every day on behalf of others either early in the morning or late in the evening to facilitate crossing the one border stop post with goods. The bribe is always contributed by a group of informal cross border women traders who are known to the officer receiving the bribe and colleagues. The Kenyan official receives not less than Ksh 100 per trader while the Tanzanian official receives Tsh 20. This is mandatory and delivered by women traders’ leaders. This is done as secretly as you will never know how the bribe is given out” (C10, 31yrs, Isebania, 5th August 2022).

This is supported by Cantens and Raballand (2017) who opined that border officials, especially customs officers, have a difficult job maintaining a balance between pressure on traders for formal and informal payments while supporting the local economy and securing income both through formal payments to the State as well as informal payments to complement their low salaries which they do by playing the role of service

providers and ensuring a safe passage for traders contrary to work ethics. Moreover, Chelsea Ruiter, Lance Hadley, Queena Li (2017), in an earlier study described incidences of bribery and corruption among officials at the Kenya-Uganda border, traders in Busia and Malaba where border officials regularly exploit the lack of transparency surrounding trade procedures to generate uncertainty and coerce traders to pay informal fees at the risk of having their goods seized or denial to issue Simplified Certificate of Origin (SCOO) which exempt small scale traders from tariffs.

Negotiation and giving in to favors are techniques used to facilitate ICBT by women in Busia and Isebania as rightly placed by Nugent (2009) study in West African borders observed this as *“a constant process of negotiation between officials, traders, traditional authorities, local residents, and a range of people passing through”*. These interactions, as he reported, take different forms, depending not only on their own motivation to comply and that of the authorities to enforce: larger firms may have the power to negotiate with the border administration for a smooth passage of their goods outside the formal system (OECD 2019) through regular payments. From this perspective, then as Meagher (2008) cited in Van den Boogard et.al (2018), informal practices can be understood *“not as an absence of regulation, but as alternative forms of regulation operating below and beyond the framework of the state*. These negotiations and arrangements then create a ‘system of informality’ which is less irregular than a deeply embedded network of interactions, exchange and interdependencies.

In Busia and Isebania border areas, ICBWTs reported using their group leaders, community leaders like elders and political leadership particularly the civic leaders (members of County assembly) to negotiate with the border officials on either State to

enable them continue with the trade. When these informal negotiations fail to yield these traders would resort to demonstrations as a forceful way to compel the custom's officials to yield to their demands. As argued Cantens and Raballand (2021) customs officials use their discretionary power influenced by negotiations to adapt the size of payment to the societal realities such as economic situations and relations. Moreover, the negotiations enable border officials to 'tolerate' smuggling on certain goods up to a certain amount, given the relatively low value and low volumes involved in that small-scale trade and the importance thereof in the survival strategies of informal cross border women traders. A customs official in Isebania had this to say;

“Sometime after talking to these informal cross border women traders, you realize how seriously they need this trade to provide for their families in this difficult economic period. Because of these humanitarian grounds we charge some of them a fixed amount for certain goods or others we just allow them safe passage for as long as the quantities are small for example rice below 50 kgs is not charged at time”. (KI, C08, Isebania, 28th August, 2022).

In some instances, these traders hook up the customs officials with young women as their mistresses for the period of their stay in a specific border post. One informal cross border trader had this say;

“We have very beautiful young women in Busia whom we hook up with the senior border and security officials to protect us from being arrested and harassed. When we get into trouble with customs officials they negotiate on our behalf and because they are the mistress of these officials, it is easy to be released. So the young ‘wives’ take care of our interest”. (C59, 47yrs, Busia, 8th September 2022)

Interestingly, ICBWTs also recruit border officials into the trade as a way of ensuring their protection. In this case as reported by a border official in Isebania, ICBWTs partner with some border officials to run informal trade as a way of protecting themselves from the harsh government rules and penalties. This position is supported by Gallien and Weigand (2021) who posit that the negotiations between border officials

and traders is not merely one of the state as the 'enforcer' of law and the trader as its 'evader'. Instead, the variety of negotiation at the border carries different costs, rewards and degrees of predictability. In Isebania women traders reported that some border officials also use them to sell rice to nearby towns with others even using their vehicles to transport goods. Additionally, others sell beer such as Heineken which retails at Ksh150 per bottle in Tanzania and Sold at 250 Ksh in Kenya. At the Busia Border, some border officials are involved in selling eggs, milk and beans which are on high demand in Kenya.

Finally, the use of 'paper pushers' or 'middle men' or 'wasuagaji in Swahili to negotiate for safe passage of ICBWTs is a technique that is used by traders with medium size business. According to one of the clearing agent station at Busia Border, these paper pushers or brokers are normally found within the OSPB premises normally in groups and approaching traders who want help with processing documentation. These paper pushers at a cost normally act as the conveyor belt between the informal traders and customs or border officials. This finding is in concurrence with Benjamin and Mbaye (2012) study which acknowledged the role of *chata men* (informal customs agents or middle men) as important brokers between traders and customs agents in this region of West Africa where they are involved in processing documents, negotiating customs rates with border agents, making formal and informal payments to border actors, and/or carrying or driving goods across the border.

The theoretical explanation of these techniques used by ICBWTs lies in economic rationality based on an assessment of the costs and benefits of using formal versus informal procedure as Benjamin and Mbaye (2012) observed that traders engage in informal practices in order to avoid higher taxes and bypass costly bureaucratic

processes and non-tariff barriers imposed by the State. Chabal and Daloz (1999) thus see these techniques used by informal cross border traders as a 'source of liberal economic freedom and empowerment' for economically marginalized segments of the population who have now embraced all these corrupt means as a 'crime of calculation' to circumvent uncoordinated State's economic and trade policies such import protection policies (subsidies, price controls, exchange rate misalignments), high formal tariffs and taxes to reduce the cost of doing business. Policies seeking to address these techniques used by the ICBWTs ought to understand the complex cross border trade where the State and informal cross border women traders all see each other as an enemy leaving no avenue other than negotiations as the only means to achieve formalization.

4.15 Transportation of Goods across the Border

Movement of goods across the border is the cornerstone for the success of the ICBT in Busia and Isebania. Vigilant border patrol officers and customs informants in the community constantly provide 24 hrs. surveillance to curtail illegal cross border activities which makes it difficult for ICBWTs to operate. To succeed in this business, these women traders have to look for 'superior' means of transporting goods across the borders.

This study sought to find out the commonly used means of transport that informal cross border traders used in Busia and Isebania as shown in figure 4.9. The findings revealed 50%(52) of the traders reported using motorbikes making it the most preferred means, 28%(29) indicated using individuals carrying goods either on their heads or hands, 17%(17) were using Pro-box vehicles, 7%(7) reported relying on pushcarts and bicycles while 5% (5) used lorries. These findings show that motorbikes were the most commonly used means of transporting goods across the borders with others preferring

use of individuals to cross over the border with goods. A small number of ICBWTs were using vehicles and lorries. An informal cross border woman trader noted that;

“I prefer using a motorbike because it is affordable, faster and passes through the bush where border patrol officials cannot reach easily”.
(C62, 34yrs, Busia, 15th September 2022).

In both Busia and Isebania, ICBWTs used motorbikes to transport almost all sorts of goods though cereals, vegetables and eggs were the most commonly transported. The security officers are interestingly motorbike riders friendly and easily open to giving bribes and would allow them to use unofficial routes because of the incentives they provide. Probox vehicles and lorries were being used largely by wholesalers who purchase goods in large quantities for sale to markets beyond the border. On a good day a motorbike would transport up to 1 tonne or 1000 kgs of rice or maize or sugar as reported by a trader. Similarly, the Probox-vehicles and lorries can transport up to around 20 tonnes of cereals, sugar or rice a day. Other than bribes, the use of community informers plays a great role in evading arrest by security and customs officials patrolling the borders.

These findings are supported by researchers such as Ibrahim and Deepali (2022) who observed that much more importantly, the borders between Nigeria and Niger Republic, Smugglers from Nigeria and Niger Republic use different Motorcycles in Smuggling Rice across Borders. Similarly, Ogalo (2010) opined that informal cross border traders along EAC borders of Kenya, Uganda and Tanzania preferred the use of motorbikes to transport goods.

A number of Informal cross border traders who prefer the use of individuals to carry goods either on their heads or arms laden, because they are reliable and know how to overcome the strict one border stop post rules. A respondent said;

“I use individuals to transport my rice from Sirare center to Isebania center. They carry 20 kgs of rice at a cost of Ksh 50 and customs officials allow them to carry less than 50 kgs of rice each day. I normally use even 10 different people to carry approximately 200 kgs a day which will be transported to Kisii for my Customers.” (C11, 52 yrs, Isebania, 7th August 2022).

The Busia County officer responsible for the Coordinating of National Administration noted that informal cross border traders have their stores and usually send individuals to bring goods in small quantities until they accumulate large stocks for sale. Through this they avoid being arrested by customs and security officials.

A study by Peberdy (2002), in support of these findings observed that a significant amount of goods is passed through the official crossing points whereby individuals are hired to carry big consignments in small quantities to avoid attention when passing across the borders. After the goods have crossed the borders, these traders will pile them up in stores which are jointly hired. The customs official in Isebania reported that the ICBWTs accumulate goods to a reasonable volume in these stores for some days then team up to hire Lorries to transport them to various destinations in the importing country.

In the Busia border at Sofia market a group of disabled people on wheelchairs is quite a common feature that anybody concerned will be wondering what they do daily. Interestingly, these people with disabilities offer transport services to ICBWTs by carrying goods in small quantities as they pass through the one stop border post on their wheelchairs. A key informant Women cross border trader’s leader observed that;

“People with disabilities are majorly hired to transport informal cross border goods on their wheelchairs because they can’t be intercepted by the customs staff nor by security officials because of the backlash from the hostile community members who sympathize with them. This gives them the opportunity to cross the border so many times with goods illegally in small quantities without any limitation”. (KI, C25, Busia, 28th September 2022)

According to Ogalo (2010) and Nkoroi (2015) the Persons with Disabilities in wheelchairs often come in handy, especially, to help transport goods across the borders for informal cross border traders and they carry various goods in small quantities such as sugar, salt, rice, eggs, beer, soap cooking oil and plastics among others. Additionally, all these researchers observed correctly in this study that males living with disabilities and on wheel chairs were predominantly in this business of transporting goods.

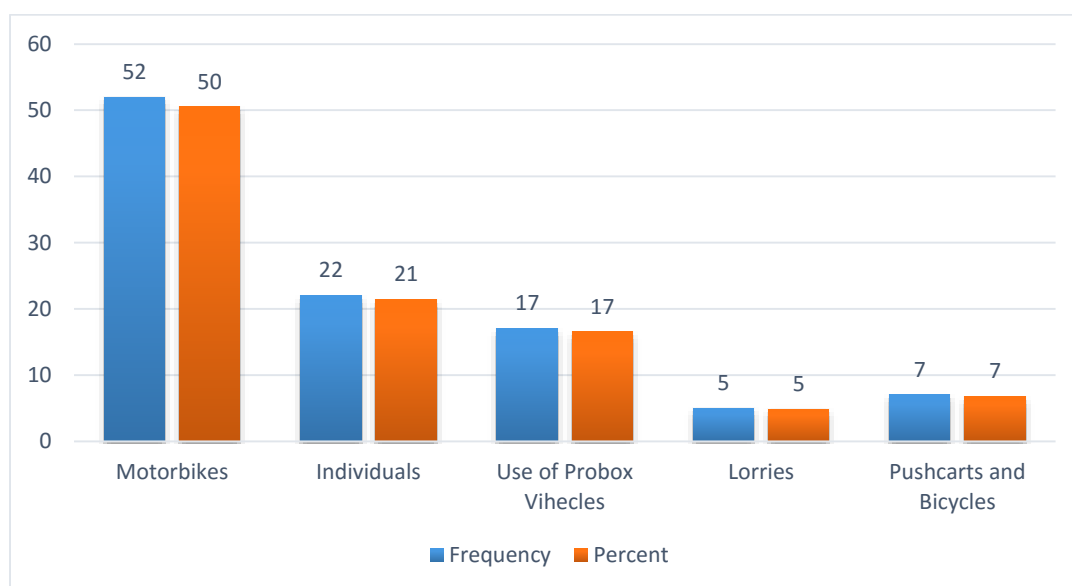


Figure 4.9: Mode of transporting the goods across the border.

Source: Author, 2022.

According to Hashi (2001), Bartlett and Bukvic (2001), the more states imposed restrictions on informal trade the more the inclination of traders to cross border trade informalities facilitated by various means of transport. To explain it more clearly, the more the states imposed anti-liberal policies to cross border traders the more likely would resort to use of other mean of transport such as relying on People with Disabilities, motorbikes or use of individuals to pass with the goods in an attempt to fulfill the mission by overcoming these barriers.

4.16 Destinations of Goods Crossing the Border

The destination of goods traded informally across borders is important in understanding the nature and magnitude of this trade in the East African Community. Informally cross-border traded goods can be traced in the immediate border markets, nearby town centers, and market centers in the furthest urban centers or cities. This study attempted to determine the destination and justification of goods/merchandise traded by informal cross-border traders in Busia and Isebania; the results are shown in Table 4.9.

Table 4.9: Destination of informal cross-border traded goods.

Destinations	Frequency	Percentage
Busia County	21	20
Kisumu County	17	17
Kisii County	10	10
Migori County	11	11
Bungoma County	10	10
Isebania/Sirare	7	7
Uganda	6	6
Uasin Gishu County-Eldoret	5	5
Tanzania	5	5
Kakamega County	4	4
Homabay County	2	2
Nakuru County	1	1
Nairobi County	4	4
Total	103	100

Source: Author, 2022.

Analysis of the findings revealed that 20%(21) of the goods informally traded were sold within Busia County, 17%(17) in Kisumu County, 13%(13) in Kisii County, 11%(11) in Migori County, 10% (10) in Bungoma County, 7%(7) in Isebania/Sirare, 6%(6) in Uganda, 5%(5) in Eldoret town, in 5%(5) in Tanzania, 4%(4) Kakamega County, in 2%(2) Nakuru County and 4%(4) in Nairobi County. These results clearly illustrate that informally cross-border traded goods by women in Busia and Isebania are not only meant for the immediate border markets but are sold in the near and far urban satellites and Cities, particularly in Kenya. These findings are consistent with those of Oliver

(2015) who noted that informally traded cross-border goods passing through the Gaya (Niger) border found their way to Niamey, Malanville, and Cotonou in Benin, Lome in Burkina Faso, and Kamba (Nigeria). Moreover, Titeca's (2021) study of ICBT between Uganda and the Democratic Republic of Congo pointed out that ICBT supplies goods for the towns and areas along the borders all the way to Kampala and Kinshasa.

This study found that the destination of goods traded by informal cross-border women traders depended on; profitability in the sense that ICBWTs would take their sell their goods to the furthest market centers due to higher margins of returns, demand of the goods in other areas far away from the border points, cost and risk of exposure to government officials when transporting goods over a long distance due confines the traders to the border market, the size of the business- medium and large size business would sell both in the border markets and in the nearby urban centers, and the strict rules imposed by the government on certain goods. An officer working with Trademark East Africa noted;

“The high demand for certain goods particularly dry cereals such as maize and rice in the urban areas drives informal cross-border women traders to take advantage and supply these goods. Isebania traders for example supply dry cereals to the nearby urban centers such as Migori, Kisii, Kisumu, and even Nairobi while Busia Border informal cross-border traders take advantage of the high demands in Kakamega, Eldoret, Bungoma, and Nakuru”. (KI, C18, Busia, 20th September 2022)

United States Agency for International Development (2013) opined that urbanization in EAC continues to provide an opportunity for the growth of informal cross-border trade because of the high rate of unemployment and food insecurity. The African Cities report (2014) furthered the debate when it noted that due to reduce formal employment opportunity in urban centers, the informal sector which is a big story in African cities, provide employment opportunities for millions of people beyond the formal economy, supplying the main source of employment and income for the majority of the poor in

urban centers, and poor urban women in particular. To this end, Skinner (2008), concluded that urbanization will continue to provide opportunities for Informal cross-border women traders as a way of creating employment, and providing services and goods to urban-slum dwellers.

The study further observed that the role of informal cross-border women traders plays in the marketplace inevitably dictates the destination of the goods they deal with as reflected by the officer from the trade department in Migori who said;

“Informal Cross Border women traders play from being small-scale traders to retailers while others are wholesalers or distributors. These roles dictate the destination of the goods, for example retailers sell goods along the border markets while wholesalers or distributors collect goods and transport them to other markets far from the border areas.” (KI, C01, Migori, 1st August 2022)

It is clear from this study that not all goods crossing the border informally by women traders are sold in the border markets. Ama et.al (2014) noted that informal cross-border traders move small amounts of goods from country to country and supply border communities and urban centers with various goods often trading in both formal and informal markets. According to Brenton et al, (2012) most ICBWTs decide not to sell in the border market because of lower profit margins, too much competition because of lack of market space, low demand, or harassment at the local market.

Rationalist Scott (2000) asserts; that people are incentivized by money and the possibility of making more profit while engaging in economic practices. Informal cross-border women traders being aware of the benefits would make decisions including looking for market destinations far away from the border areas with varied roles as retailers, wholesalers, or distributors of goods. However, any state-led policy meant to formalize trade will have to prioritize benefiting ICBWT failure to which they will engage in trade informalities for as long as they benefit them.

4.17 Value of Goods Traded and Profits from Informal Cross-Border Traders

Value of goods traded by ICBWT refers to the price that customers or end buyers pay for goods. According to Pederby et.al (2016), the value of goods traded by ICBTs shows the complexity and diversity of this trade which also is relied on by border officials as a significant contributor of tax through the various duties. The retail value of goods is important for customs authorities to approximate the fees charged for various forms of taxes when traders are crossing over with the goods at the border post. Additionally, the retail value of goods in EAC is significant in determining traders whose goods are below US\$2000 or Ksh 200, 000 and eligible to benefit from a simplified trade regime that would allow them not to pay some taxes to facilitate small-scale formal trade (EAC, 2019). In EAC, a simplified certificate of origin (SCOO) exempts small-scale traders with consignments of goods valued at under US\$ 2000 originating from and destined to the members from payment of import duty (EAC,2019). Table 4.10 shows the comparison of the retail value of goods traded by informal cross-border women traders.

Table 4.10: Retail value of goods owned by ICBWT

<i>Retail value of goods owned by ICBWT</i>		
<i>Value (Ksh)</i>	<i>Frequency</i>	<i>Percentage</i>
<i>0-50000</i>	6	6
<i>50000-100000</i>	12	12
<i>100000-150000</i>	27	26
<i>150000-200000</i>	16	16
<i>200000-250000</i>	10	10
<i>250000-300000</i>	5	5
<i>300000-350000</i>	7	7
<i>350000-400000</i>	5	5
<i>400000-450000</i>	5	5
<i>450000-500000</i>	7	7
<i>>500000</i>	3	3
	103	100

Source: Author, 2022.

The figures above indicate that the retail value of goods traded by the majority of ICBWTs was below US\$ 200 or Ksh 200 000. From the results, 59% (61) of the

respondents cumulatively had stocked goods whose retail value was below US\$ 200 or less than Ksh 200 000. This implies that the majority of ICBWTs are handling consignments whose values are less than US\$2000 and need to benefit from a simplified trade regime allowing them to import goods with zero duties as provided for by EAC trade protocol. According to Apiko (2020), women cross-border traders often have safety and security concerns, with bribery and harassment by border officials and harassment by border officials which contributes to informal cross-border trade. A woman cross-border trader's association leader in Busia had this to say;

“As leaders, we keep sensitizing traders to take advantage of the simplified trade regime which allows women cross border traders to import goods less than US\$ 200 or Ksh 200000 which is zero rated or import free for as long as they meet all the requirements. Despite all these efforts, women cross border traders still resort to using illegal means and routes to cross the border with goods because of harassment and rampant corruption by police and customs officials both in Uganda or Kenya.” (KI, C25, Busia, 30th September 2022).

This study noted that as much as the simplified trade regime was meant to reduce the cost related to taxes and clearance procedures for small-scale traders as a means to reduce informal trade, other broader factors like social networks, corrupt agents, and illiteracy play a greater role in pursuing ICBT. This is agreeable with Siu (2019) who observed that the Simplified Trade Regime and other cross-border trade formalization approaches might have only minimal outcome on changing the decision to engage in ICBT. Ruiter et al (2017) for example reported that Small-Scale CBTs operating at the Kenya-Uganda border lack access to reliable and accurate sources of trade and market information, particularly on questions related to tariffs, exchange rates, customs procedures, product standards, and other regulations which have exposed them to cross border trade informalities. Boresha Policy on Cross Border Trade (2021) survey between Kenya, Ethiopia, and Somalia acknowledges that lack of critical information

on regulation compels many traders to engage in unrecorded transactions across borders thereby missing the opportunities of formal trade.

The 41% (42) of respondents whose goods were valued at more than US\$ 200 were basically wholesalers who purchased the goods in large quantities not for the border markets but for other destinations but ignored the provisions provided for the formalization of cross-border trade. A trader said;

“I choose to use illegal routes to avoid the high taxes they charge on goods which makes doing business difficult”. (C08, 45yrs, 5th August 2023)

While another respondent noted that;

“Each country imposes its own tax on goods and this lack of these harmonized taxes exposes traders to exploitation for example when crossing to Kenya they want you to Ksh 30,000 to get the permit from Agricultural and Food Authority for you to bring cereals from a neighboring country. This forces us to use other alternative means”. (C44, 51 yrs, Busia, 4th September 2022)

It is obvious from these findings that the cumbersome procedures and high cost of charges on various permits discourage ICBWTs from formalizing their businesses. Ugandan Bureau of Statistics Survey (2018) on ICBT noted that despite the fact that the East Africa Community has allowed for the free flow of most goods and services, individually these countries have not been able to harmonize their tax regimes thus encouraging ICBT. For example, according to Siu (2019) the 35% excise duties applied to sensitive products such as Eggs, Milk, Maize, Steel, Sugar, Cigarettes, and Tobacco the Kenyan government made traders from Uganda use the means to enter the Market. Swaminathan (1991) advancing De Soto’s thoughts, notes that the informal sector is a ‘refugee’ of individuals who have found the cost of conforming to regulations and the existing laws of legitimate economic objectives far more than the benefits. In this view, unreasonable institutional and regulations frameworks such as; customs requirements,

trade permits, and taxes among others are stifling cross-border trade resulting in informality. Due to the range of the value of goods carried by traders, ICBT includes a broad spectrum of entrepreneurs from small-scale survivalists to relatively large-scale traders. Policymakers should think through the possibilities of bringing Informal Cross Border Traders with a value of goods of more than 200,000ksh at the high end of the spectrum into the formal sector.

4.18 Profit from ICBT

According to Ama et.al. (2014) profit is a critical concern for the sustainability and success of any business venture including informal cross-border trade. Analysis of the opinion of ICBWTs on their monthly profit as shown in Figure 4.10 indicates that 34% (35) had a monthly profit margin of between Ksh 30,000-Ksh 40000, 27% (28) reported a profit of Ksh40,000-Ksh 50,000, 15%(15) indicated a profit of Ksh 20,000-Ksh 30,000, 12% (12) reported a profit of Ksh 50,000- 60,000, 7%(7) disclosed a profit of Ksh 60,000-70,000,5%(5) revealed a profit of Ksh 20,000 –Ksh 30,000 and 1(%) indicated a monthly profit margin of between Ksh 70,000 to Ksh 80,000. From these findings, it is admissible that the majority of ICBWTs had a profit margin of Ksh 30,000 and above with the highest making more than Ksh 70,000 a month. This implies that ICBT is highly profitable to women traders. No wonder they desire to continue with the trade despite sanctions from governments that entail stiffer penalties.

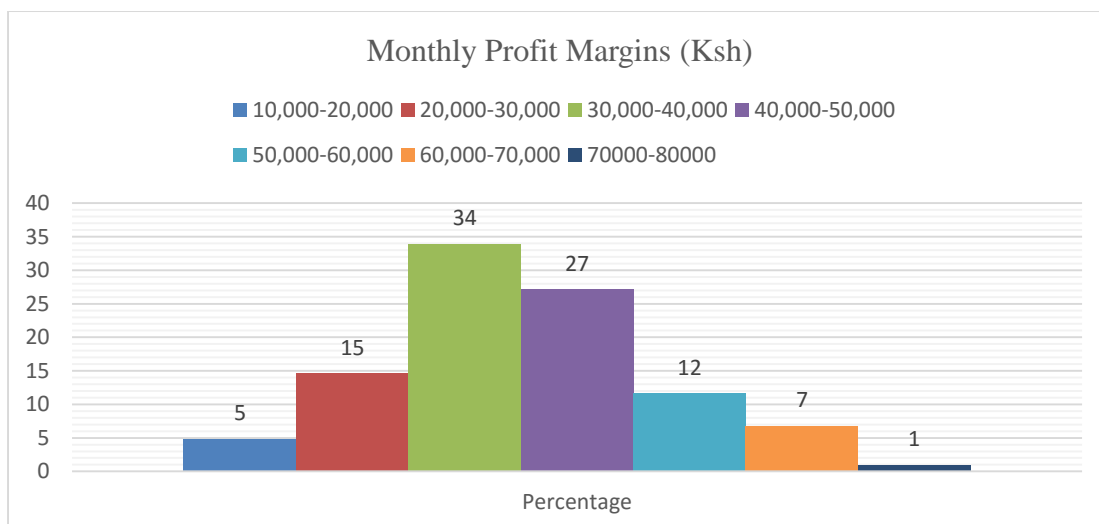


Figure 4.10: Monthly profit margins (Ksh).

Source: Author, 2022

An informal cross-border woman trader remarked that;

“This business earns me twice what my primary school teaching job pays me at the end of the month and nothing will stop me from continuing with it”. (C55, 28yrs, Busia, 5th September 2022).

A customs official remarked;

“Many of the informal cross-border women traders have a monthly profit margin which is more than the monthly salaries of senior civil servants which if taxed would earn the government more money”. (KI, C15, Busia, 16th September 2022).

An officer in the department of government administration and coordination in Busia County noted that;

“Our assessment of informal cross-border traders in the Busia border revealed that the huge profits which women traders make without paying any tax to the government are a key incentive that drives this business”. (KI, C13, Busia, 3rd September 2022).

These findings are supported by Tekere et al. (2002), whose earlier study on ICBT between Zimbabwe, South Africa, and Zambia noted that ICBT provides an opportunity for a majority of unemployed people to earn more profit considerably higher than the minimum salary in the formal sector (Ama and Magadi, 2013). Similarly, Olutayo

(2005) observes women were engaged in informal cross-border trading as a means to earn “quick returns on investment” with over 60% profit margins.

One important observation however is that the majority of ICBWTs who make more profits are involved in importing goods and selling them in their home country. Olabisi (2014) concluded;

“Along the line as Cross-border traders realize that the rewards/profits accrued from Cross-border trade far outweigh its costs, they develop tactics to cope and minimize whatever costs and difficulties associated with the trade. It goes a long way in explaining why there is a steady increase in women’s involvement in ICBT in recent times by bringing to the fore the fact that activity becomes attractive if its potential benefits outweigh the potential danger and cost associated with it”.

This explains the persistence of ICBWTs. A negotiated approach whereby policymaker’s/state officials would not be seen to jeopardize the profit margins earned by ICBWTs and instead facilitate formalization without high transaction costs will increase the revenue base by encouraging open but not discrete cross-border trade.

4.19 Source of Capital

According to Asian Development Bank (2014), access to finance is one of the most important challenges for the creation, survival, and development of cross-border small businesses, a barrier limiting the growth of intra-trade in emerging economies and developing countries. All businesses including informal cross-border ventures require a start-up and working capital. This study sought to identify the sources of capital that informal cross-border women traders rely on to continue in business as shown in figure 4.11.

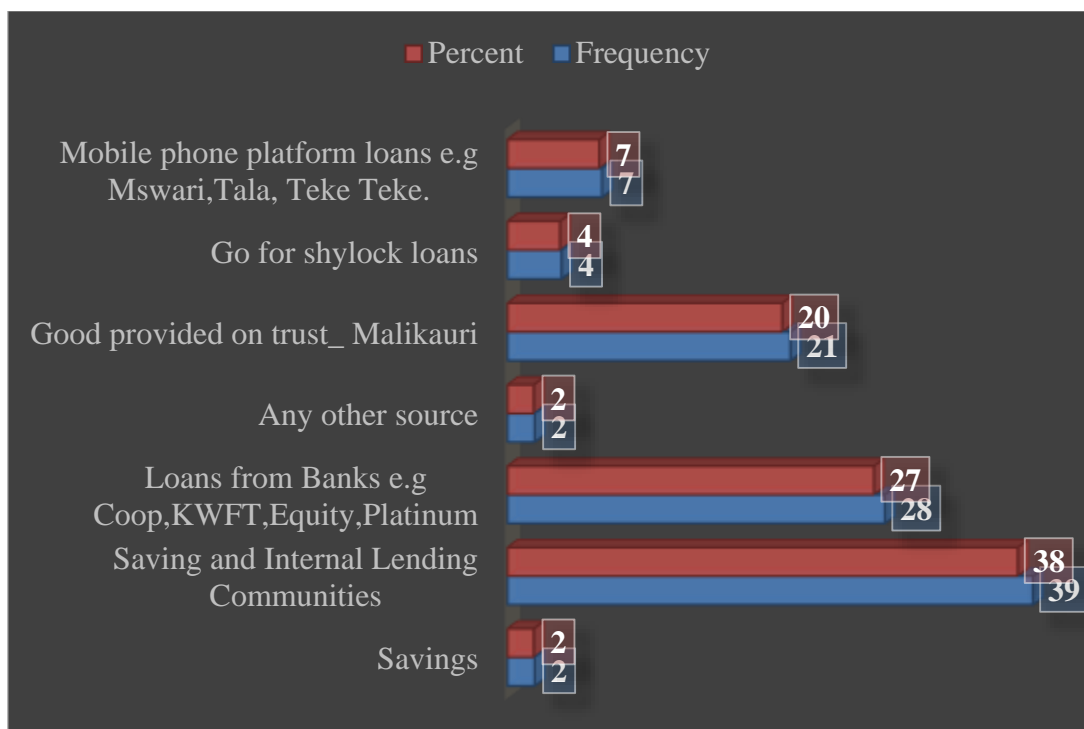


Figure 4.11: Source of Capital

Source: Author, 2022.

Analysis of the findings on the sources of capital, 7% (7) were found to rely on the Kenyan Mobile Phone loan platforms such as Mshwari, Tala, Teke among others, 4% (4) relied on shylocks, 20% (21) preferred getting goods through *Malikauri* (goods provided based on trust), 2% (2) raised capital through other sources such as sale of assets, proceeds from the farms or family support, 27% (28) raised capital through loans from financial institutions such as banks and lenders, 38% (39) depended on capital from savings and internal lending communities known as *Chama* or merry go round and finally 2% (2) used personal savings.

Among the notable banks and financial institutions in which informal cross border women traders get loans for their businesses were Kenya Women Finance Trust, Equity Bank, Cooperative Bank and Platinum Creditors.

This study noted that many informal cross border women traders raise capital through borrowing from Savings and internal lending communities, through unsecured Bank

Loans while others resort to getting goods on trust with repayment done after sales. Mobile loan platform however is a new concept which steadily traders particularly literate traders are now embracing to raise start up and working capital. The choice of which source to get capital is largely influenced by the duration in the trade, literacy level and the type of business for example an informal cross border trader noted;

“I have been in this business for more than 20 years and suppliers from Uganda are well aware of me and they give me goods worth thousands on trust and repay later. What is required is being trustworthy even without cash you will be given goods to sell”. (C72, 49yrs, Busia, 20th September 2022).

According to the reports provided by a representative from the Ministry of EAC, many women cross-border traders are encouraged to be members of registered self-help groups which encourage routine Savings and out of which organizations like EASSI boost savings for borrowing. This is the reason why many traders prefer getting capital from savings in Internal Lending Communities.

These findings are supported by Afrika and Ajumbo (2012) whose study concluded that Informal cross-border women traders get the funding for their businesses from lenders, social networks, shylocks, and savings either individual or group savings. Similarly, Purbedy et al. (2016) noted that most ICBWTs get capital from informal financial markets such as shylocks, borrowing from friends, and selling family assets. Moreover, Nakayama’s (2022) findings in Zambia had similar findings, however, 50% of ICBWTs, relied on personal savings. Capital is a major issue for the success of ICBT which tends to require substantial financial resources, raised from different sources. Titeca and Kimanuka (2012) divulged that financing sources for ICBT include loans, micro-credit schemes, revolving saving groups, friends and relatives and, to some extent, self-help groups.

This study pinpointed that getting capital for ICBT needs some form of binding informal negotiations that have some sanctions for those who defy face even stiffer penalties than those from formal money markets. Women Cross border trader's association leader informed the study that capital provided to informal cross-border traders has strict timelines for repayment failure to which other means such as confiscation of goods, killings, and even use of state officials to pursue the defaulters are quite common.

Analyzing the sources of capital for ICBWTs revealed that the majority are yet to get access to the formal market based on the nature of their businesses and the risks involved in recovering the money in case they get access. Therefore, being aware of these constraints, ICBWTs resort to informal financial markets largely to raise start-up and working capital. State should therefore prioritize opening formal financial channels that can reach ICBT.

4.20 Challenges Faced by Informal Cross-Border Women Traders in Getting Access to Capital

This study examined the challenges ICBWTs face in getting access to capital. As shown in Table 4.11, 40%(41) of the respondents reported high –interest rates, 17 % (18) indicated a lack of security, 32% (33) revealed too many procedures and requirements to get access to formal markets,5%(3) divulged that lack of renegotiation window is a bottled, 3%(3) reported auctioning of properties in a case someone defaulted,2%(2) indicated the use of threat to harm to force repayment of loans while 1%(1) noted the use of witchcraft to recover goods or loans.

Table 4.11: Challenges faced in getting access to capital by ICBWTs

<i>Challenges faced in getting access to capital</i>	Frequency	Percent
High-interest rates	41	40
Lack of security e.g. title deed	18	17
Too many procedures and requirements to get access to formal financial market	33	32
Lack of renegotiation window	5	5
Auctioning of properties in case of default	3	3
Use of force and threat to force repayment of loans	2	2
Use of witchcraft to recover goods or loans.	1	1
Total	103	100

Source: Author, 2022.

Respondents reported that high-interest rates charged by shylocks were big challenges to getting access to capital. On the contrary, the high-interest rates charged by formal financial institutions, particularly in Kenya, are making it difficult for informal cross-border traders to go for loans. Respondents also took note of the lack of security to act as collateral as many of them did not have fixed assets such as land with title deeds or even vehicles to enable them to secure loans from financial institutions. The survey by UNCTAD (2021) observed that informal traders and owners of informal businesses face more difficulties to access credit and other services from formal financial institutions, as they are regarded as high-risk customers. As a result, they are either denied credit or offered very high-interest rates.

For other respondents, too many procedures and requirements such as being a Kenyan citizen with a national identity card, and having an operational bank account that is active for a period of not less than 6 months with constant savings make it hard to get instant loans. An Informal Cross Border Woman Trader respondent noted;

“Majority of banks will not give you loans unless you prove that you are a Kenyan citizen and the area chief must write a letter proving that you can repay the loan authenticating even assets which you own. This is difficult for someone who may only need Ksh 10,000 only therefore you resort to shylocks”. (C35, 31yrs, Isebania, 24th August 2022)

According to ILO (2015), women are much more likely to use informal means to access finances because of the struggle to obtain lengthy formal financing requirements and procedures further female-led businesses are smaller and are more likely to operate in the informal sector perceived as riskier thereby attracting smaller loans at higher interest rates because of lack of collateral.

This study further noted that a number of lenders or financial institutions are not flexible and willing to renegotiate repayment of loans during difficult times a concern which was echoed by an official from Kenya Chamber of Commerce Business Migori Chapter who said;

“During the COVID-19 pandemic, many financial institutions refused to accept loan repayment negotiations with small scale cross border traders despite the economic difficulty. This forced many traders to sell assets or household items to repay the loans”. (KI, C07, Migori 28th August 2022)

Accordingly, respondents cited auctioning of property which is commonly done by Kenya Women Finance Trust to those who default on repayment of loans, and on this, an informal cross-border trader noted that;

“Kenya Women Finance Trust officers came to my home in the company of the area assistance chief and two police officers and unroofed all the iron sheets and timber from my house and auctioned them to recover a loan of Ksh 20,000 I failed to complete within the repayment period”. (C37, 52yrs, Isebania, 24th August 2022)

The challenge of the use of force or threat to harm was mainly coming from Shylock while those who were not able to pay the amount agreed on for goods issued on trust faced the imminent threat of witchcraft. A respondent particularly mentioned that Sukuma traders from Tanzania would resort to witchcraft to discipline those who fail to pay for the goods on trust.

Therefore, the source of capital remained vulnerable for ICBWTs in the Isebania and Busia border areas. These findings are supported by World Bank (2015) study which noted that women have limited access to business finance due unequal rights to inherit assets such as land from their parents and spouses, work restrictions limiting access to start-up capital, cultural barriers that limit women's economic power and gives husbands veto power over household finances, the informal and small size businesses operated by women. Access to finance should be made easier to informal cross border women traders through affirmative actions and formalization of businesses.

4.21 Level of male involvement in facilitating Informal Cross Border Trade by Women

Understanding male involvement in facilitating ICBT by women is crucial for proper analysis of the trade. Men have clear societal roles either as fathers, partners and husbands among others. According to Siu (2019), it is naïve to think that ICBWTs are in business without the support of the males at any level. In fact, for the success of these traders, males are very instrumental. This study examined the extent of male involvement in facilitating ICBT by women as shown in Figure 4.12.

From the results, majority of the respondents reported that men were involved in facilitating informal cross border trader by women in a number of way; 19%(20) indicated that men were transporting the goods across the border, 18%(19) reported that men were sourcing for the goods across the border,17%(18) noted that men were protecting ICBWTs from County and Customs officials during raids to arrest and confiscate goods,16%(16) divulged that men were providing intelligence or information on the movement of customs officials and police officers to evade arrest,13%(13) reported that men acts as the go between border officials and informal cross border women traders,10%(10) acknowledged that men offer financial support to

informal cross border women traders, 6% (6) pointed out that men owned the premises used by informal cross border-women traders and, 1% of the respondents indicated that men were not involved at all.

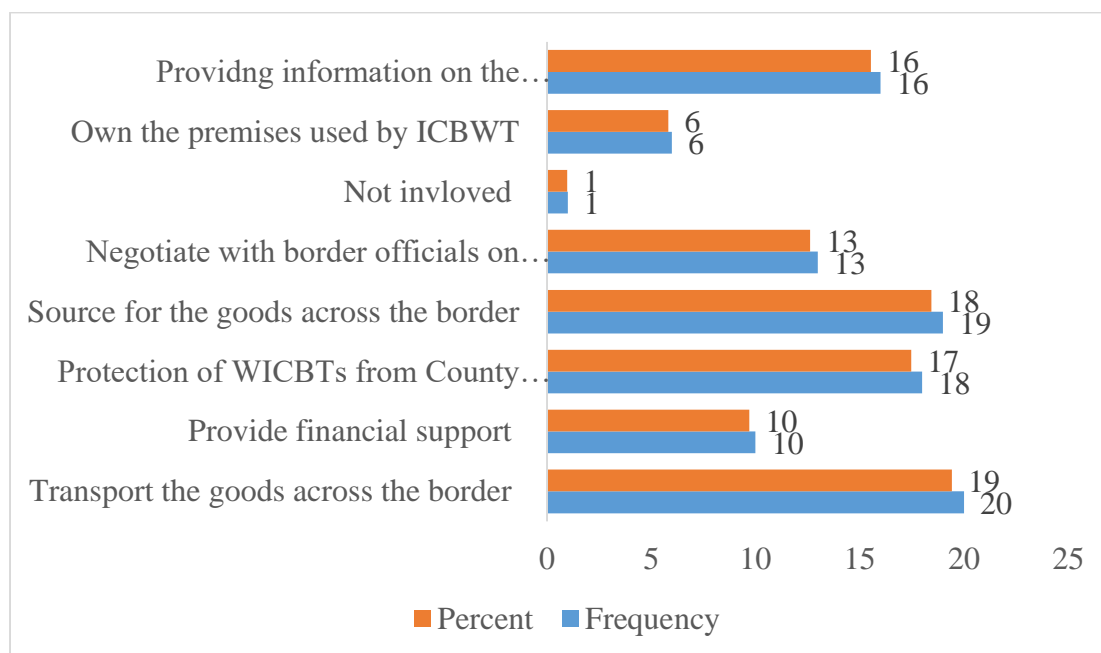


Figure 4.12: Levels of male involvement in facilitating informal cross border women traders

Source: Author, 2022.

These findings imply that men are deeply involved in facilitating informal cross border women trade from offering protection from arrest, providing intelligence on the movement of security and border officials, sourcing for goods for women traders, negotiating with border officials on behalf of ICBWTs, offering financial support, transporting goods across the border and renting out premises to informal cross border women trader. Without men therefore, informal cross border traders by women would not continue in any way. An informal cross border women trader had this to say;

“My husband and I are partners in this trade but he is the one who provides capital, he transports the goods across the border using motorbike and also pays protection fee to the border officials to avoid arresting me. My role is to sell the goods once he brings them to the store”. (C21, 30yrs, Isebania, 18 August 2022)

During the field study, a number of families involved in informal cross border trade were identified. In one instance, a family with both parents, a married daughter and the husband, three sons with their wives were all involved in ICBT. The stores are owned by the family patriarch with all the females charged with selling the goods whereas the sons source and transport the goods illegally across the border.

Oliver and Walther (2015) study of the structure of West African Trade Networks while agreeing with these findings opined that ICBWTs have succeeded to the extent that men have been deeply involved in supporting them through financing, protection and negotiating on their behalf. In fact, the World Bank (2020) notes that the success of informal cross border women traders depends on the deeper social networks which involve men failure to which cross border trade will not stand. Men have clear roles that ICBWTs cannot succeed without for instance security and market information.

The male involvement in the ICBT by women traders comes at cost as reported by respondents such as offering sexual favors which results in spread of STIs like HIV, protection fees, gender based violence resulting from social roles, extortion and insecurity and servitude. Women's socio-economic and political vulnerabilities have left them with no option but to play second fiddle to men which exposes them to several risks.

4.22 Chapter Summary

This chapter looked into the trends and magnitude of ICBT by women. More specifically, it focused on the age of the respondents, category of the traders, number of dependents, level of Education, citizenship of informal cross-border women traders, the ethnic composition of the ICBWTs, residence status of ICBWTs, duration in the trade , frequency of crossing the border to source for goods, types of good and

merchandised commonly traded, techniques used to informally cross the border by women traders, transportation of goods across the border, destinations of goods crossing the border, the value of goods traded, Profit from ICBT, source of capital, challenges faced by ICBWTs in getting access to capital and level of male involvement in facilitating informal cross border trader by women. The next chapter presents an analysis and findings on the driver of women into informal cross-border trade.

CHAPTER FIVE

POLITICAL - ECONOMIC DRIVERS OF WOMEN INFORMAL CROSS-BORDER TRADERS

5.0 Introduction

This chapter looked into the second research question. The discussions outline the various political-economic drivers of women into informal cross-border trade in Busia and Isebania. It is important to note that a number of traders and societal and state-led factors drive women into informal cross-border trade as discussed in this chapter. The various drivers analyzed and discussed under the sociocultural perspective are; Kinship ties and ethnic citizens, societal expectations, household politics and gender norms, household poverty, food insecurity, COVID-19, and lack of education and training. Drivers looked into from an economic perspective are; unemployment, price differentials, high cost of living/Inflation, the profitability of ICBT, and competition from other businesses. Finally, State level drivers that are addressed in this chapter thematically are; high costs and cumbersome procedures of the formalizing business, high taxes and fees charged on certain products, complicit border officials, incapacitated state, political hostilities, and local leadership support. This chapter ends with a summary.

5.1 Socio-cultural Factors Driving Women into ICBT

Sociocultural factors are the larger scale forces within cultures and societies that influence women's decision to be informal cross-border traders. In this study, respondents gave their opinions on these factors which drive them into ICBT. From Figure 5.1, 21% of the respondents reported kinship ties/ethnic citizenship factors driving women into ICBT, 20% reported traditional gender norms, 19% reported lack of education and training, another 19% reported food insecurity, while 11% indicated

COVID-19 pandemic and finally 10% believed that societal or Gender norms pushed women into ICBT. From the analysis, it is important to note that all these socio-cultural factors are driving women into ICBT; however, kinship ties/ethnic citizenship, traditional gender norms, food security and lack of education and training were the major factors pushing women into ICBT.

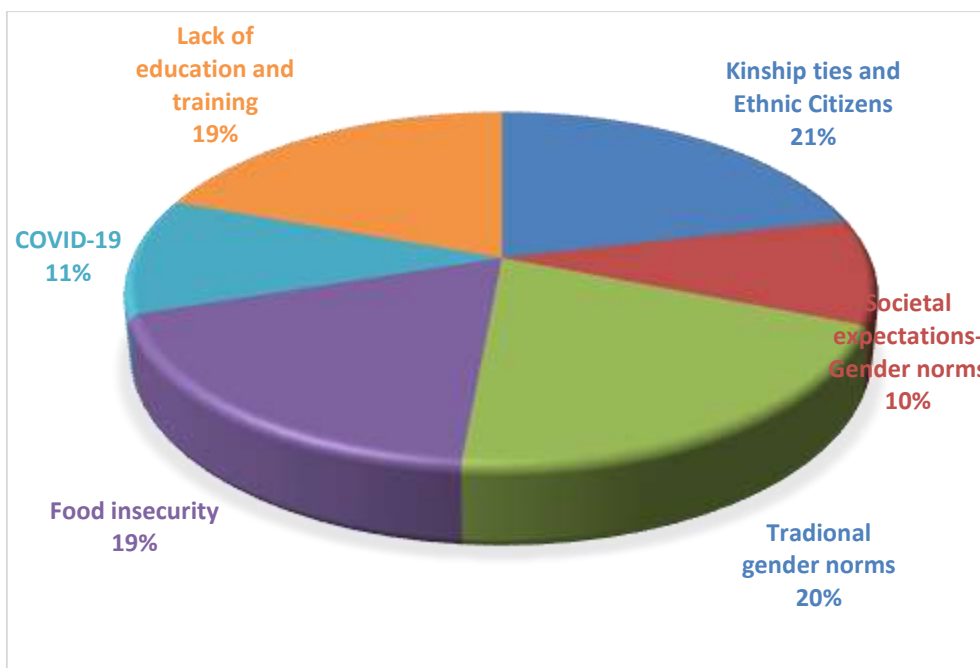


Figure 5.1: Socio-cultural factors driving women into informal cross border trade
Source: Author, 2022.

5.1.1 Kinship and ethnic citizenship

As per the findings shown in Figure 5.1 on the ethnicity of WICBTs, Kuria was 18%(19), Luo 15%, Luhya 22%(23), and Teso 15%(15) and these are the communities that are distributed across the borders of Kenya, Uganda, and Tanzania. Scholars from East African regions such as PBitek (1971) and Abuso (1980) earlier observe that the vibrancy of cross-border trade due to social network and kinship ties among various surrounding communities such as the Luo, Maasai, and Kuria in the Mara region of Tanzania and the south-western. Similarly, Ayot (1977) agrees that Kenya and Uganda cross border trade has always been propelled by the existence of communities like the

Teso with women using kingship advantage ties to enhance ICBT between these countries historically

This study found out that the Kuria and Luo communities have their historical roots in Tanzania and Kenya. Respondents reported that they have their families living in Kenya (Migori County) and Tanzania (the northern Mara region) and they normally interact a lot during family occasions like circumcisions, marriage ceremonies, cultural forums, and during funerals. These kinship ties or rather ethnic citizenships have also promoted trade in deeper ways because members of the families across the borders are either supplying or selling goods. During the study, an informal cross-border woman trader selling goods in Isebania had this to say;

“Am a Kuria born in Kenya but married to a Kuria in Tanzania where I live. In the evening after the close of the market day, I cross the border back to our home in Tanzania. The cereals I sell are for my husband who sources them from Tarime in Tanzania ”. (C33, 63yrs, Isebania, 24th August 2022)

An interview with a Kuria village elder on the Isebania border revealed that historically the Kuria and Luo communities have been crossing the border freely with all forms of merchandise without any restriction until when the colonists created the boundary separating Kenya and Tanzania that affected families. However, these artificial borders have done little to reduce the family’s daily contact such as on trade or other forms of reunions like marriage. The elder said;

“The land where Isebania One Border Stop Post was built was given out by my grandfather thinking that it was going to help the Kuria Community. Little did we know that it will be used to frustrate traders. That is why when they arrest traders in this community we always go there as elders to tell them to return our land where the border post is built if they cannot release our people ”. (KI, C06, Isebania, 2nd August 2022)

The area chief during an interview informed the study that a large proportion of the four Kuria clans live in Tanzania with a smaller percentage living across Kenya. Similarly,

twenty-three clans of Luos are living in the northern Mara and they have relatives in Kenya with whom they are in regular contact for family ties and trade-related issues. He informed the study that some women traders in Isebania Kenya are acting as middlemen for their kin in Tanzania. The Chief also pointed out that kinship ties facilitate trade in the sense that border communities are dual citizens.

These findings suggest that informal cross-border trade is a form of rebellion against the State by the border communities who feel that the One Stop Border Stop is meant to unfairly reduce the free movement of people who share the same cultural and historical ties predating colonialism. Rightly said, the border post is “a blessing in disguise” to the borderland communities. Gallien (2018), noted that what is defined rather as illegal trade or ICBT presently by the state predates its creation and legal structure making reference to the Hausa ethnic community in Nigeria and Niger who have played a dominant role in Onion production and trade in the region dating back to the 17th Century. Young (1994) noted with concern that these boundaries draconiously separated regions with long-standing ethnic ties and often without clear geographical or social separators making it hard to contain ICBT.

Customs officials in Isebania’s one-stop border post noted that the communities are so related and gave an example of Isebania primary and secondary schools where learners from Tanzania are brought with buses or otherwise to school and return in the evening. Occasionally they would spend time with their relatives in Kenya like during exam time. The officer said;

“The border communities are living peculiar lives as seen in some families’ homesteads where the international border separating Kenya and Tanzania passes right in the middle of the homestead. This is making it easy for women to use the proximity to illegally cross the border with goods to sell in Kenya. During patrols and inspections, you cannot do much because they hide the goods from the other houses

in the same homestead but in Tanzania". (KI, C08, Isebania, 28th August 2022).

A similar pattern of kinship ties was reported in the Busia border where the Teso, Samia, and Marachi Luhya tribes' families are found both in Kenya (Busia County) and Eastern Uganda. A government official in charge of security and government coordination in Busia County said;

"The various Luhya sub-clans living along the Busia border have their relatives in Eastern Uganda. In fact, there are known polygamists who have wives in Kenya and others in Uganda. Interestingly, families in Uganda supply goods to families in Kenya for business however, they never use the official gazetted border crossing areas which they consider irrelevant to the fact that these sociocultural links pre-date colonialism. These communities that straddle the border are difficult to regulate because they have a history of attacking security officers, even killing some and escaping to Uganda where their kins hide them". (KI, C14, Busia, 3rd September 2022)

Interestingly, cross-border trade has never been informal in any way to these communities tied by historical kinships, due to its ancient practice. To this end parallel trade or ICBT by women is seen as a form of indigenous resistance to the imposition of colonial borders and metropolitan economic regulations on traditional African economic and social formations as Igué (1977) would argue.

In explaining how kinship links further facilitate ICBT, the Sub-County officer in charge of government administration and coordination revealed that the majority of the Teso sub-tribe live in Uganda where their traditional king known as *Emorimor* ails from with Kenyan kinsmen paying homage annually. Many members of the Kenyan Teso communities feel more like Ugandans as many are pursuing their studies there. The presence of Teso, Marachi, and Samia communities distributed across the borders of Kenya and Uganda has enabled ICBT by women to cross-border the full glare of the State apparatus because of the protection and support they get. These communities have dual citizenship (both Kenya and Uganda) though much of the items traded are coming

from Uganda and are sold in Kenya. An informal cross-border women trader selling fish said;

“Am married to a Samia Man who lives in Uganda. My husband is a fisherman at Ssenyi beach in Lake Victoria in Uganda and I sell his fish in Kenya. He always organizes how fish is transported from Uganda to Kenya through Marachi”. (C89, 51yrs, Busia, 23rd September 2022)

Scholars on ethnic communities in Western Kenya like Cohen and Atieno (1987) recognize the role of kinship and family ties for example the late Canon Jeremiah Awori produced a 'clan' that spans from Samia, that is linked via marriage to families in Nyakach, Yimbo, and Bunyoro, Busoga, Buganda, Liberia, Malawi, and Britain, and that includes lawyers, financiers, real-estate developers, and journalists, with occasional dabblers in politics both in Kenya and Uganda and women have taken advantage of this network to further trade across the borders of Kenya –Uganda.

Strong socio-cultural affinities that transcend borders can be a key driver of ICBT as traders seek advantage of market opportunities and arbitrage as seen by the Igbo in Cameroon and Southern Nigeria (World Bank 2013), Mourides in Senegal and the Gambia (Golub & Hansen-Lewis, 2012), the Yoruba in Nigeria (Golub 2012; Sudarkasa 1985), Hausa in Northern Nigeria, Cameroon and Niger (Hashim and Meagher 1999), Nande in Eastern Congo (Kabamba 2013), Lugbara in north-western Uganda and northeastern Congo (Titeca 2009), Turkana along the Kenya/Uganda/South Sudan, Bukusu/Wagisu on Kenya/Uganda border at Luahaha and the Somalis on either side of Kenya/Somalia (Gor, 2012).

These borderland women, as rationalist Eades, (1993) acknowledge, understand the opportunity that kinship and ethnic ties bring in regard to ICBT which they don't hesitate to take advantage of to create wealth and fend for their families. As World Bank (2020) posits that ICBWTs in Africa are usually part of a larger distribution network

and hence longer value chains. Both formal and informal, cross-border trade is always underpinned by social or identity networks such as kinship ties, which form the basis of trading relations. Policy makers ought to understand that ICBT is known to borderland communities as part of socio-economic structures which strengthens kinship ties therefore it may not be eradicated easily.

5.1.2 Traditional gender norms

The traditional gender norms in African societies shape the economic lives of women cross-border traders differently from men (Tsikata 2009). In this study, 20% of the respondents acknowledged that traditional gender norms drive women into ICBT in a number of ways.

This study observed that women have clear culturally defined roles which drive them into informal cross-border trade. Respondents reported that traditionally married women are expected to fend for their families in cases where they don't get involved in supporting home economics their husbands would prefer to marry other proactive women. A community elder in Busia border Adungosi village said;

“When a woman is married into a family, she is supposed to support the sany market and bring the proceeds from sales home for family use”. (KI, C51, Busia, 27th September 2022)

In many traditional societies, the African woman was the custodian of power that binds the communities. Family survival and the future of the marriages depended to a great extent on the efforts of a woman as Leith (1967: 34) stressed:

“Culturally, African women were the transmitters of the language, history, oral culture, music, dance, habits, and artisanal knowledge. They were the teachers and were responsible for instilling traditional values and knowledge in children. Men were also essential in the transmission of knowledge to the youth because they had a different type of knowledge of the earth and environment, and also of ceremonies and traditions that were performed exclusively by men”.

An officer from Collaborative Center for Gender and Development acknowledges that their interaction with women revealed that traditional gender norms restrict their mobility, access, control over resources, and decision-making within the household, forcing them to participate in ICBT.

The study further revealed that women are tasked with the work of raising children and this affects their labor mobility in the sense that they cannot work far away from their homes because the husbands cannot take care of the children better. As a result, for women living along the border areas, informal cross-border trade provides them with an opportunity to work and return home in the evening to take care of the family.

As shown in Figure 5.1, 58% of the respondents are married while 16% are widowed which suggests that they are in this ICBT to support their families, a responsibility that traditionally they wouldn't want to abhor. Cumulatively, 87% of the study respondents as shown in Table 4.3 live in the border satellite towns and shopping centers of Isebania, Sirare, Matayos, Adungosi, Arubaine, and Malaba which further suggest that they don't want to work far from home to give them the opportunity of taking care of their families as required traditionally.

These findings are supported by Hodder (1961) who reflects that within the traditional division of labor, men were mostly involved in working on the farm while women were more likely to be involved in the processing and selling their husband's produce in the market and bringing back proceeds to the family table.

Zezeza (1988) while analyzing the labor process in Kenya since independence opines that because of the marginal role of women in the production process and relying on the family agricultural surplus to be sold, these women were drawn into informal trade whose practice extended beyond the borders of Kenya. Additionally, to Kenyan

women, marketing, petty trading, or at least attending a market, forms part of their way of life; and their rewards lie as much in the social life offered by the markets as in their cash profits. In many instances if a husband felt that his wife did not trade his produce at a fair price, he was free to sell it to another woman and this therefore created some form of competition and for women living along the borders of Kenya, they would be pushed to sell their produce across the borders to impress their husbands. Some of the women sought capital from their husbands to expand their trade in agricultural and merchandised goods just to support the family (Ojiambo, 1985).

This traditional division of labour became a factor that would push women into ICBT to fulfill societal expectations and as much as economic activities have changed in recent times, women are still the majority traders in the borders of Isebania and Busia fulfilling the traditional gender norms. Mbo'oTchouawou et al. (2016) argue that female predominance in ICBT is often attributed to women's time and mobility constraints resulting from their gender roles.

5.1.3 Inadequate education and training

According to Coste (2013), women remain overrepresented in informal work, especially in developing countries owing to poor education and inadequate skills compared to advanced societies. From the study findings as shown in Figure 5.1, 19% of the respondents reported that lack of adequate education was driving them into informal cross-border trade as many of them lack the requisite competencies to get an opportunity in the formal market.

Analysis of the respondent's bio-data as shown in Figure 4.3 revealed that 46% of WICTs dropped out of primary school, 12% dropped out of secondary school, 5% never attended school, 18% attained primary education, 11% finished secondary education

and 8% completed college education. These poor educational performances reduce women's ability to get opportunities in the formal market thereby leaving them with no option other than taking up the ICBT space. A government officer in charge of administration and coordination in Busia County said;

“Many of the women informal cross border traders hardly got formal education which can help them to acquire the necessary skills relevant for formal employment.” (KI, C13, Busia, 3rd September 2022).

African Women have played a passive role almost like people without rights when it comes to acquiring formal education. Though improvements have been realized in a number of societies, this study noted that among the Kuria and Luhya communities living across international borders, girls have fewer educational privileges than boys. It is upon this basis that the position of Bulkachuwa (1996: 15) is clearly stated as it relates to this scenario:

“In many areas women are still regarded as chattels to be inherited, they are given no formal education as it was formerly considered more advantageous to educate a female child who is given out in marriage at an early age”.

A similar opinion was shared by the Area Chief of Isebania who noted that;

“Lack of better education and training is what women in the informal cross-border trade suffer from. The majority do not know how to read, write or even speak English. Whenever we have disputes over trade or arrest by customs officials, they struggle to explain themselves well and you will know that these are just village women without basic education”. (KI, C05, Isebania, 2nd August, 2022)

Officials working with civil society organizations like EASSI, Sauti Afrika, and Collaborative Center for Gender and Development all recognized that ICBWTs do not have the education and skills that would allow them to get grafted into the formal economic space. They reported that many struggle to formalize their businesses not necessarily due to the high cost or cumbersome procedure but as a result of ignorance and illiteracy. Therefore, these women are in the informal trade for lack of a better alternative that comes with quality education with matching skills.

These findings are reinforced by UNCTAD (2013) which argues that the disconnects between education and the skills needed for formal jobs drive women to ICBT in Sub-Saharan Africa, Asia, Latin America, the Middle East, and the North African Region. Similarly, the mismatch between education and the skills needed for private sector jobs affects women more than men and this is so because of gender-shaped education where schools and universities do not always offer girls an enabling learning environment for jobs in high-tech sectors, such as in manufacturing, electrical and digital fields.

From a vulnerability perspective, the lack of adequate state support to address gaps enabling inequalities in higher education exposes women to the vagaries of informal cross-border jobs. With this, women have no option but to make an economic decision informed by their awareness of the limitations brought about by poor educational backgrounds as rationalists Elster (1989) suggests that joining ICBT as a means to ameliorate them economically being aware of all the dangers involved. Therefore, government investment in women's education will increase their skill sets, leading to better-equipped women who can contribute to the economy (OECD, 2019).

5.1.4 Food insecurity

From the study's findings, 19% of the respondents as shown in Figure 5.1 reported that food insecurity pushes women into ICBT. According to a joint survey by the Food and Agricultural Organization and World Food Programme, over 50 million people in Eastern Africa faced acute food insecurity in 2022.

Kenya has a perennial deficit of dry maize, particularly maize, beans, and rice necessitating importation mainly from the EAC countries with a huge portion being imported informally. Famine Early Warning Systems Network (2022) reported an occurrence of acute food insecurity which remained elevated due to the impacts of

drought on multiple below-average crop and livestock production seasons and high inflation as a result, accessibility to food was constrained among poor households both in urban and rural areas. According to Bouët et al. (2020), informal cross-border trade is an important part of food security in sub-Saharan African countries as shown by surveys that a substantial share of ICBT in sub-Saharan Africa concerns staple food commodities that have a direct impact on regional food security. An inquiry into how food security was driving informal cross-border trade on the border of Busia and Isebania revealed that the high demand for staple food such as dry cereals particularly dry maize, beans, and rice in Kenya attracted women traders to take the opportunity and import these cereals illegally from Tanzania and Uganda. However, this huge market occasioned by food insecurity in Kenya even pushed registered millers to subcontract women traders illegally to supply them with cereals as reported by an official from the custom department who said;

“We have reports that due to food scarcity in Kenya, some millers have contracted women traders to illegally bring maize from Tanzania which is accumulated into large consignments later transported to their stores away from the border area to meet the huge demand”.
(KI, C08, Isebania, 28th August 2022)

The findings of this study disclosed that dry Maize, Sorghum, Millet, Beans, Cassava, Cowpeas, Green Grams, and Finger Millet were some of the most traded through Maize, Beans, and Rice. In addition, fish, particularly Tilapia, Omena, and Nile perch were the most traded as shown in Table 4.8. An informal cross-border woman trader had this to say in relation to the high demand for cereals;

“I used to sell vegetables but I changed to selling cereals and many customers from within the border and other towns from Migori, Kisumu, Kisii, and Nakuru rely on me to supply them. Maize, Sorghum, dry beans, and rice have the highest demand in Kenya”.
(C40, 48yrs, Isebania, 25th August 2022)

An officer from the department of trade in Migori County said;

“The present demand for cereals in Kenya looking at the quantities being transported through Migori County is very high. Surprisingly, the majority of the traders transporting these goods don’t have genuine documentation purported to be issued by the customs office declaring the origin of the goods which points to trade informality”.
(KI, C01, Migori, 1st August 2022)

A joint study by FAO & UNICEF, WFP, and WHO (2019) reported that maize and rice are now the fastest-growing staple food crops in all parts of Africa as many households rely on them for food security. Zarrili and Linoci (2020) opine that the flows of staples and agricultural products are crucial in guaranteeing food security, especially in rural areas where the population depends heavily on food items supplied through informal channels rather than on official distribution.

As this study observes, the high demand for goods sold by ICBWTs is that they can meet the households' needs in terms of price and quantity, something missing in the formal market. An official from Trade Mark East Africa acknowledges that the unit of measurement used by ICBWTs cannot lock out any household even with less than 1 US\$ from buying food while some can get goods on credit and pay later thus accommodating anyone. This guarantees food security for poverty-stricken households both in rural and urban centers. According to Mwango et al., (2019) households from all social categories rely on informal food markets as a source of food, though specifically significant to poor households.

Opiyo and Aging (2021), in concurrence with the findings of this study, agree that ICBT provides food in affordable unit sizes (Kadogo economy), provides food on credit, sells fresh produce at lower costs than supermarket fresh produce, and sells prepared foods appropriate for households that experience income, time, storage and energy poverty. To Gamielien and Van Niekerk (2017) poor households with low incomes overly

depend on informal outlets for affordable, nutritious, and safe food. Informal trade provides food in affordable unit sizes, provides food on credit, sells fresh produce at lower costs than supermarket fresh produce, and sells prepared foods appropriate for households that experience income, time, storage, and energy poverty

Informal Cross border women traders take advantage of these vulnerabilities to bring goods that are meant to cushion families from high inflation rates and food scarcity. In Finerman's vulnerability theory, the inability of the state to cushion poor households from food insecurity pushes women into ICBT to bridge the gap. Attempts should be made to address climate change, in modern agricultural technology to increase production and address food security in EAC.



Plate 5.1: A picture of cereal store owned by an informal cross border woman trader in Isebania on 11th August 2022

Source: Author, 2020

5.1.5 COVID-19 Pandemic

The Coronavirus known as COVID-19 (caused by severe acute respiratory syndrome) pandemic is an ongoing global pandemic as declared by WHO on 7th January 2020. It was first reported in December 2019 in Wuhan province in China and as of December 2022, a total of 6,671,624 related deaths had been reported (Bradsher et al. 2022). As the COVID-19 infection rate continued to increase due to a lack of effective global coordinated response, States decided to adopt individual lone ranger policies despite the call for solidarity by the WHO. Out of desperation and fear of the spread of COVID-19 and related mortalities, States acted unilaterally by closing their borders and imposing lockdowns on the movement of people and goods except for essential medical supplies.

In the EAC region, Nasubo et al. (2022) mention that the member countries acted separately in executing Covid-19 recommendations notwithstanding suggestions from the secretariat that they should adopt a common regional response. This revealed a deeply divided region where each member state pursued self-interest at the expense of a common purpose. With the lockdowns imposed on the free movement of people, goods, and services, the aftermath was severe economic turmoil characterized by job losses, food insecurity, and worsening household poverty, particularly among borderland communities. Mold and Mveyange (2020), 75% percent of women reported that their households had lost at least a part of their income since the start of COVID-19 restrictions.

According to this study, 11% of the respondents reported that COVID-19 pushed them into ICBT. Women cross border traders' association leader informed this study that the majority of women ventured into ICBT during the COVID-19 pandemic period due to border crossing restrictions, high COVID-19 vaccination certificate fees, high

transaction costs at the border, and unemployment associated with job losses, particularly for women working in the service industry. An informal cross-border woman trader had this to say;

“I started using illegal border crossing in Marachi to cross into Kenya with my goods during the COVID-19 period because it was risky to use the Busia Border. The police in Kenya and Uganda could not allow you even if you were a known trader with a permit. They used to arrest traders and take them to isolation forcefully if they came back from Uganda”. (C98, 36yrs, Busia, 28th September 2022)

Migori Chamber of Commerce chapter official in acknowledging the impact of COVID-19 said;

“Women small scale cross border traders suffered heavily at the height of sustained COVID-19 restrictions and lockdowns as many of them get most of their goods from Tanzania which at the time was not restricting traders while the Kenyan government completely closed the border and deployed security to monitor people crossing the border into the country. Women were left with no option but to venture into informal cross-border trade to survive”. (KI, C07, Migori, 28th August 2022)

Another respondent argued;

“COVID-19 gave the police and customs officials an opportunity to fleece traders like me. They required that every time you are crossing the border to Tanzania you must pay Ksh 2000 for the COVID test and permit while as a small-scale trader, we used to pay only a standard fee of Ksh 200 for a permit and pass. I was forced to use illegal routes to bring my goods from Tanzania which am still using up to now”. (C34, 67 yrs, Isebania, 22nd August 2022)

According to WFP (2020), border restrictions during COVID-19 intensified bribery and illicit fines for cross-border traders even the several checkpoints along trade corridors where police and customs officials collected illegal fees pushed women traders to use illegal cross-border means to continue in business.

Moreover, because Kenya is perennially food insecure, COVID-19 limited the supply of agricultural and food commodities, perishable products like fruits and vegetables from the neighboring countries crucial for household livelihoods. Respondents reported

that the curfews imposed, delays in border clearance processes, and lengthy transport days considering that most of the fresh products like fish and vegetables are transported at night to avoid wastage due to high temperatures, women cross-border traders took advantage of the non-gazetted routes to supply the high demand in Kenya. Bouët et al. (2020), reporting on the impact of COVID-19 on West Africa cross-border in concurrence with this study revealed that land border closures, curfews, costly border delays, and longer transport days made formal trade avenues impractically possible paving the way for cross-border smuggling.

This study observed that COVID-19 increased women cross border traders' vulnerabilities to high transaction costs, corruption, harassment, unnecessary arrests, unemployment, poverty, and food insecurity. Sociologist scholars such as Clara (2020) agree that socioeconomic vulnerabilities create insecurity about the well-being of individuals, households, and groups in the face of a changing environment where the state is slow or incapable to intervene. Consequently, women, cross-border traders are aware of the dangers of COVID-19 with many vulnerabilities, and with few options left, ICBT becomes the last resort for survival.

Interviews with key respondents, however, revealed that ignorance and illiteracy of women were additional factors that contributed to their participation in information cross border trade. The majority of cross-border traders as evident in this study hardly attained a basic education. Ignorance is always associated with poor educational performance as so is illiteracy.

5.2 Economic Factors Driving Women into ICBT

A confluence of economic factors contributes to the prominence of ICBT in Africa (Meagher, 1995). To Africa and Ajumbo (2012), as much as there are other reasons

pushing women into informal cross-border trade, economic consideration stands out at the center of informal cross-trade by women globally. The findings of this study revealed that economic factors drive women in Busia and Isebania into ICBT. As shown in Figure 5.2, the majority of the respondents 36%(37) indicated unemployment and poverty as an economic factor driving women into ICBT, 23% (24) reported high inflation, 17(18) suggested price differentials, 17%(17) showed profitability and finally 7%(7) noted competition from other businesses.

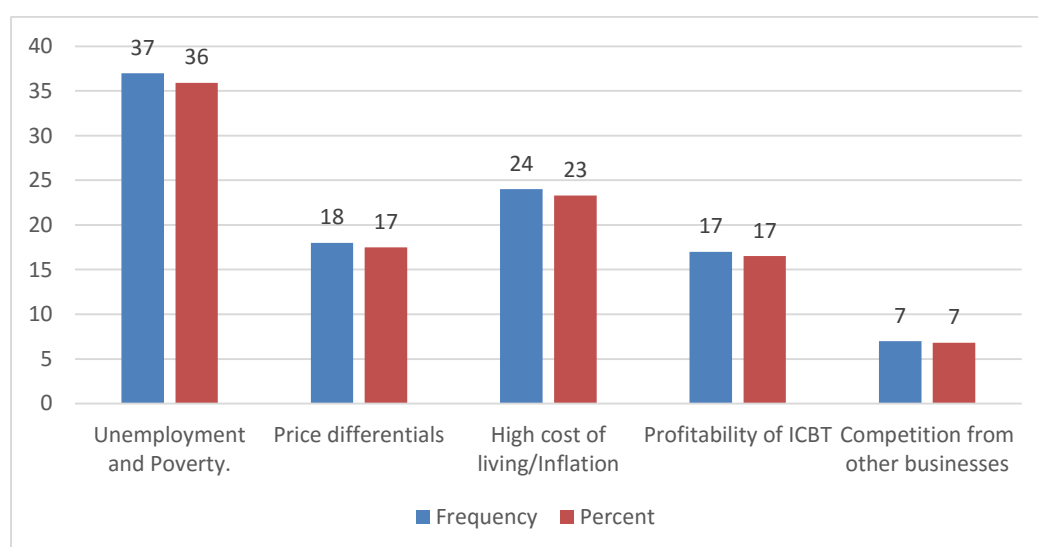


Figure 5.2: Economic factors driving women into informal cross border trade
Source: Author, 2022.

5.2.1 Unemployment and Poverty

Unemployment and households are some of the major problems facing underdeveloped as well as developing and emerging economies like Kenya. Statistics from ILO (2022) demonstrated that the global unemployment rate increased from 6.18 percent in 2020 to 7.60 percent in 2021 with a high incidence of females at 5.6 percent and the youths at 13.6 percent. This implies that the world economy is not generating enough jobs to absorb new labour market entrants. Notably, in EAC, World Bank data (2022) showed that 5.7 percent of Kenya's labor force was out of work in 2021, almost twice the 2.7

percent East African average, with Rwanda having the lowest rate of unemployment at 1.6 percent. Gerald and Rauch (2005) observed that ICBT provides specific opportunities for the empowerment of women through the creation of employment opportunities and provides access to some capital thereby creating an opportunity to alleviate poverty.

From the study findings as summarized above in Figure 5.2, there is a clear indication that a significant number of respondents are into informal cross-border trade due to unemployment and poverty. Shaw and Reitano (2014) argued that informal trade is a means of survival given the lack of other productive opportunities, particularly for women. Feedback received from government officers at both the national and county and corroborated with information from border officials indicated that few employment opportunities and household poverty forced women into informal cross-border trade. Similarly, respondents informed this study that they are into that informal cross border trade for employment and low household income. They explained that without ICBT they cannot buy food, medicine, pay utility bills and even school fees for their children in school. In support of this reasons, women cross border association leader in Busia said;

“These informal cross border traders are just innocent women who are trying to earn a living through this trade while also providing for the family”. (KI, C25, Busia, 28th Sep, 2022).

Another respondent argued;

“Am not in this business because not that I love it, to be sincere this business is risky but when I look back and realize that there is no other job for me and I have to support my family I must continue”. (C52, 59yrs, Busia, 5th September 2022)

Civil Society support women cross border traders agreed that household poverty and unemployment were forcing women into informal cross border trade with incomes

raised from the trade becoming crucial in supporting the family livelihood. An officer from EASSI had this to say;

“Women’s income from cross border trading activities is of particular importance to households where the spouse is not employed and helps explain the high tolerance for the difficulties that they face in crossing the border”. (KI, C24, Busia, 27th September 2022)

These findings support the available literature on trade informalities. The ICBT is not only a source of income for people to meet their daily household commitments and other basic needs but also a source of employment (Banda, 2010). Scholars like Brunet-Jailly (2007), Agnew (2008), and Newman (2006) in their studies of the “borderland” trade in Europe emphasized that such employment and desire to reduce household poverty pushed women into informal cross-border trade. Harlan (2015) surveyed four cross-border regions: The Eurométropole (internal EU border), Bari, Italy and Durres, Albania (external EU border), San Diego, USA and Tijuana, Mexico (North American Free Trade Agreement), and (Cúcuta, Colombia–San Crístobal, Venezuela (Andean Community) revealed that women were the majority participants in informal cross border trade for the search of employment or supplementary income.

According to a study by East African Sub-Regional Support Initiative (EASSI, 2012) in four various border posts across the region: Namanga (Kenya-Tanzania), Mutukula (Uganda-Tanzania), Kanyaru (Burundi-Rwanda) and Gakitumba (Rwanda and Uganda), women accounted for nearly 80% of all the informal traders, perhaps the highest among RECs in Africa with the majority indicating employment and poverty as the motive their participation in the trade.

Further, statistics indicate that the informal economy accounted for 83 percent of total employment in 2019 up from 82.6 percent in 2018 in Kenya. Moreover, 90.7 % of new jobs in the year 2019 were coming from the informal economy (KNBS, 2020). Analysis

of these data clearly supports the findings of this study that unemployment and poverty are at the heart of informal cross-border trade by women. Theoretically, the economic vulnerabilities occasioned by shrinking formal economic opportunities resulting in high household poverty rates with little prospects by the State to turn around fortunes for decent work, pay, and better living have left women with informal trade as the available alternative to raising income to support livelihoods.

5.2.2 High prices of commodities (inflation) and price differentials

The rise in the cost of living due to the high prices of commodities was reported by 23% while 17% of the respondents as a cross-border border trader push factor. According to the African Development Bank (2011), increases in basic food prices potentially reduce economic growth and worsen household poverty because higher prices erode savings and wages causing vulnerabilities.

This study noted that high prices of non-processed agricultural food items have forced women to cross the border to source cheaper ones. Respondents reported that the basic food items such as dry maize, beans, rice, and fresh vegetables prices have been so high particularly in Kenya with many traders crossing the border to source for cheaper ones.

A government officer working at the Food and Agricultural Authority in one of the borders informed the study that many Kenyan women have been crossing the border illegally to source basic food items either for family consumption or sale as the prices are relatively cheaper across the neighboring countries. The officer noted that other products like Sugar, milk, table eggs, and fish are being smuggled in large quantities due to their relatively cheaper prices across the border. An informal cross border trader said;

“I prefer to buy maize from Tanzania where they sell 2 kgs at Ksh110 while in Kenya they sell the same quantity at Ksh 220”. (C13, 40yrs, Isebania, 7th August 2022)

In an in-depth interview with the County Commissioner and officials from the East African Community, it was revealed that the high inflation rates were forcing the traders to look for commodities in markets where they are cheaper even if it meant crossing the border illegally. Furthermore, high inflation caused a high cost of living forcing even women to look for additional jobs like informal cross-border trade to supplement their income levels. The findings of this study divulged in relation to primary jobs, that 26% were peasant farmers, 4% were primary school teachers, 1% were county government administrative officers, and 1% were pastors.

Afrika and Ajumbo (2012) point out that the high prices of basic commodities- majorly agricultural products push women to look for cheaper ones across the border. The high prices are always a result of high inflation rates, huge consumer demand, high cost of production, and unpredictable weather patterns as reflected by respondents. The EAC (2019) in keeping up with these findings agreed that the high prices of food items have been attributed to the low productivity of agriculture, which barely makes use of materials to intensify agricultural production such as selected seeds, fertilizer, and agricultural machinery. Agriculture also is hampered by declining soil fertility, degraded natural resources, and increased conflict over land use. Persons with weaker land rights such as women, tenant farmers, and young people have found their access to land challenged by growing land scarcity and tenure insecurities.

Statistics show that of all the traditional member states of EAC, Kenya's inflation rate in 2019 was 8% higher than Uganda and Tanzania at 5.3 % and 5.6% respectively this pushed the prices of basic commodities to be higher forcing traders to source for them cheaply across the border (EAC, 2019). This situation would later be worsened

COVID-19 pandemic which interrupted the global commodities supply chain through lockdowns and border restrictions.

This study highlighted that close to 90% of goods imported informally through Busia and Isebania were destined for the Kenyan market. Furthermore, the flow of the majority of imports to Kenya from Uganda was 47% and Tanzania at 33% whereas the informal exports from Kenya to either Uganda or Tanzania were at 6%. These findings show that Kenyans rely on relatively cheaper goods from the neighboring countries in the midst of high inflation.

Rational choice proponents like Carling (1992) agree that individuals prioritize the alternatives that are likely to give them the greatest satisfaction and in this case, women traders will choose informal cross border to bring goods that are relatively cheaper to overcome the effects of the high cost of living occasioned by high prices of goods. Policymakers should therefore facilitate informal cross-border women traders by ensuring they reduce the high cost of transactions, cumbersome regulations, and all forms of Non-tariff barriers to enable them to continue being safety nets to vulnerable households suffering from high inflation by bringing much-needed food items at a lower cost.

5.2.3 Profitability of ICBT

According to Ama et al. (2013), profitability is usually essentially the target of any business venture without which it will not survive. Profitability is measured using the income and expenses from the business. According to this study, 17% of the respondents mentioned profitability as a factor driving women into informal cross border trade. As discussed in Chapter Four and shown in Figure 4:10, indicates that 34% (35) of the respondents in this study had a monthly profit margin of between Ksh

30,000-Ksh 40000, 27% (28) reported a profit of Ksh40,000-Ksh 50,000, 15%(15) indicated a profit of Ksh 20,000-Ksh 30,000, 12% (12) reported a profit of Ksh 50,000-60,000, 7%(7) disclosed a profit of Ksh 60,000-70,000,5%(5) revealed a profit of Ksh 20,000 –Ksh 30,000 and 1(%) indicated a monthly profit margin of between Ksh 70,000 to Ksh 80,000. The summary of this analysis revealed that the majority of respondents had a profit margin of Ksh 30,000 and above with the highest making more than Ksh 70,000 a month. This suggests ICBT is highly profitable to women traders no wonder they desire to continue with the venture.

Respondents noted that ICBT is more profitable than many ventures because they buy goods across the border at a relatively lower price and sell them at good prices making huge profits and as a result find it difficult. An informal cross border trader selling rice in Isebania said;

“What made me join this job is the money I make which is far better than my previous job in a hotel. I buy 10 kgs of rice from Sirare in Tanzania at Ksh 950 and sell it in Kenya at 1300 making a profit of Ksh 350 and after paying 50 Ksh for transport, I remain with Ksh 300. On a good day I can sell up to 20 bags with the very lowest selling of 10 bags”. (C30, 41yrs, Isebania, 21st August 2022)

An informal cross border woman trader of Tanzania origin in explaining how profitability made join this venture had this to say;

“I sell Heineken beer in Kenya illegally at Ksh 250 per bottle which I buy at Ksh 100 wholesale price in Tanzania. I have customers in Kehancha, Migori, Awendo, Kisii, and even Kisumu. I make good money in this business and that is the reason I am here”. (C29, 32yrs, Isebania, 21st August 2022)

An interview with border officials in Busia and Isebania suggested that many of the ICBWTs are driven by the huge profits they earn, some of which are higher than those in informal trade. This was further noted by an informal cross-border woman trader who said;

“This business earns me twice what my primary school teaching job pays me at the end of the month and nothing will stop me from continuing with it”. (C80, 29yrs, Busia, 21st September 2022)

The profit is driven by scarcity and huge demand for certain goods in Kenya. For example, Key informants noted that dry maize, beans and rice are highly in demand in Kenya and yet there is a shortfall in domestic supply. This creates an opportunity for informal cross border women traders to take advantage of the situation to make huge profits. A study respondent in Busia border operating in Sofia market selling eggs imported from Uganda said;

“I have many orders from Kenyans who want table eggs, some are as far as Nairobi. I buy a crate of table eggs in Uganda at Ksh 190 and sell at Ksh 300. The profit I make motivates me to work hard in this business hoping to succeed and own a big wholesale for table eggs”. (C69, 45yrs, Busia, 19th September 2022)

This study found that even among cereal traders, the huge profit margins attracted women into ICBT. For example, 2 kgs of dry maize were retailing at Ksh 200 in Isebania with a wholesale price of Ksh 120 in Tanzania. The same was selling at 210 in Busia Border with a wholesale price of Ksh 150 in Uganda. Similar trends were observed in other goods sold by informal cross-border women traders such as sugar, whole milk, fruits, nuts, and fish among others. Nonetheless, profitability depended on the seasonality therefore informal cross-border traders shifted the goods traded based on the season when they were in demand.

These findings support existing literature by other scholars on ICBT. Tekere et al. (2002), whose earlier study on ICBT between Zimbabwe, South Africa, and Zambia noted that ICBT provides an opportunity for a majority of unemployed people to earn more profit considerably higher than the minimum salary in the formal sector. Olutayo (2005) observes women were engaged in informal cross-border trading as a means to earn “quick returns on investment” with over 60% profit margins. Correspondingly,

Macamo (1999) in a study of Mozambique concluded that the monthly net income received by informal traders appraised on average was found to be equal to as well as four times the minimum salary paid in the formal sector while the average income received by informal traders was about two times the cost of essential goods for a family of five people.

In distinction to the rationalist standpoint, profitability is seen as a factor that informs the choice of women to prefer informal cross-border trade due to the high margins despite the risks involved. Olabisi Yusuff (2014) argues that informal cross-border traders realize that the huge profits accrued from the trade outweigh the costs therefore they developed tactics to cope with challenges. This explains the steady rise in women's involvement in ICBT presently by underscoring the fact that the trade is attractive for its potential benefits more than the danger and cost associated with it. This explains the persistence of women in informal cross-border traders. The government should make it a priority in recognizing ICBT as one of the profitable ventures which if regulated can support many households facing poverty due to the high returns accrued from it.

5.3 State-level Factors Driving Women into ICBT

From the study, it is evident that 21% reported marginalization, 25% high costs and cumbersome procedures of the formalizing business, 20% high taxes and duties charged on certain products, 11% complicit border officials, 11% incapacitated states, 9% political hostilities and indicated 5 % local leadership support as State-level factors driving women into informal cross border trade in Busia and Isebania as shown in Table 5.1. However, of all the factors, high costs and cumbersome procedures of formalization of business, high taxes and duties for certain products, and

marginalization by the state were some of the factors mentioned by the majority of the respondents.

Table 5.1: State-level factors driving women into informal cross-border trade

State level factors	Frequency	Percent
Marginalization by the State	22	21
High costs and cumbersome procedures of formalizing business	25	24
High taxes and tariffs charged on certain Products	20	19
Complicit border officials	11	11
Incapacitated States	11	11
Political Hostilities	9	9
Local leadership support	5	5
Total	103	100

Source: Author, 2022.

5.3.1 Marginalization by the State

According to this study, 21%(22) of the respondents reported that they are into ICBT because of marginalization or *kutengwa* by the State from the development agenda. Dwivedi, Khator, and Nef (2007) referencing the groundbreaking work of Robert Park (1928) depicts marginalization as a spatial metaphor for a process of social exclusion in which individuals or groups are relegated to the fringes of society, manifested through denial of social or symbolic, economic and political power and pushed towards the margins or fringes. According to ILO (2018), the dominant view is that informal work (trade) exists in the margins or outside, overly driven by populations marginalized either in less affluent regions (informal settlements) or fringe rural areas.

The study respondents pointed out that the State's unconcerned attitude and marginalization are to be blamed for women's involvement in the informal cross-border trade. They mentioned the state's failure to provide women with quality education opportunities, and training on entrepreneurial skills, and support them economically as

reasons for involvement in informal cross-border trade. Women cross border trader's association leader said;

“Majority of women are into informal trade because of the exclusion by the State to support them economically either with training or capital to run their businesses”. (KI, C25, Busia, 30th September 2022)

An official from the Collaborative Center for Gender and Development is stressing how State led marginalization of women is driving women into ICBT pointing out that along the border areas of Isebania and Busia, there are no better schools, established institutions of higher learning such as colleges or Universities except Alupe in Busia Border, hospitals, and modern markets with good storage facilities, goods roads, industries to employ people. In fact, borderland communities feel like they only interact with the State during election periods and in the border post only. These sentiments were shared by a representative from Sauti East Afrika (a women-led social enterprise based in Kenya combining development research and technology solutions to address the digital information gap facing women in trade) pointed out that women along border areas are secluded from digital economic infrastructure that supports trade such as mobile banking, electronic business registration platforms, and electronic market information. As you interact with the border communities, you learn that they hardly ever come across public internet hotspots to support digital connectivity.

A government officer in charge of administration and coordination in Migori County noted the failure of successive government regimes to invest in education, health, infrastructure, and manufacturing as a setback that has pushed women into ICBT because of limited opportunities. A look at the educational outcome of the respondents in Figure 4.3 is revealing that the majority of ICBWTs have poor educational outcomes that lock them out of formal opportunities due to illiteracy and inadequate skills.

According to Ochieng (1995), the inequalities and marginalization in Kenya can be traced to the uneven ingression of capitalism and Western influence in the country with the attack of colonialism. The colonial government focused development only in a number of selected regions such as Kiambu, Nyeri, and Murang'a in Central Kenya, Machakos and Meru in Eastern; Kakamega and Bungoma in Western; Kisumu and Kisii in Nyanza; and a few urban areas, such as Nairobi, Mombasa, Kisumu, and Nakuru. This left countless communities such as Kuria and Teso lagging behind in education, road infrastructure, health, and agricultural development, in spite of them being ideal for such opportunities. In his article "Governance Institutions and Inequality in Kenya", Professor Karitu Kanyinga noted that some regions and ethnic groups are collectively poorer than others due to historical socioeconomic and political marginalization resulting in fewer opportunities to improve their well-being others are generally better off and have more opportunities (Kanyinga, 2006). Indeed, the gendered aspect of marginalization exposed more women to indecent work to earn a living.

This study further noted that State led marginalization has been strengthened further by cultural practices such as marrying girls off at an early age denying them the opportunity to pursue the education necessary for opening up formal economic opportunities, particularly among the Kuria Community. State-led marginalization results in socioeconomic vulnerabilities that drive women into ICBT for survival. According to vulnerability theorists, state institutions such as schools, hospitals, training centers, parliament, and judiciary build people's physical, human, and social resilience. This means that individuals in society are heavily intertwined and dependent upon institutions, and it is along these institutions that people gain autonomy (Fineman 2015).

Vulnerability proponents such as Nina (2015), argue that State institutions are the source of inequality. In essence, the State creates inequality because it is responsible for dispersing development which has the potential to make other communities and groups economically endowed and resilient while some are excluded (marginalized) and unequipped to live well because of poverty. This explains the case of women cross-border traders who are excluded by the State through its institutions meant to build economic resilience thereby secluding them from formal economic opportunities. That being the case, increased government intervention through investment in education, training, and provision of affordable health care, facilitating access to capital, building modern markets, and providing market information will reduce the marginalization of women thereby delivering the opportunity to get off ICBT.

5.3.2 High costs and cumbersome procedures for the formalization of business

Andrews et al., (2017) points out that the State performs a wide range of functions including market protection and control through rules and regulations. In executing these functions, State and citizen traders' conflict as each of them tries to survive amidst stiff competition which threatens their existence. In order to discipline the market (cross-border market), Chawla (2017) argued that the State arbitrarily set up rules, procedures, and charges that traders must abide by failure to which transactions cannot take place. This often results in trade informalities.

This study found that the high costs and cumbersome procedures of formalizing businesses are a factor that drives women's informal cross border trade as reported by the majority of respondents 25% (see Table 5.1). Afrika and Ajumbo (2012) observed that the lengthy and costly procedures and demands for unofficial payments instigate traders to ignore official border points.

In keeping with this study respondents mentioned the high cost of acquiring permits and other official documents as an impediment to formal cross-border trade alongside the time they consume to get the formalization process completed. Furthermore, cross-border traders face high charges despite the existence of a simplified trade regime for small-scale traders whose goods are below US\$ 2000 or duty-free, for goods produced or manufactured in any of the EAC member states. According to the official from Kenya Chamber of Commerce Busia chapter, cross-border trade for small-scale traders has not been made easy even with the setting up of One Stop Border Post because of the costly charges to obtain permits. Based on the information obtained from the customs officials, traders who import non-processed goods such as live animals, plants, seeds, fruits (not packed), cereals (not packed), fish and poultry products are required to obtain the certificates or common documents shown in Table 5.2 to enter Kenya with goods. These certificates are applicable both for traders whose value of goods is below or above US\$ 2000.

This study noted that traders whose merchandise or goods are above US\$ 2000 pay more fees for documentation to import goods into Kenya. In instances where goods imported are processed (manufactured) and are non-pharmaceuticals, cross-border traders are required to have export permits -costing Ksh 10,000 or 15,000 depending on the value of the goods, invoice -charged 0.5% -1% of the face value, certificate of conformity-charged at Ksh 1,000 and above, import health certificate issued at a fee or Ksh 1,000 and above depending on the volume of goods, import permit for fish and fishery products _charged at 5% of the invoice, dairy board certificate which cost Ksh 100,000 annually for importers and finally radioactive free certificates costing Ksh 2,000. Respondents observed that the cost of documentation is very exorbitant when

importing to Kenya leaving cross border traders to evade the official platforms and resort to ICBT. A woman cross-border association leader said;

“Many women cross border traders desire to trade formally but because of the cost of documentation, they prefer informal cross border trade”. (KI, C25, Busia, 30th September 2022)

A representative from the EASSI informed this study that the majority of women even those with registered businesses still find the entire documentation process at the border very costly to them and as a result, they gamble by importing some goods formally and supplementing with informally traded goods to keep them afloat.

In accordance with the EAC customs union, small scale cross border traders who transact goods such as unprocessed cereals, vegetables, fruits, fish, livestock, or poultry worth less than US\$2000 are exempted from payments of payment documentation fees (permits/certificates) as they are required to apply for a simplified certificate of origin and attach the invoice for customs officials to clear their goods under simplified trade regimen. However, some respondents reported that even with a simplified trade regime, many women cross-border cereals traders are still required to pay an Agricultural and Food Authority annual license of Ksh 30,000, a phytosanitary certificate at Ksh 100 for every bag of seed or cereal, an aflatoxin certificate of Ksh 7,200 per consignment, moisture level test certificate of Ksh 1,200, import health certificate costing Ksh 1000 and genetically modified free certificate from National Biosafety costing Ksh 2,000. Small-scale cross-border traders importing fish are required to pay import permits for fish and fishery products charged at 5% of the invoice while those importing live animals (live eggs, chicks, livestock) are required to pay Ksh 1000 for the Animal health certificate. These extra fees charged for documentation make formal cross border trade difficult for women leaving them with few options other than exploring informal cross border trade. On average, a woman cross-border trader will pay Ksh 35,000 to complete

the documentation process with only 1 tonne of Maize. A woman informal cross border trader said:

“The government assured us that those small scale traders whose goods are less than Ksh 200,000 will not pay any extra charge other than the Ksh 100 for processing simplified certificates of origin. This was a lie because when you enter the border post, you will be shocked at how much you are required to pay for goods to be cleared. For me to continue in business, I must look for other informal cross border routes. The government is a lie and cannot be trusted”. (C12, 65yrs, Isebania, 7th August 2022)

Table 5.2: Documents cross border traders are required to complete when importing goods into Kenya

Document	Issuer	Fee(KSH)	Simplified Trade Regime	Standard Import/Export procedures	Validity
1 Export Permit	Exporting Country	15000-10000	May be waived for Crop based Products	Must be paid	12 months
2 Invoice	Exporting Country	0.5% of total value	May be waived after assesment	Must be paid	Per consignment
3 Simplified Certificate of Origin(SCOO)	Exporting Country	No charges	No charges	N/A	Per consignment
4 Certificate of Conforminty	Exporting/Importing Co	Fees vary by the product	Must be paid	Must be paid	Per consignment
5 Phytosanitary	Exporting/Importing Co	From 1000-1000	Must be paid	Must be paid	Per consignment
6 Import health certificate	importing country	From 1000-1000	Must be paid	Must be paid	Per consignment
7 Import permit for fish and fishery products	Importing country	5% of the import value	Maybe waived depending on the consianment quantity	Must be paid	Per consignment
8 National Biosafety Authority _GMO free certificate	Importing country	2000	Maybe waived depending on the consianment quantity	Must be paid	Per consignment
9 Agricultural and Food Authority	Importing country	30000(cereals) or 10000(horticultural)	Maybe waived depending on the consianment quantity	Must be paid	Per consignment
10 Radiation Free Certificate	Importing country	2000	Maybe waived depending on the consianment quantity	Must be paid	Per consignment
11 Animal Health Certificate	Importing country	From 1000	Must be paid	Must be paid	Per consignment
12 Dairy Board Certificate	Importing country	100000	Waived	Must be paid	per consignment

Source; Author, 2022.

More than the cost they attract, the documentation procedure is cumbersome and time-consuming which makes formal cross border trade complex and unattractive further driving women into informal cross border trade. This study noticed that the documentation process is done online which is difficult for many illiterate women cross-border traders to complete. Despite the existence of a simplified trade regime that demands that small scale cross border traders, for example, unprocessed goods below US\$ 2000 should only produce a genuine invoice, signed EAC simplified certificate of

origin, and stamped import license, many of these traders are still required to produce other documents such as Agricultural and Food Authority permit, GMO-free certificate and certificate of conformity all making this process very cumbersome. In supporting these claims, an officer at the customs office in Busia noted;

“There are goods that need multi-agency clearance for example dry cereals cannot be imported to Kenya without a paid for permit from Kenya Revenue Authority, Agricultural and Food Authority, Kenya Bureau of Standards, Kenya Plant Health Inspectorate, genetically modified free certificate and port health. These documents are not only costly in terms of fees but equally time consuming to complete making many women small-scale cross-traders to opt for informal trade”. (KI, C15, Busia, 16th September 2022)

In addition, a woman cross border trader said;

“The process of getting permits and border passes with goods into Kenya is difficult and can take one day or more. Many of us prefer to avoid the border because of these demands”. (C45, 56yrs, Busia, 4th September 2022)

An official from Kenya Chamber of Commerce Migori chapter informed this study that the EAC customs union policy clearly created a simplified trade regime which is aimed to support small scale women cross border traders however the interest of the member’s states and non-harmonized procedures and documentation have continued to undermine formal trade due to cost and time constraints. This study observed that the documentation process for small scale cross border traders and other registered traders transacting goods valued at less or more than US\$ 2000 is much easier and cheaper as shown in the EAC simplified guide for Micro-Small and Medium Size cross border enterprises (see Table 5.3), however, due to the national interest, agency competitions and corruptions, simplified cross border trade remains a pipe dream.

Table 5.3: A Checklist of required documents for import or sale of goods in another EAC partner state (for MSMEs).

EAC Partner State Country	VAT Rate (This tax rate may change every year)
Unprocessed agricultural produce	Genuine Sales Invoice/Receipt or evidence showing value/ cost of produce Signed and Stamped EAC Simplified Certificate of Origin Signed and Stamped Import License (food, animal, human and health and safety)
Manufactured goods/products	Genuine Sales Invoice/Receipt or evidence showing value/ cost of products. Signed and Stamped EAC Simplified Certificate of Origin. Signed and Stamped Import Clearance Certificate/ Certificate of Conformity for product quality standards.

Source: EAC simplified guide (2016).

These findings are supported by recent literature on informal cross-border trade such as by Benjamin and Mbaye (2012), Titeca and Kimanuka 2012, Uganda Bureau of Statistics which argued that the cumbersome bureaucracies, lengthy clearance processes, high fees charged for various cross-border trade permits embolden women to venture into informal cross border trade. Similarly, OECD (2002) argues that the requirements and process of registering a business and complying with import- export regulations are excessively burdensome and result in high transaction costs of about 15% causing women to prefer informal cross-border trade to reduce the cost and time of transacting business. Lesser and Moisé-Leeman (2009) observed that on average, Africa has the longest customs delays in the world. Consignments commonly experience substantial and unpredictable delays of 30 to 40 days before release from customs control. Not only are the delays long, but they are also costly. These lengthy and cumbersome processes lead to a considerable increase in border process fees and clearance times per consignment, hence leading to informal cross border trade

Neo-liberalist scholars can locate a correlation between State regulations and informal economic practices. De Soto (1989), in his Peruvian experience, argued that the informal sector (informal cross-border trade) grew as a response to excessive state regulations which undermined neo-liberal ideals. In his view, the informal sector is composed of ‘plucky’ micro-entrepreneurs who rationally choose to operate informally in order to avoid the costs, time, and effort of formal registration. With this thought, women cross-border traders continue operating informally so long as government legal requirements are cumbersome and costly in terms of bureaucratic red-tapism as in the case of Isebania and Busia Borders.

As suggested by Swaminathan (1991) while advancing De Soto’s thoughts, informal cross-border trade is a ‘refugee’ for women who have found the cost of conforming to regulations and the existing laws of legitimate economic objectives far higher than the benefits. In this view, women economic actors resort to cross border trade informality in situations where the State presses high costs of entering and remaining in the formal sphere through burdensome regulations and conditions. In order to enhance the enabling environment for informal cross-border women traders, as reported by respondents, governments should harmonize charges for various permits, reduce conditions and ensure only critical regulations are maintained to encourage the formalization of cross-border trade. As OSSREA (2021) study observed that the government should strengthen women’s informal cross-border trader journey to formality by first recognizing that the process should be made affordable and easy even for the very rural woman without any education.

5.3.3 High taxes and duties charged on certain products (tariff barriers)

States depend on taxes to remain alive or correctly put to ‘perform their duties’. According to Cantens and Raballand (2017), trade taxes account for between 30 to 50%

of the state revenues in Africa, making the role of customs, border management, and security crucial. This study as reported by 20% of the respondents acknowledged that the high taxes and duties charged on certain products by the State drive women into informal cross border trade due to their punitive nature which undermines the survival of businesses.

This study noted that taxation policies of EAC member states vary with each country taking the advantage of protective policies and a lack of implementation mechanism for harmonized common tariffs to collect more revenue. This exposes small-scale women cross-border traders to look for other alternative routes to import or export the goods in avoidance of these tariffs. An informal woman cross-border trader study respondent in Busia noted;

“The problem I encounter at the border is a high tax of 25% that I am required to pay to import eggs from Uganda. This is too expensive therefore I cross the border at Sophia to avoid payment of the tax”.
(C49, 41yrs, Busia, 4th September 2022)

Similar feelings were shared by women cross border trader’s associations, chamber of commerce officials, and members of the civil society organization like EASSI, *Sauti Afrika*, and TIMEA who pointed out that the tax regimes don’t favor small-scale women cross-border traders due to their high rates, particularly for basic commodities which are the lifeline of poor communities.

An official from the department of trade informed the study that other than the excise duties charged on goods imported and locally manufactured goods, domestic taxes levied on some basic goods in the form of Value Added Tax in Kenya chargeable at 16% also force women cross-border traders to informally source them from across the borders where they are relatively cheaper. An official from Kenya Revenue Authority said;

“The majority of goods that are informally imported into Kenya from the neighboring countries are those which because of the high value-added tax pegged on them are so expensive and yet they are very significant for the survival of the families”.(KI,C23,Busia,28th September 2022)

An interview with customs officials at the two borders pointed out that in EAC, Agriculture remains the most tariff-protected sector at a 20.7% average applied tariff on agricultural products while non –agricultural products are at an 11.7% tariff. In EAC, animals and animal products, cereals, sugar, beverages, dairy products, fish products, fruits and vegetables, and clothing are the product categories that have import duties of over 20%.

This study observed that regardless of the certificate of origin (which exempts traders importing goods produced from EAC member states whether non-processed or processed from paying some taxes) excise duty is payable regardless in Kenya as provided by the revised 2021 Excise Duty Act 2015. According to the East African Community Common External Tariff 2022 version, a number of goods informally traded are found in the list of sensitive goods which attract import duty from 0% to 100%.

This study noted that the most commonly traded goods informally (see Table 4.6) that attracted high import duties were cereals like dry maize, beans, sorghum, and cassava among others, fresh vegetables (6%), *omena/dagaa*, fresh fruits, rice, beer, textile, cosmetics, fish, table eggs, milk, animal feeds, plastic wares, and cigarette. An examination of the EAC Community Common External sensitive items list suggested that some of these goods attract high import duties for example; 25% import duty on all fish and fish products and *dagaa/omena* attract import duty, 25 % on whole milk, 25% on Table and Live eggs, 35% on beans, 25%-35% on fresh vegetables, 35% on cowpeas, 35% on fruits, 35% on groundnuts, 45% dry maize, 45% on sorghum, 45% on

rice, 35% on beer, 35% on Tobacco among others (Siu 2019). These high taxes not only discourage cross-border trade but compels women to venture into informal cross border trade to reduce the cost and make a profit. An officer from the department of trade in Busia County said;

“The challenge many cross-border women traders in EAC are facing is the burdening taxes on basic food items which pushes these traders to look for alternative ways to import the goods into the Country”.
(KI, C21, Busia, 20th September 2022).

Information gathered during this study suggested that all the member states of EAC apply excise using specific and ad valorem (according to the value of the goods) though the goods that are subject to excise duty vary across the countries as well as the rates in total disregard to the rule of origin which requires an exemption of certain taxes to goods originating from EAC worst still zero rated goods whose value is below US\$ 2000 under simplified trade regime. Ugandan Bureau of Statistics survey (2018) on ICBT noted that despite the fact that the East Africa Community has allowed for the free flow of most goods and services, individually these countries have not been able to harmonize their tax regimes thus encouraging ICBT.

These findings are supported by Bensassi and Jarreau’s (2019) study in West Africa which argues that ICBT was more prominent in Economic blocs such as WAEMU where member states like Nigeria applied high import duties on prohibited goods (sensitive list) and domestic taxes. Levin and Widell (2007) earlier noted that the degree of informal trade is directly correlated with the average applied tax rate like tariffs and value-added tax, in the importing country. Consistent with this perspective, several studies of cross-border trade informality by Ackello Ogutu (1998), Macamo (1999), Benjamin and Mbaye (2015), Golub (2009), and Levy (2008) and several studies of

informality in cross-border trade accentuate the role of high formal tariffs and taxes in determining traders' decisions to engage in trade informalities.

From this analysis, cross-border trade informality lies in economic rationality as explained by Popper (1967) that situational assessment of the cost and benefit influence an actor's decision to make a move in a certain direction in the marketplace. In this regard, women cross-border traders faced with high domestic and customs taxes would deliberately resort to bypassing the formal channels as a means to make a profit and survive. Furthermore, these high taxes and tariffs are perceived by neo-liberalists such as De-Soto (1989) as costly and burdensome to small-scale traders and explain their decisions of choosing informal cross-trade routes. Therefore, the East African Community (EAC) should prioritize the harmonization of taxation regimes of its member states with the aim of deterring any national tax measures that could have a negative effect on the functioning of cross-border traders.

5.3.4 Complicit border officials

According to the findings of this study, 11% of the respondents mentioned that informal cross-border trade was prevalent because of the complicit border officials in Busia and Isebania who make fortunes daily from such trade. The experience with most of the respondents is that border officials prefer to be bribed by traders and on many occasions, they aid traders in bypassing the official border posts or customs regulations.

This study noted that border officials negotiate with cross-border traders on the amount to be paid on various consignments and informal cross-border traders have agents who collect *kitu kidogo* every day from informal cross-border traders and those who fail to comply risk facing arrest. This arrangement is so complex that some officers even provide intelligence on the movement of border security and patrol teams to the

informal cross-border traders to avoid arrest as they are part of the greatest beneficiaries. The complexity of corruption at the border is such that almost all the border officials from the lowest officer to the senior manager in various departments in a way receive benefits from the proceeds of corruption they receive from informal cross-border traders. In supporting these claims, a study respondent said;

“Each informal cross border trader must pay border control officials for protection and avoid arrest every time they cross with the goods”.
(C15, 39yrs, Isebania, 11th August 2022)

According to information provided by officials from EASSI, bribery of the border control official hampers the formalization of cross-border trade in the sense that even when all other criteria including paper works have been met particularly under a simplified trade regime, women cross-border traders are still forced to pay the “illegal fees” or bribes which forces them to look for other alternative routes. In essence, ICBT is caused by the presence of border post officials who have established social networks with the cross-border traders and demand protection fees from the traders to continue with cross-border trade informalities- this encourages ICBT because of the compromised officers. Correspondingly, due to the high demand for illegal fees that small-scale women cross-border traders are required to pay despite falling within less than US\$ 2000 category and being exempted to pay any fee under a simplified trade regime, these traders are left with no option but to seek alternative routes far away from the “eye” of the government to continue in business.

Findings from officers in charge of government administration and coordination in Migori and Busia counties disclosed that indeed there are cases of malpractice and corruption among some government officials at the border post which discourages efforts to formalize cross-border trade. Similarly, women cross border trader’s association officials divulged that illegal fees are demanded by the one border stop post

officers in Kenya, Uganda, and Tanzania. However, in relation to payments, Kenyan border officers request huge bribes than their counterparts in the neighboring countries.

An informal cross border trader selling rice in Isebania said;

“Customs officers and police from Kenya always demand Ksh 100 per 10kgs of rice while Tanzania officers only ask for Ksh 20 for the same 10kgs bag of rice.” (C01, 30yrs, Isebania, 4th August 2022)

This study noted that the collection of bribes is so organized that officers don't collect the money themselves. Instead there are agents usually stationed within the One Border Stop Post whose work is to guide the cross-border traders on where the fees are being paid to or do the payment on behalf of traders. These agents also collect illegal fees for formal cross border traders who under-invoice or under-declare the goods at the One Border Stop Post. This study further observed that the agents have full access to all the officers within the One Border Stop Post and aid even big companies in escaping from paying the import and excise duties at the border. One of the agents interviewed in Busia said;

“Without us at the border, there will be delays in processing the documents for cross-border traders. We are the link between traders and customs officers. Traders pay us to negotiate on their behalf with the border authorities”. (KI, C24, Busia, 27th September 2022)

According to Sauti Afrika officials;

“The agents are the first people who will approach any cross trader entering the One Border Stop Post and they collect the bribes on behalf of the officers at a cost. Moreover, they also collect bribes from known illegal cross-border traders who use illegal routes but have their stores or shops just within the border towns like Isebania and Busia and share with border post officials”. (KI, C02, Isebania, 2nd August 2022)

Chelsea Ruiters, Lance Hadley, Queena Li (2017), in explaining the incidences of bribery and corruption among officials at the Kenya-Uganda border, traders in Busia and Malaba where border officials regularly exploit the lack of transparency surrounding trade procedures to generate uncertainty and coerce traders to pay informal

fees at the risk of having their goods seized or denial to issue Simplified Certificate of Origin (SCOO) which exempt small scale traders from tariffs. Painfully, this survey showed that police (59%) and revenue authority officials (18%) were the most likely sources of corruption, with middlemen (12%) and clearing agents (10%) representing the other common individuals benefiting from corruption. In fact, the situation has been made worse with the COVID-19 pandemic with some researchers pointing out a 30% increase in cases of bribery and corruption affecting many women small-scale traders (UNECA, 2020).

Besides the collection of bribes at the One Border Stop Post, police and customs officers who patrol and secure illegal routes are known to be collecting illegal fees from traders such as in Sophia, Adungosi, highway, and railways among many other routes. Traders also reported cases of corruption among County officers collecting market levies from cross-border traders.

These findings support existing literature which suggests that corruption in the form of bribes or indirect illegal fees drives women cross border traders into ICBT. Lesser and Leeman (2009) argue that the discretionary execution of regulations and the unofficial requirement of facilitation payments or bribes at border points potentially drives cross-border traders to engage in illegal practices such as under-invoicing or using unofficial routes crossings, to abscond such payments. According to Torres and Van Seters (2016), the presence of complicit border officials who are prone to bribes has not only encouraged informal cross-border practices among small-scale women traders but even established and large trading firms who avoid payment of taxes and under-invoice consignments.

The impact of bribes is not only harmful to the traders but also results in a loss of revenue that could have been paid to the states. Urban Food Plus (2020), agreed that corruption at the border of the many sub-Saharan states harms efforts towards regional market integration as shown in their study that local transporters carrying perishable goods like vegetables for intra-regional trade end up paying 10 times as much (mostly informal) fees than transporting imported goods like rice from Asia.

Finally, this study noted that some border officials are also involved in ICBT indirectly with the majority renting women as their agents who sell and share the proceeds with them in the form of a commission. Based on information gathered from the respondents, some of the border officers' partner with the local women to trade fast-moving goods like sugar, rice, alcohol, fish, tables eggs, and cereals (baize and beans) particularly imported to Kenya where there is high demand. A border official when asked why colleagues engage in informal cross border trading said;

“How can you see food passing while you are hungry and you fail to eat it”? (KI, C17, Busia, 16th September 2022)

This implies that some officials are attracted to ICBT due to the benefits accrued. An interview with a local community opinion leader in Busia County observed when officers are first posted at the border post, many do not have many properties but after a while, their lifestyles change which is reflected in the kind of female friends, clothes cars they drive and the properties that they own either at the border towns or in other towns suggesting access to other sources of wealth which certainly is from the proceeds of ICBT. Cantens and Raballand (2017) suggest that border officials, especially customs officers, have a difficult job maintaining a balance between pressure on traders for formal and informal payments while supporting the local economy and securing income both through formal payments to the State as well as informal payments to

complement their low salaries which they do by playing the role of service providers and ensuring a safe passage for traders contrary to work ethics. These actions drive women into ICBT.

According to Elster (1989), rational choice theory models human actions as the result of individual, self-interested preferences which are based on strategic calculations involving carefully weighing the costs and benefits of certain actions before undertaking them. Like any other action, corruption is thoughtfully weighed including the manner of execution and the resulting benefits that makes individuals happier, more satisfied, or better off in relation to money. In relation to cross-border trade, women traders opt for trade informalities either due to the desire to make more money by avoiding paying bribes required at the border posts or opting for illegal routes. Moreover, as part of the social dilemma, women cross-border traders would prefer to pay bribes at the border and avoid paying the related taxes and processing the required documents. In this context, corruption is the accepted way of doing things, the same as the accepted forms of greeting in society rather than being a form of “rule breaking”, corruption is instead a form of “rule following” the behavior of other players and not being corrupt may attract serious social sanctions like death, destruction of properties or harm (Berninghaus et al., 2013).

Corruption behavior among state officers at the border can be explained from a rationalist principal-agent perspective. Svensson (2005) explains corruption as the abuse of entrusted state (principal) authority for personal gain by the actor (border officer). In context, border officials take the advantage of the authority given by the state to provide administrative and security duties at the border for self-enrichment. With these abuses, ICBT will persist as it is a way to enrich the pockets of officers.

Therefore, States should provide incentives and severe sanctions to complicit border officials to reduce the incidences. Additionally, ICBWTs should be sensitized on the dangers of corruption to the state and be encouraged to formalize trade by fully removing unnecessary tariffs and non-tariff barriers.

5.3.5 Failure by states to provide essential services

State failure encompasses a wide variety of characteristics, affecting the social, economic, and political spheres of a nation. Chalfin (2001) argues that the peripheral regions of the state, including border areas, are often the sites where the realities of state authority and sovereignty are determined. The border, therefore, is a territorial and administrative expression of state sovereignty where the state authority is simultaneously undermined and upheld, raising questions about where the state ends and anti-state resistance begins.

According to Singh (2012), studies correlate informal economies with weak public institutions. This study found that the incapacity of the state to execute her mandate was mentioned as a driver for informal cross border trade by 11% of the respondents. Respondents mentioned factors such as the inability of the state to create job opportunities and provide quality health care, and education has forced women into informal cross border trade. Furthermore, they highlighted the lack of modern markets for small-scale women cross-border traders as a challenge pushing women traders to cross the border to sell their produce in the open markets as there is no designated marketplace. Hickey (2011), opines that States in the Sub-Saharan region have systematically failed in their roles as providers of services like infrastructure, employment opportunities, protection from rights abuses, and redistribution through social protection, among others like health and education. In the absence of these critical services adequately, Vanheukelon et.al (2016) agree that Women who are

always the victims will engage in ICTB to escape the poverty trap that threatens their survival but also to rebel against the insensitive state.

Members of civil society organizations working with women cross border traders in Busia and Isebania border informed the study that failure by the state to provide social safety nets to women and their families, inadequate training on business and provision of interest-free loans, create opportunities for financial institutions present in the borderland areas, lack of good investment on agriculture to improve food security exposed women to cross border trade informalities in such of survival. According to Perry et.al (2007), the general perception by the citizens of a government that only collects taxes and lacks the ability to reciprocate by providing quality public services diminishes the awareness of the responsibility to obey civic and legal requirements. Therefore, a perpetual circle of state weakness and informal practices can develop. An informal cross border woman trader respondent said;

“This government does not care about the difficult economic problems that women and their children have, therefore to pay taxes that are not used to help us is a waste of time”. (C80, 54yrs, Busia, 21st September 2022)

In addition, another women cross border traders’ association had this to say;

“Women cross border traders have no modern market where they can sell their goods, at the same time the County government does not keep the Isebania town clean. No clean and treated drinking water, toilet or even proper sewage system and yet they ask you to pay border taxes. For what?”(KI, C010, Isebania, 6th August 2022)

This study observed that beyond the socio-economic services that the government has failed to provide for citizens, the inefficiencies of the government institutions at the border post also play a significant role in pushing women into ICBT. Many government agencies are rivals and compete for revenue collection either through various fees or taxes that leave cross-border traders exposed. The difficulty of government agencies to reduce the time consumed in processing documents and the cost is a reflection of an

inefficient government that cannot meet the demands of citizens. Titeca (2010), argued the lack of cooperation among different government agencies, particularly between customs and tax authorities, most manifests the weakness of the state in terms of inefficiency pushing cross-border traders to opt for unofficial trade.

An interview with customs, security, and officials from the department of government coordination in Busia and Isebania revealed that the long border between Kenya, Tanzania, and Uganda respectively requires many personnel and modern technology like the use of drones to secure the border. However, this is not the case as these borders remain porous with so many crossing points which encourages ICBT.

Furthermore, the poor road infrastructure along the border areas limits the faster movement of border patrol officials to track down illegal crossing. For example, between the border of Kenya and Tanzania in the Southern region, only Isebania has the personnel to oversee the activities of the border while satellite border points like Highway, Bukingiri, Nyamotiro, Nyangiti, Kopanga, Nyametaburo, Maringumu and Nyamaranga remain unmanned. Similarly, on the Western border of Kenya and Uganda, only Busia and Malaba have border control personnel while the satellite border areas like Marachi, Sophia, Railway, Buteba no-man, and Malaba River all remain without any stationed officers to provide security. These porous border points incentivize women to participate in ICBT. Golub (2015), argues that the widespread ICBT is perpetuated by artificial and porous borders inherited from a colonial area with weak border enforcement. Similarly, evidence from North Africa further supports this finding that border porosity thwarts the efforts to contain informal cross-border trade due to high administrative costs way beyond weak states' capability to manage (Bensassi 2017).

The state's unsound economic policies have also pushed women into ICBT. According to EAC economic outlook report (2019), the rising fiscal deficit and indebtedness are risk factors for Kenya, Uganda, and Tanzania by pushing their governments to pursue stringent fiscal consolidation measures which have seen a rise in inflation rates and a reduction of spending on key sectors of the economy. Omondi and Okelo (2021) argue that Kenya's debt service in total ordinary revenue grew from 23.97% in 2011/2012 to a high of 49.82% in 2018/2019. Correspondingly, the proportion of debt service in national government spending increased exponentially from 2015 to 2021 remaining high above the proportion of spending on critical social welfare sectors such as agriculture, education, and health further worsening household poverty with women, children, and the elderly being the most affected. Schneider (2017) observes that these unsound macroeconomic policies reduce the chances of formal economic growth as citizens prefer the informal sector due to limited economic opportunities in the informal space.

Representatives from the Kenya Chamber of Commerce and Industry in Migori and Busia Counties informed the study that Kenya's debt burden continues to hurt the common citizens by reducing expenditure on social services in order to service debts. Furthermore, the increased burden of debt servicing results in an increased cost of living which compels households to look for a supplementary business to survive the difficult economic times. Respondents mentioned the high cost of health care, and education, inadequate cash transfers made to vulnerable populations, and lack of employment as a consequence of poor economic policies by the government. A 73 yrs old informal cross border respondent said;

"I sell omena to get some money to buy food and take care of my 3 grandchildren whose parents died and who depend on me for everything. I have gone to the area chief to register me for cash

transfer given to poor elderly people severally to help us and any form of a bursary to the orphaned children but no positive outcome". (C83, 73 yrs, Busia, 22nd September 2022)

This study further noted as reported by officials from the trade departments that with the introduction of Structural Adjustment Programs (SAPs), Kenya and her neighboring countries have not been able to offer critical public services like health, education, and employment owing to the reduced spending on these sectors as IMF advised. With this reduction of expenditure on critical public service sectors, women have had to look for alternative means of livelihood support through ICBT. In East Africa, the Structural Adjustment Programs (SAP) known as the African "Agenda for Action" 1981, spearheaded by the World Bank and International Monetary Fund would spell doom for economic prospects coupled with the weak economies of post-colonial states. Mkandawire (2002) argued that IMF-led 'adjustment' put African States on a slow growth path that will take decades to overcome. According to Thompson (2010), the unsound economic policies brought about by the 'Washington Consensus' undermined the profitability of private firms, led to a collapse in State revenues and added to the debt that had begun to accumulate in the mid-1970s among the traditional members of the EAC shrinking formal economic opportunities.

Existing literature such as by Schneider, Buehn, and Montenegro 2010 and World Bank 2020 suggests that a stable macroeconomic and political environment is one of the major enabling environments for growth and structural transformation. Limited fiscal resources constrain governments' ability to offer adequate coverage of social protection programs, provide broad access to public sector services, smooth business cycles, and close the productivity gap between the formal and informal sectors. Furthermore, the limited access to public services further discourages firms and workers from engaging

with the government, resulting in more participation in the informal sector (Loayza 2018; Perry et al. 2007).

From these findings, the high debt burden and poor fiscal policies reduce expenditure on social welfare programs such as health, education, cash transfer programs, and infrastructure. Besides, it results in high inflation rates thereby reducing expenditure at the household level and thereby reducing chances for the growth of the private sector which has the potential to offer employment opportunities. Therefore, the unsound economic policies in Kenya increase women's vulnerability and predispose them to ICBT to overcome poverty.

From a vulnerability perspective as Fineman (2015) contends, the State creates vulnerabilities through weak economic policies as these findings suggest. The state can and should address these vulnerabilities by; prioritizing debt policy that encourages increasing amounts of public debt on concessionary terms with longer grace periods enabling the government to have fiscal space to finance social services to citizens. Ensuring that loan driven Infrastructure spending should only be approved if the benefits outweighs the cost and the future income streams from it can sustain its repayment and finally, the governments should ensure fully financing development budgetary allocation to the social sectors such as health, education, housing, infrastructure and food security to reduce household poverty which pushes women into ICBT.

5.3.6 Political Hostilities

Informal cross border trade can take place as result of direct or indirect political hostilities either at intra-level (domestic) or inter-level (States). According to this study, 5% of the respondents reported that they participate in informal cross border due to

political hostilities either between the member states of the EAC or domestic conflicts. This study found out that the constant political disagreements between Kenya and her neighboring states of Tanzania and Uganda occasionally limits formal cross border trade by small scale cross border women traders thereby offering them few options other than informal cross border avenues. Indeed, respondents mentioned COVID-19 pandemic period as one of the worst times for cross border traders as each country took a hardline position by locking down their border for fear of the spread of the virus with exception of Tanzania.

Urbanus (2020) observed that at the time of the pandemic, Kenya was reluctant to import manufactured goods from Uganda while at the same time restricting movement into and from Tanzania. These unilateral COVID-19 measures did deepen the political hostilities that have been in existence for a long as Tanzania completely closed her border with Kenya while Uganda increased the fees charged for COVID-19 and further instructed cross-border traders including truck drivers that they will only accept COVID-19 test certificate issued in Uganda. While in Tanzania President Magufuli encouraged his countrymen to sell goods to Kenya at “a very high cost”. These hostilities caused a lot of delays at the border with many cross-border traders incurring a lot of losses due to the delays in clearance or complete border shutdown thereby spurring ICBT.

The county security teams in Busia and Migori informed the study that COVID-19 was developed in good faith to contain the spread of the virus but unfortunately, the interpretation of neighboring countries of Uganda and Tanzania somehow were blown out of context as they were full of political hostilities that threatened formal cross border trade during the period. An officer in charge of government administration and coordination in Busia said;

“We experienced a difficult time working with our counterparts from Uganda in containing the Spread of COVID-19 due to political differences. They would arrest Kenya Traders and quarantine them at a high cost paid by our traders and whenever we arrested traders from Uganda who were not observing agreed COVI-19 containment measure, it would be blown out of proportions occasionally attracting a lot of backlash from their top political leadership with consequences such as deliberate delay of clearing traders and track drivers from Kenya for even up to 7 days” (KI, C13, Busia, 3rd September 2022)

Historically, Kenya has been viewed by her neighbors as a predatory State and it is for this reason that parts have been blamed for slowing full economic integration in EAC. At the collapse of EAC in 1977 other than the ideological differences between Nyerere, Amin, and Kenyatta, the economic policies with Tanzania adopting a centrally planned economy, Uganda adopting quasi-a free market, and Kenya’s free market economy, inability to agree on a fair distribution of costs and benefits with Kenya carrying the blame of a predatory state lead to the collapse of the union (Mugomba, 1978).

This study found that political wars have been existing and always manifest through the various non-tariff measures which are meant to protect the economies. Customs officials informed this study that the trade wars are always as an of political differences among EAC members supporting these claims, women cross border associations leader in Isebania had this to say;

“Tanzanian government doesn't like Kenyans who export to them. They prefer fellow Tanzanians to collect the goods and distribute them to Tanzanian Trade. If you try to go deeper into Tanzania to sell them goods, they will arrest you despite the fact that you have the pass from the border post. According to Tanzanians, Kenya's love milking other people. Sometimes we wonder when political leaders talk of free movement of people and goods in EAC. Whose goods and which people are we talking of and yet Tanzanians will not accept you to freely move unless you are one of them”. (KI, C26, Busia, 3rd September 2022).

In Busia Border similar sentiments were reported by respondents who noted that the Ugandan authorities are hostile to Kenya traders and whenever a Ugandan Trader is arrested by customs officials for genuine reasons by customs officials for flouting trade

rules, a retaliatory mission will see many Kenyans arrested. Because of these differences, traders normally prefer ICBT routes to avoid such encounters.

These political hostilities between Kenya, Uganda and Tanzania as documented in various literature has always taken the form of trade wars. Nasubo et al. (2022) argue that Kenya and Tanzania political hostilities is an old and chronic phenomenon owing to their struggle to safeguard national interest and dominate the regional market since the 1970s. Recent occurrences were witnessed, for example, when Tanzania banned Kenyan registered tourist vans from accessing its National Parks in 2015. In retaliation, Kenya banned Tanzania's tourist vehicles from picking or dropping passengers from its airports. Additionally, in October 2017, the government of Tanzania under President Magufuli was reported to have burnt 6400 live chicks from Kenya, claiming that they were illegally smuggled into its territory (Longo, Akyoo & Sørensen, 2019). A kin move was noticed in February 2018 when Magufuli's government seized 5000 live chicks (Longo, Akyoo & Sørensen, 2019). Likewise, Tanzania's authority sold more than 1000 cattle belonging to Kenyan herders which President Magufuli indicted for making Tanzania a grazing field. The Kenyan government would proceed to compensate these herders though that did not heal the wounds (The East African, 2017).

Kenya and Uganda also experienced political hostilities expressed through trade wrangles involving the importation of goods. In 2014, the Kenya government blocked importation of sugar from Uganda claiming that they don't have the capacity to produce enough sugar for export instead they were repackaging sugar from Brazil. Additionally, in 2020 Kenya banned importation of both table and live eggs and milk from Uganda citing protection of domestic industries and suppliers. Uganda reacted by increasing excise duties up to 45% for certain manufactured goods exported from Kenya (Wakaba, 2020). These hostilities have continued to be witnessed between Rwanda Uganda, DRC

and Burundi respectively with occasional full border closures leaving no option other than informal cross border trade (Kaiza, 2019).

These political hostilities diminish the prospects of formal cross border trade as it creates an unfavorable environment for small scale women cross border traders who face the realities of harsh treatments whenever such disagreements occur due to their vulnerabilities. Women therefore act in their best interest to reduce cost and maximize profit as rational choice theorists suggest. Reducing political hostilities among member states will open up trade in EAC and this can be done through sustained commitments to the Common Market and Customs Union and the EAC Treaty.

5.3.7 Local civic leadership support

This study found that the availability of local civic leadership support as reported by 5% of the respondents was driving informal cross border trade by women traders. This study noted that local civic and political leaders such as the member of the county assembly or the ward representative of the border communities in Busia and Isebania aid traders. Additionally, the area members of parliament, senators, and women representatives are facilitators of informal cross border trade either to secure their votes or to raise money for their campaigns.

Respondents acknowledged that the civic leaders support them by raising cash bail to seek their release from police custody whenever these traders are arrested. Sometimes they engage the security and customs officials at the border post with the sole purpose of negotiating for informal cross border traders. To informal cross border traders, these civic leaders understand their needs more than any other officers.

Information received from the officers in charge of security and government coordination in Busia and Isebania suggested that local civic leaders have a deep

interest in informal cross-border trade as some of them are beneficiaries who make their money through smuggling of high-valued goods into Kenya for example coffee, bhang, ethanol, sugar, cereals, milk, eggs, gold, livestock, and rice. These civic leaders rely on the local informal cross border trade networks which also involve some government officers at the border to thrive. To them, informal cross border women traders are a hideout and the more they thrive the better for these civic leaders. This study further noted that the majority of civic leaders from the border communities have taken advantage to recruit voters for example from the communities living across the borders either in Tanzania or Uganda who participate to elect them. These voters from across borders have been issued national identification numbers and election cards. The payment they receive partly for participating in the elections is always to be provided with business opportunities in Kenya where they can trade under the protection of these civic leaders.

Customs officials and Kenya Revenue Officers in Busia and Isebania border reported that some of the informal cross-border traders have metamorphosed into gang groups like the mariachi which not only protect informal cross-border traders but also offer intelligence on the movement of security officers. Furthermore, they offer protection to the local civic leaders in the community and also safeguard their businesses. A customs official narrated how this network of local civic leaders has led to the death of their colleagues who have died out of poisoning, waylaid, and suffered from gunshots or deep cuts by sharp objects. In explaining the seriousness of these threats to government officers a customs official said;

“Local civic leaders always say that you came to the border na karatasi na karatasi utarudi nayo either alive or dead”. (KI, C12, Busia, 3rd September 2022).

According to Portes (1998), local political leadership support on the negative can be exclusionary, accepting, or even promoting antisocial behavior and violation of the rules and norms in the formal economy as is the case in Isebania and Busia borders. Lewis (2012) argues that in Africa, allegiance to local civic leadership replaced the traditional sources of authority and is far more binding as they reflect ethnic compositions. Galub (2015), opines that the bonds of trust, norms, and enforcement mechanisms provided by local civic networks enable contract fulfillment, access to financing, and information exchange without documentation or official involvement besides protection and promote informal cross-border trade. Moreover, Balineau et al. 2021 agree that in an environment where the state is either absent, not considered legitimate, or out of reach, and where enforcement of contracts through the legal system is weak, networks formed by local civic leaders on the basis of trust provide the much needed means to continue with ICBT.



Plate 5.2: Researcher interviewing women cross border associations' leader in Isebania town taken on the 7th August 2023

Source: Author, 2022.

According to rationalist Elster (1989), human behavior can be interpreted as the result of individual, self-interested preferences calculated strategically, with careful weighing of the costs and benefits of certain actions before undertaking them. The end game is to maximize utility through the attainment of whatever goal makes informal cross-border women traders happier, more satisfied, or better off. Reliance on the support of the local civic leadership is a decision that ICBWTs have to make looking into the opportunities and threats. Addressing informal cross-border trade including reducing the occurrence and improving formalization will require the support and goodwill of the local civic leadership.

5.4 Chapter Summary

This chapter presented and discussed the social, economic, and political factors driving women into ICBT in Busia and Isebania borders. The study found that traditional gender norms, reported lack of education and training, food insecurity, the COVID-19 pandemic, ignorance, and illiteracy are social factors driving ICBT. Further, economic factors are indicated by unemployment and poverty, high inflation, price differentials, profitability, and competition from other businesses. Finally, state-level factors this study reported as driving informal cross border are marginalization, high costs and cumbersome procedures of the formalizing business, high taxes and duties charged on certain products, complicit border officials, incapacitated states, political hostilities, and local leadership support as State-level factors driving women into informal cross border trade in Busia and Isebania. Chapter 6 presents findings and discussion on the socio-economic and political impact of ICBWTs.

CHAPTER SIX

**SOCIAL AND ECONOMIC IMPACT OF INFORMAL CROSS-BORDER
TRADE BY WOMEN TRADERS**

6.0 Overview

This chapter presents findings and a discussion of the third research question. It outlines the various socio-economic and political impacts of informal cross border trade by women traders. The impact of informal cross border trade is diverse with short, medium, and long-term implications on the social-economic and political sphere of a state. Employment creation, reduced household poverty, livelihood support, improving food security, supply of cheaper goods, family breakdown, acquisition of assets, improved role in decision making, support of social activities and spread of diseases are some of the socio-economic impacts of ICBT discussed in this chapter. Among political impacts of ICBT are entrenched regional integration from below, loss of revenue, peaceful coexistence among border citizens, political instability, participation of voters from across the border in elections, paying taxes and levies and insecurity. This chapter ends with a summary

6.1 Socio-economic Impact of ICBT by Women Traders

This study set out to examine the socio-economic impact of ICBT by women traders in the Busia and Isebania borders. From the findings as shown in Figure 6.1, 22% of the respondents reported that ICBT created employment, 19% reduced household poverty, 17% improved livelihood support, 12% improved food security, 5% supply of cheaper goods, 6% spread of diseases, participation in household decision making, 5% family breakdown, 6% support community activities, 2% acquisition of assets and 1% noted reduced household crimes. From the findings employment creation, poverty reduction

and livelihood support are some of the main impacts of ICBT as reported by the majority of the respondents.

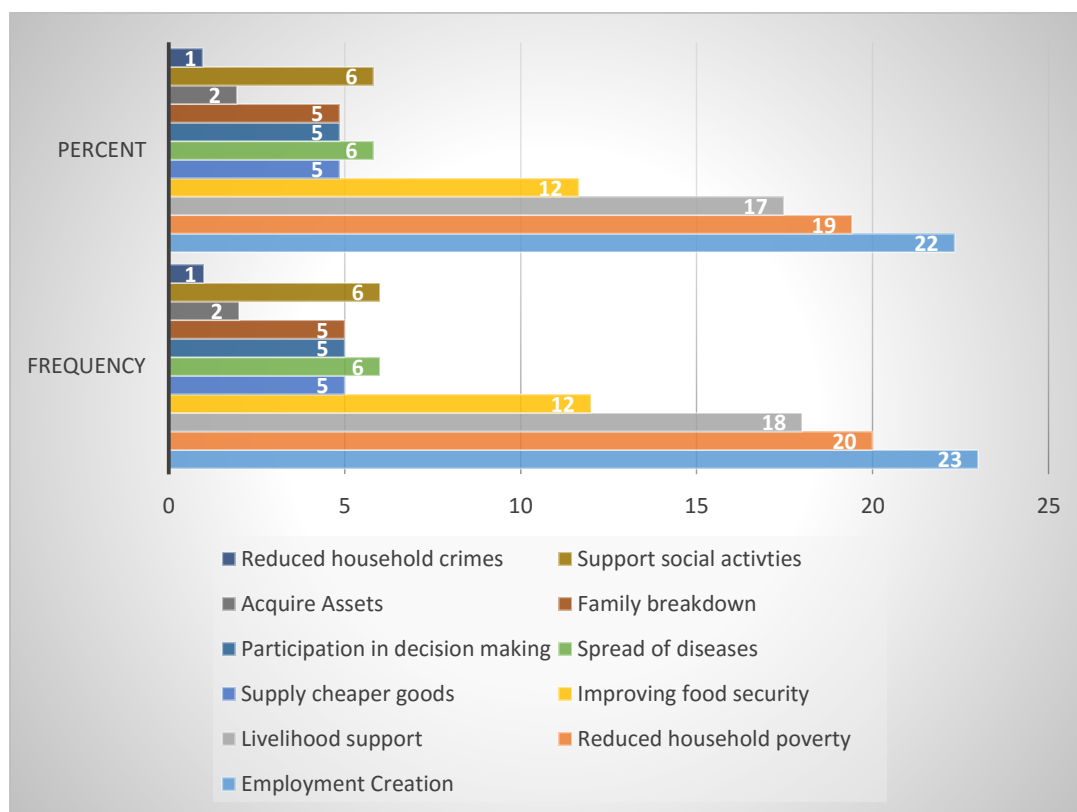


Figure 6.1: Socio-economic impact of informal cross border trade by women traders.

Source: Author, 2022.

At the individual level, this study noted that ICBT enables women to be financially independent by providing them with an avenue for employment. Moreover, many respondents acknowledged that participation in ICBT is enabling them to provide for their families such as paying school fees to their siblings, footing medical bills, buying food, and providing basic items like clothes, shoes, and shelter while others are able to pay rent for the houses they live with their families and register with the National Health Insurance Fund (NHIF). To some respondents, ICBT is enabling them to tackle poverty by improving household income to be spent on supporting family survival. An interview with the government officers in Busia and Isebania borders revealed that

ICBT provides employment to women which enables them to support their families' basic needs from the income they raise. Furthermore, there are improved living standards which suggest a reduction in household poverty. An informal cross border woman trader said;

“Without this trade, I cannot provide for my family food, take them to a hospital or buy medicine when they are sick, and pay school fees for my children considering that my husband is not working”. (C60, 46yrs, Busia, 8th September 2022)



Plate 6.1: Informal cross border traders selling their fruits and vegetables in the market in Busia County taken on the 8th September 2022

Source: Author, 2022

According to Desai (2009), ICBT contributes to the economy by enabling many Women to be employed, therefore improving their level of income. Similarly, existing literature from the Eastern external EU border agrees with these findings that ICBT offers individuals living along these peripheral border areas where employment is low with income which is crucial for their survival (Bruns, Miggelbrink and Muller, 2011). Afrika and Ajumbo's (2012) evidence from West Africa shows that ICBT is a lifeline

for many unemployed women by providing them with sources of income. Other studies by UNIFEM (2008) in Central Africa and Njikam (2011) in Cameroon and her neighboring countries all agree that ICBT offers many women employment opportunities enabling them to provide livelihood support. Correspondingly, Macamo (1999) in a study of Mozambique concluded that the monthly net income received by informal traders appraised on average was found to be equal to as well as four times the minimum salary paid in the formal sector while the average income received by informal traders was about two times the cost of essential goods for a family of five people.

Analysis, as shown in Table 4.4, indicates that the number of 0-18 years and young adults (19-25yrs) who were dependent on the respondents directly for socio-economic support was 435 with a mean average of 4 dependents per household. Additionally, in terms of educational follow up as shown in Figure 4.3 , the majority of these dependents 43%(187) were in secondary school, 24%(103) were in primary school, 12% (52) were in tertiary college, 6%(26) university at 6 % (26) while those who are yet to join school were at 4 % (17). This study found out that the money used to purchase food, provide health care and support school fees for these dependents was coming from informal cross border trade incomes. In support of these findings, Ama and Mangadi (2014) in a Botswana study argue that as women's income increases, there is greater expenditure on children and family welfare, unlike similar increases in the incomes of men. Additionally, Gerald and Rauch (2005) observes that ICBT provides specific opportunities for the empowerment of women through creating an opportunity to alleviate poverty.

Jaleha (2014) in Indonesia reported that at the household level, ICBT increases up to 185% the level of household income which is critical for survival and poverty

alleviation. Similarly, UNIFEM (2010) survey of ICBWTs in Cameroon, Liberia, Mali, Swaziland, Tanzania, Zimbabwe concluded that the proceeds from their trading activities is the main source of income for the family used to women traders use their income to buy food and other items for the household, pay for school fees, health care services and rent, save in *susu* clubs and banks and reinvest in their businesses.

On food security, respondents noted that ICBT was enabling families to get access to basic food items particularly non-processed agricultural and marine products from across the border at a cheaper price such as cereals, vegetables, fruits, rice, nuts and fish.

Government and civil society organization officials interviewed in this study noted that ICBT was a lifeline for so many households along the border areas by supplying them with food almost throughout the year. Informal trade provides food in affordable unit sizes, provides food on credit, sells fresh produce at lower costs than supermarket fresh produce, and sells prepared foods appropriate for households that experience income, time, storage, and energy poverty as Mwango et al. (2019) also observed. Moreover, Meagher (2003), Little (2005), and Lesser and Moisé-Leeman (2009) in other studies within the African continent conclude that ICBT improves food security for families.

In underwriting these statements, Zarrilli & Linoci (2020) reports that these ICBWTs support food security by supplying communities with staple food which are on demand but either in short supply or they cannot get access to them through formal channels. Therefore, the majority of households still depend on the informal sector for many day-to-day purchases, as a source of traditional foods some which are above the common citizen to buy from the retail stores. The importance of ICBWTs in food security has

also been well-documented in African Cities beyond the international border communities (Skinner, 2019).

According to Opiyo and Ogindo (2019), Kenya is a maize-deficit country necessitating importation mainly from the EAC countries, with a significant portion of the imports being contributed by Women ICBT and sold in smaller measures (kadogo) than would ordinarily be found on supermarket shelves. Famine Early Warning Systems Networks (2022), reported that Kenya has a perennial deficit of dry maize, particularly maize, beans, and rice necessitating importation mainly from the EAC countries with a huge portion being imported informally. This has been occasioned by prolonged droughts, COVID-19 virus and below average production with informal cross border trade being the major option for importing non-processed food items into Kenya from Uganda and Tanzania and livestock production seasons and high inflation as a result, accessibility to food was constrained among poor households both in urban and rural areas. Bouët et al. (2020), opines that informal cross-border trade is an important part of food security in sub-Saharan African countries as shown by surveys that a substantial share of ICBT in sub-Saharan Africa concerns staple food commodities that have a direct impact on regional food security. Similarly, Gamielidien and Van Niekerk (2017,) concludes that poor households with low incomes overly depend on informal outlets for affordable, nutritious, and safe food.

Informal cross border trade has enabled women to acquire assets such as houses, land, motor vehicles, television sets, motorbikes among others. Besides, some respondents noted that ICBT was making women participate in decision making particularly on finances, property and health because of the independence that comes with the trade. Respondents informed this study that they make decisions on birth control through family planning to allow them more time on the trade, others make decisions on

acquisition of the assets or expansion of the businesses without much input from their partners while others make a choice on where to live. Collaborative Center for Gender and Development officer reported to this study that;

“Women in informal cross border trade are largely independent in making decisions concerning the size of their families with the majority of them on family planning methods. Women participate in making decisions on financial saving plans, acquisition of assets, expansion of the business due to the exposure and awareness that comes with the trade”. (KI, C20, Isebania, 20th August, 2022)

Further information received from EASSI and Sauti Afrika officials suggested that informal cross border traders having their own source of income comes with some element of independence in decision making though they consult with their families there say matter. Reports of studies by Jaleha (2014) and Mwanabiningo (2015) though failed to mention the kind of assets that informal cross border traders acquire, concur with this finding that ICBT helps women to acquire assets.

Informal cross border trade is also associated with family breakdown and spread of diseases in the border areas. According to government officials, a significant number of women informal cross border traders are single women who because of the nature of trade cannot always find it difficult to live in a functional family. Section 4.3 shows that separated women were 15% while single women 11% respectively with revelation that at one point they were in marriage. In an interview with a women cross border trade leader in Busia, informal cross border trade is very risky and for fear of being arrested, a number of women succumb to pressure of having a sexual affair with males either who work as the customs, security or across the border to protect them. Government officers revealed to this study that these women were married before but at the moment they got involved in ICBT, having multiple sexual partners who help facilitate the trade

could not allow them to continue in functional families. The border centers are full of women who are known as “*wawekaji*”.

Spread of diseases such as HIV is also common due to the transnational nature of the trade and the fact that sex is used as a tool to negotiate in order to circumvent government procedures. The government officers in charge of coordination and administration in Busia and Migori all reported that informal cross border traders are key populations at risk of spreading and contracting infectious diseases like HIV because of the sex involved. In fact, besides trade, ICBWTs are also organized “prostitutes” in the sense that they also sell their bodies transnationally to their male trade partners and border officers at a cost to supplement their incomes (transactional sex).

Officials working with the ministry of EAC argued that the prevalence rate of sexually transmitted diseases such as syphilis, HIV, chlamydia, gonorrhea is high within the border trade areas. This study noted that border towns and areas attract immigrant workers looking at the ethnic composition of respondents who were not historical inhabitants of these areas but came for trade. These women immigrant workers because of the constant exposure to different socio-cultural relations and environment are at risk of contracting infectious diseases besides gender based violence and sexual harassments that they are prone to. Border officer also agree that the danger of border trade in spreading diseases is real as one officer said;

“Women informal cross border traders complain during border management committee meetings that we harass them sexually but truth be told, it is them who most often seduce the border officers by offering sexual favor and some of our colleagues who yielded to these women have contracted HIV while others are living positive” (KI, C17, 16th September 2023)

A 47 years old respondent in Busia border opened up and said;

“I relocated to the Busia border when my husband died to look for employment opportunities. I was introduced to informal cross border trade after a while my colleagues informed me that I could not live alone without someone to protect me. For fear of being out of trade and lacking means to provide for my 4 children I accepted to offer my body to an agent working in the border to help me. I only realized later that I was infected with HIV when I got sick and was tested in the hospital. Now I have been on ARVs for the last 10 years”. (C54, 47yrs, Busia, 5th September 2022).

According to Kenya population-based HIV impact assessment report Busia and Migori are among the top five counties with a highest HIV prevalence rate at 9.9% and 13.0% higher than the national prevalence rate of 4.9 with transactional sex common among cross border traders, fishing communities and long distance track drivers cited as common pathways for the spread of HIV (NASCO, 2020). Evidence from other studies are in support of these findings for example Wang et al. (2007) argues that migrants and high-mobility individuals especially women can facilitate the spread of tuberculosis, malaria, and sexually transmitted infections including human immunodeficiency virus. Moreover, Jawando and Adeyemi (2020) a plethora of research from sub-Saharan Africa suggest that although economically motivated “relationships and transactional sex are attached to women’s relative lack of socioeconomic resources, these behaviors are also related to partnership prowess and sexual behaviors that may boost the risk of HIV and STI transmission”.

On a positive side, respondents informed this study that ICBT reduced household crimes particularly in situations where out of economic hardships family feuds could ensue over who is providing money to buy food and other basic needs for livelihood. Women have been facing a lot of gender based violence if they don’t contribute much economically but with ICBT these crimes have reduced and women are valued in their families. Respondents further noted that ICBT has provided an opportunity to

contribute to the development of the society through various community contributions during fundraising to help build schools, churches or raise medical or school fees for families. ICBT is always providing women with opportunities to come together in supporting each financially during socio-cultural ceremonies like weddings and during times of death too. Unfortunately, this study noted that ICBT was exposing increasing incidences of child labour either by being recruited by their parents to support them in this trade or the negative influence it was having by exposing them to money at an early age as reported by the government officers. Similarly, ICBT was contributing to food insecurity in the border areas because of the cheap and available food items from across the borders particularly in Busia where residents would prefer them than cultivating their farms to produce food. This results in perpetual food insecurity and malnutrition in the border.

Analysis of these impacts clearly indicates that there are more benefits that ICBT brings to women and their households than the dangers no wonder the decision to continue in the trade. Rationalist Abell "it is only individuals who ultimately take actions and social actions ... individual actions and social actions are optimally chosen" and "individuals' actions and social actions are entirely concerned with their own welfare". These basic assumptions see women informal cross border traders as individuals who act with concern only on themselves as well as their welfare including their families taking into account the positive impacts of the trade. Therefore, government and policy makers can prioritize building community resilience through strengthening livelihoods and providing support to women to overcome unemployment, poverty and food insecurity as they stand out to be the main factors that ICBT is addressing.

6.2 Political Impact of Informal Cross Border Trade by Women Traders

At the macro level, this study noted that ICBT impacts State operations in various ways that are worth understanding. According to this study as shown in Table 6.1, 27%(28) of the respondents reported that ICBT results into peaceful coexistence among border citizens or communities, 22%(23) entrench integration from below or the margins, 23%(24) source of revenue, 13%(13) political instability, 10%(10) insecurity and 5%(5) noted participation of voters from across the border in elections as some of the political impacts of ICBT.

There is a clear indication as this study found that ICBT results in peaceful coexistence among the borderland communities in Busia and Isebania because of the constant interaction through trade. Despite the fact that some of the respondents in this study are historically members of the same community such as the Kuria and Teso that spread from Kenya to Tanzania and Uganda respectively, trade further cements peaceful coexistence because it creates a good environment for trade which benefits all. Civil society organizations supporting women cross border traders acknowledged that trade is a common factor that unites border communities which can only thrive in a peaceful environment. A representative from EASSI said;

“Traders are ambassadors of peace between Kenya and her neighboring countries since border communities can only enjoy fruits of trade in a peaceful environment”. (KI, C11, Isebania, 29th September 2022)

In addition, an informal cross border trader in Busia said;

“When there is a problem between Kenya and Uganda we cannot sell our goods to them and neither can we buy from them and in such a case everyone will make a loss. Therefore, peace is one of the things we promote to continue trade along this border”. (C52, 57yrs, Busia, 5th September 2022)

Government officials informed this study in view of the reason that informal cross border trade is practiced by significant women traders along the border; it enhances

peace due to constant beneficial interactions, relations and communications taking place. Studies done intimately show that the ICBT is facilitating peace among the border communities. According to Ackello-Ogutu (1997), ICBWTs play an important role in bringing communities together in border areas. Similarly, Little et al. (2001) further agrees that the informal cross-border trade plays the role of promoting and maintaining peace and stability regionally.

While ICBT has the potential to facilitate peaceful coexistence among communities, this study observed that it also promotes regional integration from below (by the common citizens) living along the borders. An official from the EAC informed this study that ICBWTs are the face of regional integration in Africa. At the Busia or Isebania border posts, women carrying loads in small quantities of various kinds can be seen crossing the border every minute. Similarly, in non-gazetted routes, motorbikes can be seen carrying women with goods or while others transport the goods to women traders. At the border towns in Busia and Isebania it is the face of women cross border traders seen operating stores, shops while others sell in open roadside markets a true reflection of integration. According to TIMEA officer said;

“Integration is about people and women who are at the base of the economy are now the face of it”. (KI, C18, Busia, 20th September 2022)

Ogalo (2010) in supporting these findings, contends that in Africa, a common specter of Africa’s cross-border trade is the sight of women crossing the borders with their heads and backs laden and arms overloaded with goods for sale. Afrika and Ajumbo (2012) attest that these ICBWTs are perpetually progressing what others have come to regard as the ‘real’ but ‘invisible’ integration of Africa’s economies furthering integration of Africa’s people at a time when formal integration efforts are still fraught with many constraints. Officials from the Chamber of commerce and industry in Busia

Chapter argued that regional integration manifests through free movement of people across the borders with goods and services for trade therefore ICBWTs are actually furthering this process.

Table 6.1: Political impacts of informal cross border trader

	Frequency	Percent
Entrench integration from below	23	22
Peaceful coexistence among border citizens	28	27
Political instability	13	13
Participation of voters from across the border in elections	5	5
Source of revenue	24	23
Results into insecurity	10	10
Total	103	100

Source: Author, 2022

Besides, this study noted that ICBWTs contribute to revenue through the various payments they make indirectly in the form of value added tax. Formal cross border traders are known to pay excise and customs duties alongside other fees charged for various documents to the government which is a source of revenue to the state. Correspondingly, informal cross border traders contribute revenue though indirectly at the point of procuring goods and services in the economy. Civil society organizations and chamber of commerce representatives agreed that informal cross border traders contribute to the wealth of the state though in ways which are not as direct as formal cross border traders. An informal cross border trader had this to say;

“The government benefits from this trade because when I sell items and get money, I will use the same money to buy other things like food, drugs and even pay school fees. So the same money will go back to the government in another way”. (C14, 41yrs, 7th August 2022)

Though there is no official statistics on the actual size and magnitude of ICBT in Kenya, Kenya Revenue Officials approximate it to be about 40% - 50% of the total GDP which is a potential source of government revenue. Official sources report an average value

of informal cross border trade in the SADC region of US\$ 17.6 billion per year. Informal Cross Border Trade contributes for 30-40% to intra-SADC (UNIFEM, 2010).

Existing literature such as by Schneider, Buehn, & Montenegro (2010) acknowledges that the informal sector forms a large and, in many countries, growing share of GDP, and thus represents a potentially significant source of tax revenue for cash-strapped governments. Women informal cross border traders, as much as they are not registered formally, still pay taxes such as VAT on inputs, and tax-like fees which are often disregarded in calls by the State to tax their activities. Other studies suggest that the contribution of women informal traders to national GDP amounts to 64% of value added in trade in Benin; 46% in Mali and 41% in Chad (Charmes 2000, cited in ILO 2004). While in Zimbabwe, 84% of the women ICBT traders interviewed in the UN Women studies said that they paid the required duties for the goods they imported into the country (United Nation Development Fund for Women, 2008).

Representatives from Kenya Chamber of Commerce and industry and department of trade officials argued that informal cross border trade has cushioned women during severe financial crises for example at the height of the COVID-19 pandemic at the time the state was incapable of offering much support. This removes the burden from the already overwhelmed state. Similar, though, were shared by civil society organizations supporting women cross border traders who pointed out that without the trade, many women could have been out of employment and while many families wouldn't manage to get access to basic items like food and medicine during the pandemic period. An earlier report by ILO (2009), reinforced the importance of informal cross-border trade, by pointing out that female cross-border traders have cushioned the effects of the financial and food crises in Uganda, Kenya and Tanzania. Therefore, ICBT contributes to the economies of EAC countries in various ways.

However, to state officials, ICBT results in loss of revenue by failing to pay the excise and customs duties in addition to other fees charged for the documentation. Furthermore, the state uses a lot of resources to curb this trade which is not productive. This, according to them, is not healthy for the growth and development of a country as the state depends on taxes to offer public services. Therefore, informal cross border traders should be brought into the formal tax net to avoid losses and reduce vulnerabilities they are exposed to while operating outside the 'eyes' of the government. Similar thoughts are shared by Ogalo (2010) who agree that taxation of small scale informal sector firms, though generate low revenue in the short term, serves to bring firms into the tax net, consequently warrant higher tax conformity if they expand over time. Put clearly, it is a matter of establishing a culture of tax compliance.

Studies show that all forms of ICBT by women traders defraud governments of sources of revenue both internal revenue such as income, sales and value added taxes and customs collections from import/ export duties, licenses, taxes and other charges (Afrika and Ajumbo, 2012). According to Tijani, A., Shola, I., & Olanrewaju, K (2020) study in Western Africa between Nigeria and Niger reported that a large informal sector could deprive governments of needed tax revenue such as VAT necessary for reinvestment development. The EAC Secretariat (2017) through a press release observed that revenue losses from ICBT in some African countries are estimated to exceed 5% of the Gross Domestic product. According to Lesser and Mois'e-Leeman, (2009) this is particularly problematic in a region where governments could direct these proceeds toward human development priorities embracing, education, health, and poverty alleviation which are currently wanting. Moreover, informal cross border women traders enjoy the same public goods such as transportation, logistics

infrastructure and social services as formal traders, without incurring the same costs in relation to taxation (Nshimbi 2019).

Informal cross border trade creates insecurity and results in political instability. According to the findings of this study, border areas are very fluid and as much as there is peaceful coexistence among the border communities, incidences of insecurity have been witnessed as a result of this trade. Government officers informed of coordination and security in the Busia border reported that informal cross border traders to an extent creates insecurity by forming male dominated groups known as business communities which protect traders from arrest and transporting the goods across the borders. Over time these community groups, predominantly male oriented, transform into criminal gangs that offer protection to informal cross border traders at fee such as the Marachi boys gang and the Bulanda Boys who are armed even with guns and terrorize traders, security and border officials. The County Commissioner said;

“The gang groups are so dangerous that sometimes they engage our security officer even in gun exchange whenever they are being trailed for arrest. Some of our officers have reportedly been killed by them either through ambush or poison”. (KI, C13, Busia, 3rd September 2022)

In addition, an informal cross border woman trader respondent said;

“These groups demand protection fees from us when we cross the border with goods into Kenya from Uganda using such routes like mariachi and adugosi. Some women traders who fail to pay have had to surrender their goods to these criminals or offer their body for sex”. (C81, 34yrs, Busia, 21st September 2022)

Respondents reported that during COVID-19 pandemic the situation was as worse as these gangs would break into people’s houses to steal goods, household materials and even demand money which resulted in death or physical harm of the border residents in Busia. However, in the Isebania border such gang groups are not threatening the security of the local citizens but are majorly protecting goods and traders who deal with

sensitive products like gold, bhang, ethanol or livestock. The study also found out that these gang groups some work for border politicians who smuggle goods into Kenya from the neighboring Countries worth millions of shillings with proceeds used in maintaining these networks and for sustaining political power like funding elections. Over and above that these criminal gangs are protected by senior politicians and government officials who are using their networks to gain form illegal cross border trade.

In the course of this study, it was noted that thousands of liters of milk are coming into Kenya from Uganda through these networks worth millions of shillings destined to urban centers like Nairobi for re-processing and packaging. Security officers informed this study that transportation of smuggled goods is always coordinated and senior leaders and government officers always do prior arrangements which includes preparing paperwork, bribing top security officers to ensure seamless transportation of smuggled goods into various destinations in Kenya. These networks are so organized that they have real-time intelligence on pending raids and arrests prior making it hard for border teams to contain them. A customs officer in Busia in showing the deep protection these networks enjoy say;

“A colleague once raided one of the stores of these gang groups in Marachi, in less than 5 days he was transferred from this border back to Nairobi for unknown reasons. Here in the border these groups always remind us that ulikuja and karatasi, utarudishwa na karatasi”.
(KI, C15, Busia, 16th September 2022).

These border criminal gangs are low to themselves, often untouchable but powerful. During election periods politicians hire them to scare away opponents, sometimes even harm or kill and protect votes. During the 2022 Kenya general election, it is remembered how the Marachi and Bulanda boys refused to allow President Ruto, then a candidate, an opportunity to campaign in Busia Town for failing to pay them

protection fee. These border gangs are a nightmare to residents and can only be talked off in low tones.

Political instability is also linked to ICBT particularly at the border inter-state level. Study respondents reported that there are many occasions where ICBT has created a lot of political tensions between Kenya and her neighbors Uganda and Tanzania particularly when traders have been arrested across the border. Women cross border trader's association leader in Isebania informed this study that whenever Kenyan authorities arrest illegal traders from Tanzanian, they take revenge by arresting Kenya traders, even those legitimate traders. Government officers noted that arresting informal cross border traders normally results in high octane politics that even call on the attention of the EAC member states top leadership to resolve. These political instabilities even result in closing the border temporarily, confiscations of goods and arrest of traders.

In Busia border, respondents argued that informal cross border traders from Uganda are known to sell their goods in Kenyan open markets while others hawk goods into even remote rural border areas. However, any attempt to arrest them always attracts backlash from politicians from Kampala who would order the Ugandan officers to stop Kenyans from crossing. While it is difficult for a Kenyan trader to pitch tents in Uganda just across the border like in Arubaine to sell goods, Ugandans are allowed to freely come to Kenya failure to which there will be political consequences such as border closure. Cases of Kenya traders being harassed are so common across the border. Kenya chamber of commerce officials in Busia argued that informal cross border traders are difficult to handle because whenever they are arrested across the border it always results in a big political and security standoff that has the potential to paralyze the trade.



Plate 6.2: A trader walks past sheds where informal cross border traders sell sisal in the open market in Andugosi Market in Busia County taken on the 21st September 2022.

Source: Author, 2022.

This study also found that ICBT provides an opportunity for importing voters who participate in civic elections in Kenya and vice versa. According to the information received from government officers and respondents, politicians always take advantage of the networks to bring in voters from Uganda and Tanzania to participate in elections in Kenya. In a WIN-WIN situation, these voters are recruited in strong informal cross border trade with the protection of these politicians.

Kenya National Bureau of Standards officers both Busia and Isebania informed the study that ICBT risk brings into the country sub-standard and harmful goods not recommended for consumption or use. Furthermore, County officials from departments of trade noted that ICBT risks pushing genuine or formal traders out of business while the latter pay taxes and other additional fees procedurally, the former avoid payment of such taxes and fees giving them undue advantage that results in formal businesses going under due to unfair competition. In concurrence with these observations, BORESHA study by OSSREA (2021) agrees that agricultural commodities which are traded

informally, for example, escape sanitary and phyto-sanitary controls meant to ensure adequate food safety at home and avoid proliferation of diseases across borders. Likewise, UNCTAD (2021) perceive Informal cross border trade as a threat to health and safety concerns as products traded fall outside regulatory mechanisms of safety and standards enforcement. These prohibited or illegal goods or goods that do not meet minimum safety and health standards may eventually pose risk to consumers' wellbeing and national security. Ogalo (2010) noted that Women ICBT creates unhealthy competition with those formal enterprises that pay punitive taxes and limit their growth which can result in an overall decline in economic growth through lost employment and tax revenues.

More generally, this study concluded that ICBWTs are making regional integration a reality, promote peaceful coexistence among border communities and contribute revenue necessary for development. Conversely, ICBT increases cases of insecurity, political instability, infiltration of the electoral system by foreigners, importation of contraband, defective and harmful goods, loss of revenue and unfair competition to formal businesses.

Whereas ICBT is seen by the state as an illegal activity, its contribution to development cannot be ignored. These call on the government to loosen up in some way by recognizing ICBTs and with constant engagements through forums such as women cross border traders' associations, registering all of them, provide training and necessary skill that would enable them appreciate formalization while at the same time reinforcing the benefits of such a move. More importantly, the government should prioritize border communities in provision of education, economic empowerment, and infrastructural development. Informal cross border trade exposes women to a lot of

vulnerabilities such as insecurities but considering no other better alternative, they make a choice to continue with it despite the dangers just in order to survive.

6.3 Chapter Summary

This chapter discussed the social, economic, and political impacts of ICBT by women traders in Busia and Isebania. Among the social economic impacts, this study noted that ICBT creates employment, reduces household poverty, provides livelihood support, improved food security, supply of cheaper goods, spread of diseases, enables women participate in household decision making, contributes to family breakdown, support community activities, assist in acquisition of assets and reduced household crimes. While making regional integration a reality, promote peaceful coexistence among border communities and contribute revenue necessary for development, insecurity, political instability, infiltration of electoral system by foreigners, importation of contraband, defective and harmful goods, loss of revenue and unfair competition to formal businesses are some of the political impacts of ICBT by women traders. Chapter 7 presents findings and discussion on challenges ICBWTs face and potential management opportunities to support them.

CHAPTER SEVEN
POLITICAL-ECONOMIC CHALLENGES INFORMAL CROSS BORDER
WOMEN TRADERS ENCOUNTER AND POTENTIAL MANAGEMENT
OPPORTUNITIES

7.0 Introduction

This chapter presents the findings and discussions on the challenges ICBWTs are exposed to in their day to day routines. In the course of the discussions, this chapter examined the possible solutions to the problems recognized. Additionally, it looked into the accessible opportunities that ICBWTs and policy makers can maximize for meaningful development. Among the identified challenges in this study were lack of adequate capital, harassment by border officials for bribes, harassment by county officials, lack of modern market and social amenities, high inflation rate, scarcity of commodity making them travel for long distance in search, unstable currency rate, sexual and gender based violence, stealing of goods across the border, conning by paper pushers and other traders, witchcraft, poor infrastructure, confiscation of goods, high transport cost, others are illiteracy, lack of adequate information on cross border trade, hawkers from Uganda and Tanzania selling goods at a cheaper price than Kenyans thereby denying them opportunity to sell. While for the solutions the study noted that informal cross border traders resort to offering bribes, negotiating with border officials, using local political networks to get protection, use of informal gang groups to harm, threaten and protect them from border officials and government harassment, provide sexual favor to border officials to continue operating, register with cross border trader's associations to get protection, resorting to witchcraft to solve conflicts, reporting to government authorities harassments incidences, sell in the open market, look for alternative loans from shylocks or expensive loans. This study noted that Common

Market protocol and customs union, Simplified Trade Regime, joint border management committees, African Continental Free Trade Area protocol, ministry of EAC community programme, trade facilitation programs such as the One Border Stop Post and the presence of development partners and civil society are some of the opportunities that women informal cross border traders can ride on. This chapter before conclusion looks at the various development partners/civil organizations supporting the informal cross border traders and suggested recommendations by the respondents.

7.1 Challenges ICBWTs Face

This study attempted to evaluate the challenges that ICBWTs face. The findings as shown in Table 7.1 indicate that these women traders face challenges such as lack of adequate capital, harassments by border officials, harassments by county officials, lack of modern market and social amenities, high inflation, scarcity of commodity making traders to travel long distances into the neighboring country in search of goods, unstable currency rate, sexual and gender based violence particularly from *Boda Boda* riders and border officials, losing goods to criminals at the border crossing areas, conning by paper pushers and other traders, witchcraft, poor infrastructure, confiscation of goods and high transport cost. These challenges are discussed under state, informal cross border traders and environmental related challenges.

Table 7.1: Challenges informal cross borders traders face

	Frequency	Percent
Lack of adequate capital	17	17
Harassment by border officials for bribes	14	14
Harassment by County officials	17	17
Lack of modern market and social amenities	12	12
High inflation rate	7	7
Scarcity of commodities making traders to travel long distances into the neighboring country in search of goods	5	5
Unstable currency rate	6	6
Sexual and Gender based Violence_ <i>Boda Boda</i> riders, security and border officials	7	7
Insecurity	3	3
Conning by paper pushers and other traders	4	4
Witchcraft	2	2
Poor infrastructure	4	4
Confiscation of goods	3	3
High transport cost	2	2
Total	103	100

Source: Author, 2022

7.1.1 State related challenges

These are challenges that are attributed to the actions of the state either through their agents (officers), policies and programmes. In a discussion with respondents, they explained that lack of capital was as result of the unregistered nature of their businesses, high interest rates and absence of a collateral to guarantee loans from banks and financial institutions forcing them to look out for shylocks and illegal lenders whose demands and interest are even more higher than the mainstream financial institutions. Many of the respondents did not have bank accounts while some did not have the requisite documents like national identification card to enable them open accounts. Njikam and Tchoussi (2011) concurs that as a result of limited access to formal credit, women informal cross border traders turn to the informal financial intermediaries such as shylocks, moneylenders, trade-lenders, retailer-lenders who charge extreme interest rates and sometime confiscate properties or merchandise in situations where they

cannot pay. Incidences of harassment occurred to informal cross border women traders with perpetrators being border officials and county officers who demanded bribes.

According to the respondents, the various forms of harassment included physical, verbal abuses, threat to harm and sexual violence. Studies done in Southern Africa and Liberia as reported by Blumberg et.al (2016), USAID (2014), Brenton et al. 2011 in supporting these findings contends that ICBWTs face pressure for bribes, sexual harassment and violence, extending from verbal sexual harassment to confirmed rape, and demand for transactional sex mostly from male border and security officials. Higgins and Turner (2010) reported earlier that in East Africa borders, ICBWTs mentioned being made to pay huge bribes compared to their male traders, or alternatively provide the border guards and patrols sexual favors to avoid detention or impoundment of their goods and commodities. Mbo'o-Tchouawou et al. (2016) however does not see significance difference between the challenges male and ICBWTs undergo other than sexual harassment.

Respondents noted that cross border traders do not have modern markets with good storage facilities particularly perishable goods that need refrigeration in addition to good sewer systems, lighting to support 24 hrs. business and even restrooms. A look at the border posts revealed huge piles of solid waste littered everywhere, absence of common restrooms and lack of clean and safe running water. An informal cross border trader respondent in Isebania said;

“Traders here don't have a good market. There are no toilets and even clean water. We use the water from the river and boreholes. The government has neglected us completely”. (C38, 61yrs, Isebania, 24th August 2022)

Respondents also reported that high inflation rate weakened the Kenyan shillings against the dollar and currencies of Uganda and Tanzania. This means that traders were

paying more when using Kenyan shillings. At the time of this study (August-September 2022), 1 Kenyan shillings was selling at 20 Tanzanian shillings which was the lowest ever. Study respondents additionally complained of scarcity of basic commodities like cereals making traders travel into the interior parts of Tanzania and Uganda looking for these products resulting in high overhead costs. Besides, this study found that respondent's goods were confiscated by the security and border officials who would demand huge bribes should they fail to pay. Respondents in addition, lamented over high transport cost of goods particularly when using illegal routes to bring goods into Kenya from Uganda or Tanzania which is worsened by poor road infrastructure. Blumberg et al. (2016) argues that unmanageable border procedures, delays at the border, unwarranted confiscation of commodities and goods are challenges that women traders face.

Women cross border trader's associations leaders informed this study that ICBTs suffered from high taxes and unfair exchange rates due to fluctuation of the currency. Interviewed representatives from EASSI, TIMEA, Sauti Afrika and Chamber of commerce officials observed that ICBTs suffered from constant intimidation and huge bribes from state officials working in the border post. Similarly, the County government levies were cited to be so high that many traders were not able to pay forcing them to operate informally even if they desire to trade formally. UNCTAD (2021) reported that as a result of lack of formal exchange bureau ICBWTs face a problem of exchange rate as a result of going to informal/black market exchanges where the premium rates are always high and volatile. These challenges make it difficult for many women traders to make profit which they can reinvest back into their businesses.

Beyond the aforementioned, state related challenges, some respondents cited poor access to market information, inadequate information on business development, price

oscillations, lengthy and tiresome legal process in formalizing businesses, high and costly taxes, weak and selective implementation of cross border trade policies which favor certain traders, non-recognition of one EAC member state's trade documents by customs officials of another member ,especially where documents have not been harmonized like bureau of standards are other bottlenecks women face. Brentons et al., (2012) acknowledge that state's trade formalization procedures, corruption, hefty bribes, varied taxes, protectionist policies, lack of prioritization of women cross border traders remains a challenge to women cross border traders.

According to ILO (2015) women are much more likely to use informal means to access finances as their businesses are perceived to be riskier thereby attracting smaller loans at higher interest rates because of lack of collateral. Moreover, UNCTAD (2021) survey on women informal cross border traders in Kenya in agreeing with these finds opines that ICBWTs suffer by accessing infrastructure at the border such as toilets, storage space or sleeping facilities when available. Additionally, these women informal cross border traders have no access to social protection, health coverage and other social security benefits in the formal sector thereby creating a situation of vulnerability and social marginalization that are perpetuated through their lives.

7.1.2 Informal Cross Border Women traders related challenges

In analyzing the findings on the challenges ICWBTs face, this study noted that some of these bottlenecks emanated from the traders themselves. According to Tayo and Amoo (2017), some of the challenges that ICBWTs experience stem from them seldom the state or the environment. In the midst of the many difficulties, this study found that ICBWTs suffer from ignorance and illiteracy which exposes them to vagaries of trade informalities. Interviews with border officials and other government officials acknowledged that some of these traders are illiterate and they lack the ability to read

and write thereby predisposing them to exploitation by the middlemen and other rogue security and border officials.

Similarly, the majority of ICBWTs are ignorant of the cross border procedures as reported by officials from TIMEA, Sauti Afrika, and EASSI making it hard to take advantage of the simplified trade regime and the EAC common market and customs union opportunities to formally trade. As shown in Figure 7.1, the majority of the respondents had not attained good education that could enable them to understand formal cross-border trade requirements as the results indicated that 46% of WICTs dropped out of primary school, 12% dropped out of secondary school, 5% never attended school and 18% attained primary education. Women cross border traders' association leader in Isebania said;

“Illiteracy has made it hard for women informal cross border traders to suffer because they can't read well, understand cross border trade requirements or even fill the forms correctly. Middlemen and border officials take advantage of this to frustrate them by either stealing their money or confiscating their goods because they cannot understand trade rule”. (KI, C10, Isebania, 6th August 2022).

Moreover, County Commissioner of Busia commented;

“Informal cross border women traders are ignorant of cross border rules which are very good and sensitive to their needs with little requirements to meet. Many are confused by individuals who make money through exploiting them when they use such illegal routes”. (KI, C13, Busia, 3rd September 2022)

UNCTAD (2017) points out that education is very critical in cross-border trade as it enables traders to read and understand the rules or procedures and in any case, they will process the documents alone they have to write. However, the extremely low education levels among informal cross-border women traders reflected in poor reading, writing, and counting skills is a challenge to a successful business as many are not able to understand the various existing cross-border trade policies to facilitate trade. An official from the ministry of East African Community informed the study that the majority of

women cross-border traders do not understand the trade procedure at the border either due to ignorance or illiteracy. Similar thoughts were shared by customs officials who underscored that part of the reason for the high prevalence of ICBT by women is that significant traders cannot read and write while others are ignorant of common market and customs union protocol.

The findings of this study as shown in Figure 7.1, suggest that 73% (73) of the respondents reported that they are not aware of the existence of the EAC customs union and common market protocol while 27% (28) reported being aware of the protocol. A 56yrs informal cross border trader respondent had this;

“They say there is an EAC community. What is it? I know EAC /jumuia as the “One Border Stop Post”.

This implies that informal cross border traders cannot relate the existence of the EAC customs union and common market protocol beyond the One Border Stop Post. Therefore, the border post is EAC and all its operational framework. According to UNCTAD (2021), The EAC Customs Union Protocol come to force in 2005 and common market protocol of 2010, provide free trade (or zero duty) on goods and free movement of persons among member countries and a Common External Tariff (CET) on goods imported from outside the region. Goods moving freely within the EAC must comply with the EAC Rules of Origin which distinguish goods produced within the region either fully or partially hence can be traded duty free. Ignorance of these protocols which allows for free movement of goods, people, capital, services, labour and residence in a non-discriminatory environment undermine the efforts of many informal cross border women traders to formalize their trade.

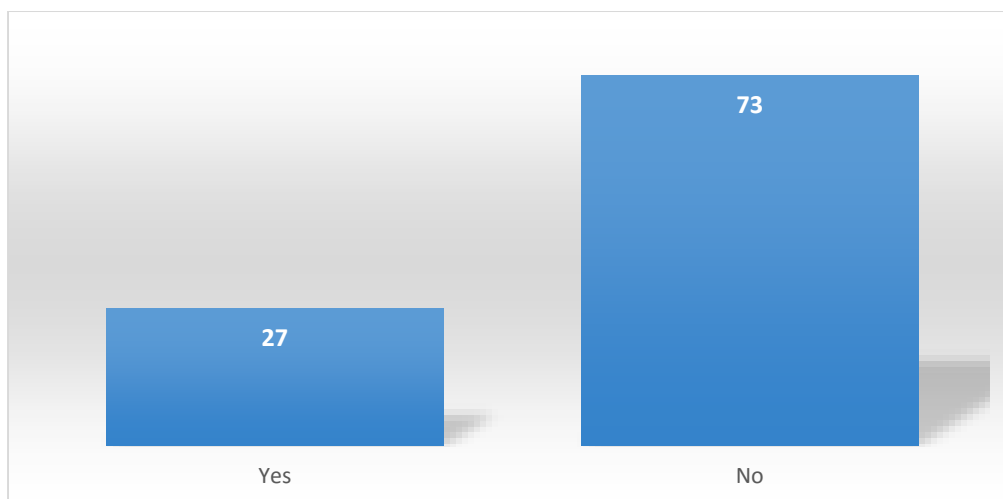


Figure 7.1: Awareness of the existence of the EAC Customs Union and Common Market Protocol.

Source: Author, 2022.

From the findings, 27% of the respondents who were aware of the existence of the EAC Customs Union and Common Market protocol informed this study that the protocols allowed for free movement of goods, people and services across the borders making it easy to do trade. EASSI (2015) observed that the majority of informal cross border traders were not aware of the various EAC protocols meant to facilitate cross border trade.

This study further revealed that 54%(56) of the respondents were unaware of some of the documents which traders are required to produce or have in their possession at the border while 46%(47) reported being aware of the documents as shown in figure 7.2.

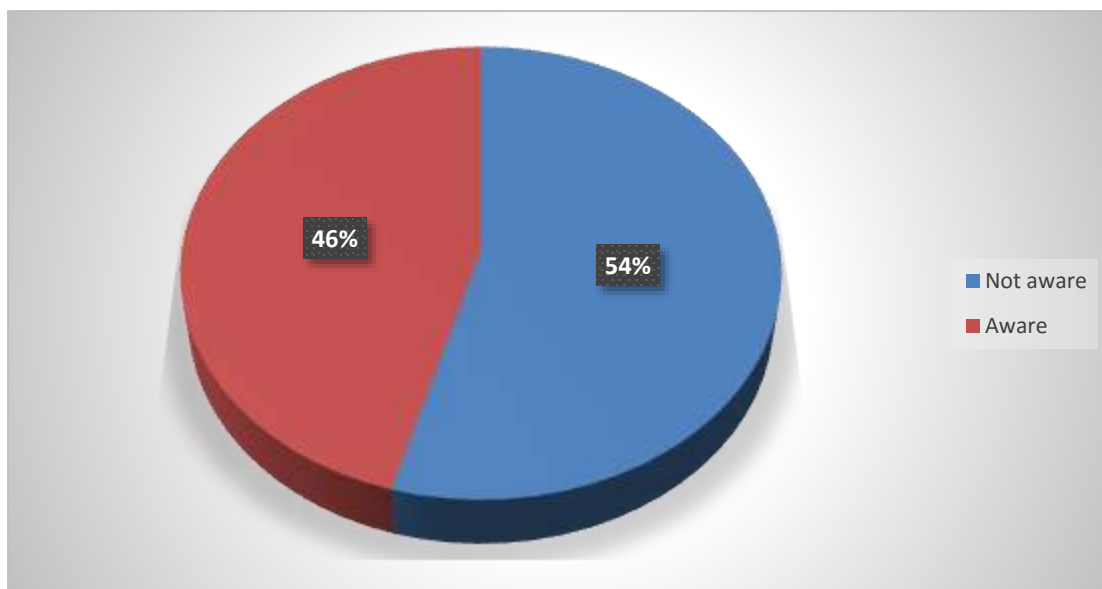


Figure 7.2: Awareness on some of the documents needed by cross border traders
Source: Author, 2022.

For the 46% (47) of the respondents who reported being aware of the documents required for cross border trade, 28%(13) indicated national identification card, 17%(8) temporary pass,15% (7) invoice from the supplier, 6% (3) passenger declaration form, 6% (3) phytosanitary certificate,17% (8) simplified certificate and 11% (5) certificate of conformity as shown in Figure 7.3 . The EAC Customs Union and Common Market protocol simplified trade regime is a special provision meant to help ease the trade process for small scale cross border traders whose goods are less than US\$ 2000.

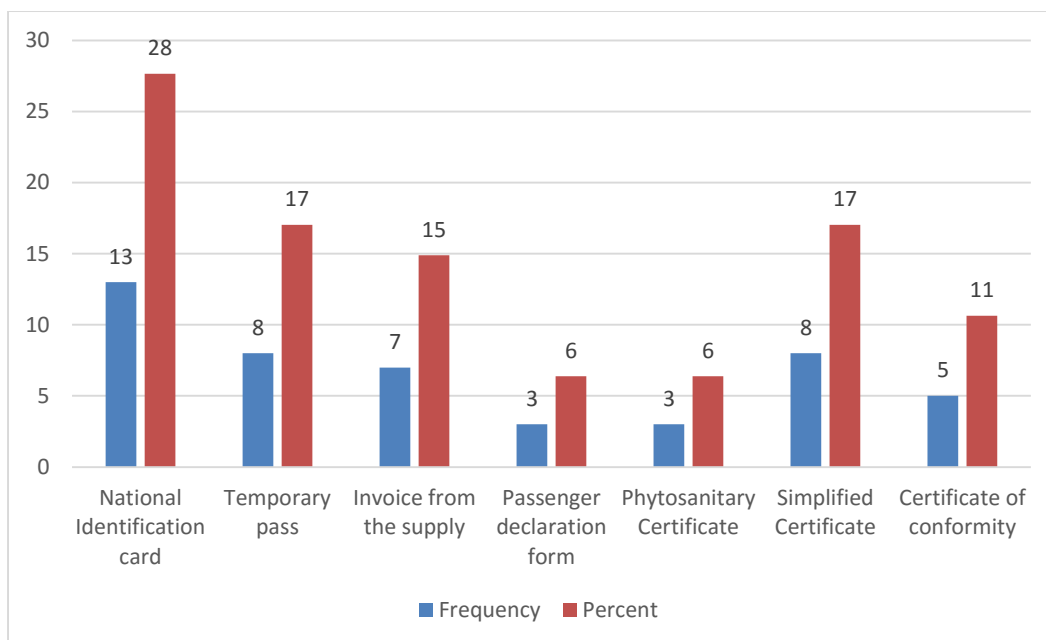


Figure 7.3: Awareness of the various documents needed by informal cross border traders

Source: Author, 2022.

A survey by UNDP (2022) on the awareness of trade rules and regulations among youths and women in relation to the African Continental Free Trade Area in Africa revealed that only 39% of the respondents on average were aware of some of the requirements for successful cross border trade. In Malawi for example, surveyed respondents reported a limited understanding and awareness of the regional bodies' trade agreements and protocols which women in cross-border trade were unaware of. Charlotte (2013) from her study of Ghanaian cross border women traders observed that overly few women knew of the rules and regulations on cross-border trade due to ignorance of the documents required and inability to read and write making it easy for brokers and scrupulous customs officials to take advantage of them.

Finally, this study found that the majority of informal cross border women trader's respondents 69% (71) were not aware of simplified trade regimes while only 31%(29) were aware of them as shown in Figure 7.4. Respondents who were aware of STR

mentioned it as a policy that supports small-scale traders importing goods worth less than US\$ 2000 within EAC. An informal cross border trader respondent in explaining the Simplified Trade Regime said;

“Simplified trade regime is paper that cross border traders whose goods are less Ksh 200000 are required to fill to trade free in Jumuiya.” (C25, 49yrs, Isebanai, 20th August 2022)

Interviews with border officials noted that many of the informal cross-border traders are not aware of the simplified trade regime notwithstanding its existence for several years since its inception by the EAC member states. Low education and ignorance were quoted as the main challenge women face in benefiting from STR. Similar reasons were provided by women cross border traders association leaders, representatives of the civil society organization supporting women traders and county government officers in charge of trade in Isebania and Busia.

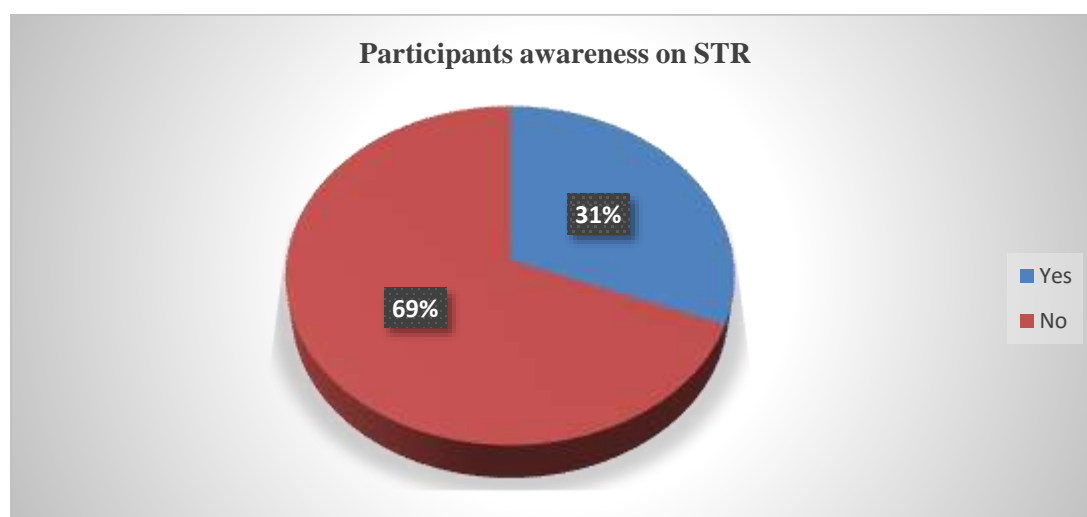


Figure 7.4: Respondents awareness of the simplified trade regime

Source: Author, 2022.

These findings are supported by Ogalo (2010) who argues that the majority of ICBTs have little knowledge of the benefits of trading within EAC due to information asymmetries. UNCTAD (2021) simplified trade regime as provided by the EAC customs union and common market protocol requires cross-border traders dealing with

goods less than US\$2000 to product Simplified Certificate of Origin (SCO) showing goods are from the EAC region, Simplified Customs Form (declaration form), Travel document (passport, national identity card and temporary border pass), export or import permits and Sanitary and Phytosanitary certificate. Women cross border trader's association in Busia informed the study that these documents require women who can read and write to be able to fill them correctly. However, the documents required to be filled and produced by women cross border traders are still so many and complex to be filled by women who have little education forcing them to venture into informal cross border activities. Sauti Afrika official said;

“A lack of information in an environment full of misinformation results in a complex engagement between informal cross border traders and border officials. Majority of women cross border traders are unaware of the East African Community tariff exemption for goods under \$2,000 and believe that they are avoiding tariffs”. (KI, C02, Isebania, 2nd August 2022).

Kenya National Chamber of Commerce Migori chapter noted that the information provided on Simplified Trade Regime is not friendly to illiterate women traders such as the legal texts like the protocols. Siu (2019) argues that these technical documents present a challenge to women who cannot read and write thereby exposing them to fraudsters and exploitative border officials who take advantage demanding duties on goods which are free. These findings contradict Ogalo (2010) study which concluded a significant number of informal cross border traders are well aware of the various general provisions of the Customs Union, including most of the regulatory requirements. However, Ogalo's (2010) study was not specific to women as informal cross border traders.

7.1.3 Environmental-related challenges

Besides the State and informal cross-border-related challenges, this study further discussed the environmental associated difficulties. According to the findings presented

in Table 7.1, 7% of the study respondents reported sexual gender-based violence, 3% conning by paper pushers and middlemen, 4% insecurity, and 2% reported witchcraft.

On sexual and gender-based violence, this study found that ICBWTs are exposed to such dangers. Respondents informed this study that cases of sexual violence such as rape and sexual harassment are too common and some are victims. Information provided by the woman cross border association leader in Isebania, women traders using illegal routes experience sexual and gender based violence from *Boda Boda* riders who use such routes. A 38 yrs old informal cross border trader respondent said;

“I was crossing into Tanzania through Nyamutiro routes at around 5am in the morning while on a motorbike whose rider I found across the border. When we reached a place where there were no nearby homes or bushes, he stopped pretending that he wanted to repair and fix his break. He removed a panga and told me to remove my clothes threatening to kill me if I shouted. He raped me and after fled with his motorbike back to Tanzania leaving me stranded in pain and confused”. (C28, 38yrs, Isebania, 21st August, 2022).

The county commissioner for Busia informed this study that cases of sexual and gender based violence toward ICBTs are rampant along the illegal routes, unfortunately the culprits are not easily apprehended because of the porousness of the border. However, some have been arrested in the past. Representative from EASSI in supporting these claims said, ICBWTs suffer threats to physical and sexual violence which worsened during COVID -19 pandemic period because of the illegal routes which are quite risky particularly because of the absence of security officers. Brenton et al. (2011), survey on ICBT in Democratic Republic of Congo, Burundi and Rwanda reported similar findings on sexual and gender based violence which women informal cross border traders face. Similarly, in Liberia, USAID (2014) studies reports that ICBWTs face a lot of sexual and gender based violence with many remaining with prolonged psychological trauma.

Moreover, this study found out that ICBTs face a lot of insecurity when crossing the unmanned porous borders. Respondents informed this study that the risk of insecurity was quite high for informal cross border traders because of the nature of the trade, the wee or late hours they cross with the goods and the fact that these are illegal routes where there are no security officers therefore you are forced to make your own security arrangements. According to this study, ICBWTs have suffered personal harm as a result of attacks by criminals, others have lost their goods to robbers while some have been robbed of their money. Another serious problem reported by the women was the issue of security. The fear of being attacked by armed robbers because of the relatively large amounts of cash women traders are known to carry was an issue for these women. County Security officers in Migori and Busia acknowledged that informal cross border traders face daily insecurity threats from criminal groups such as Marachi and Bulanda Boys who demand frequent protection fees from these trader's failure to which the goods can be confiscated and on inflict harm to traders. Charlotte (2013) agrees based on cross border traders in Ghana that insecurity and ICBT are compatible as a result of the players whose identities are hidden and the absence of security officers to protect traders. Similarly, Olabisi (2014) points out that ICBT creates other informalities such as gang groups which are a threat to security of traders in the long run as is the case of ECOWAS.

This study divulged that ICBTs were exposed to constant risk of being conned by the paper pushers also called wasuagaji or middle men who act on their behalf. Respondents informed this study that the paper pushers or middle who are always seen standing or approaching cross border traders as one enters One Border Stop Post. According to customs officials, these paper pushers take advantage of the illiterate and ignorant ICBWTs to steal their money in the name of helping them. These paper

pushers are aware that some of the goods, particularly those falling under the simplified trade regime, are duty free and still go ahead to ask these traders for such payments. Respondents noted that sometimes these middle men can disappear with the monies of the informal cross border traders and you cannot report them because of the illegal nature of the trade. An informal cross border woman rice trader in supporting these findings said;

“When I started this trade, because of the fear of being arrested, I engaged an agent/middleman to bring me rice every morning from Tanzania because he knew how to talk to the customs officer. He did that until I trusted him to go alone to Tanzania to bring the rice. One day he disappeared with Ksh 50000 which I gave him to bring rice. After one week he came back and I couldn't do anything because this all thing is illegal”. (C30, 51yrs, Isebania, 21st August 2022)

In Boogaard and Jibao (2018) study of Sierra Leone, identical findings were noted with traders reporting that *chata* men or middle men are known to swindle informal cross border traders' money. Moreover, Higgins (2012) holds that in informal cross border women traders face rampant swindlers who are cunning and smart with high level of coordination and protection from officers with little chances of arrest or recovering money once it is stolen. These tricksters have made many ICBWTs lose all their money and in the process get out of the businesses risking the lives of their families.

Interestingly respondents informed this study that witchcraft was another challenge that informal cross border traders face. Respondents noted that ICBWTs to acquire good fortune out of the trade, seek the services of witch doctors. An informal cross border woman trader said;

“This business is not as direct as you think. You have to get a witchdoctor to protect your business from people with ill motives, protect you from arrest and competition from other people”. (C23, 60yrs, Isebania, 20th August 2022)

This study found that the services of witchdoctors are highly sought after by informal cross-border trader's notable customers going as far as Shinyanga or Simuyu regions of the Mwanza area to consult the famous Sukuma with doctors to enable them to get fortunes from trade.

This study further noted that informal cross-border traders in Isebania and Busia faced a lot of competition from Tanzania and Uganda illegal hawkers who sell the same products even into the deep border villages in Kenyan border areas and nearby satellite areas at a cheaper price thereby denying ICBT traders from Kenya the market opportunity. An informal cross border respondent noted;

“We are tired of Uganda traders who after bribing Busia County officials and Customs officers are allowed to sell the same product we buy from them to our customers. Where will we sell and yet customers follow them?” (C76, 48yrs, Busia, 20th September 2022)

Trade officials in Busia and Migori acknowledged that indeed these Tanzanians and Ugandans were so common and sold their products cheaper than our traders. However, there is little that can be done because of the existence of EAC customs union and common market protocol which allows free movement of goods and people. Whenever we arrest them, our traders suffer more.

Due to sexual harassment, rape and transactional sex informal cross border traders risk exposure to sexually transmitted diseases such as HIV/AIDs which is quite rampant in the borders, while others risk having unintended pregnancies. Women informal cross border traders also face a lot of challenges due to gender and societal expectations which they have to do such as raising children and taking care of the sick alongside going to the market to look for food. Finally, ICBWTs faced a lot of economic challenges as a result of COVID-19 which increased the prices of goods, limited movements and reduced supply of some goods. This affects their trade.

These findings clearly demonstrate that ICBWTs face myriad problems which are state, border environment, and traders related. Despite the difficulties which make them more vulnerable, these ICBWTs are nonetheless willing to continue with the trade due to the benefits. Rationalists Hall and Taylor (1996) argue that people are calculative and strategic, and they carefully weigh the costs and benefits of certain actions despite the challenges they face. Informal cross-border women traders have fixed, well-defined, ranked, and consistent preferences, and they behave instrumentally to achieve those preferences even with the myriad. Ultimately the goal for individuals is to augment utility, to attain whatever goal that makes them happier, more satisfied, or better off, such as power or money. Addressing these challenges informal cross border traders face is crucial in helping these traders get formalized.

7.2 Some of the Coping Strategies Informal Cross Border Traders Resort to in an Attempt to Overcome these Challenges

In order to overcome the challenges associated with cross border trade informalities, this study noted that ICBWTs have devised coping strategies to overcome these bottlenecks as shown in Table 7.2.

Table 7.2: Coping strategies to overcome informal cross border trade challenges

	Frequency	Percent
Offering bribes	27	26
Negotiating with officials	19	18
Using local political networks to get protection	13	13
Use of informal gang groups to harm, threaten and protect them from border officials and government harassments	11	11
Provide sexual favor to border officials to continue operating	11	11
Register with cross border traders associations to get protection	6	6
Resorting to witchcraft to solve conflicts	4	4
Reporting to government authorities	3	3
Sell in the open market	7	7
Look for alternative loans from shylocks or expensive loans	2	2
Total	103	100

Source: Author, 2022.

Among the notable strategies, this study found out that 26%(27) preferred bribing border and government officers, 18%(19) reported negotiating with the border and security officers,13%(13) relied on use of local political networks to get protection from arrests by border officials,11%(11) indicated reliance in criminal gang groups for protection from other criminals and border officials,11% favored offering transactional sex to security and border officials to avoid arrests, 6% registered with cross border business associations who lobby on their behalf,4%(4) resorted to use of witchcraft to fortify their businesses from criminal gangs and government officials, 3%(3) opted to report cases of threats, insecurity or harassment to the relevant government authorities like Kenya Police. Further, 7% reported that they favored selling them mechanized in small units in the open markets as a way to clear suspicion by the government officer and finally 2% suggested going for a loan from shylocks to get capital for their businesses.

Interviews with key informants revealed that these coping strategies are used differently depending on the challenge that these ICBWTs face. Women cross border association leader in Busia said;

“These informal cross border traders don’t have any other means to earn a livelihood and have developed many methods to overcome the problems to continue with their businesses at all cost. Some give bribes, others offer their bodies for sexual favor while some come to ask for help whenever they run into problems”. (KI, C25, Busia, 30th September 2022)

Representatives from EASSI and Sauti Afrika reported that border posts and surrounding areas are known for constant negotiations taking place between ICBTs and border officials and even the communities. These negotiations result in complex social power relations symbiotic in nature where these informal cross border traders and border officials serve each other’s needs either by providing bribes and sexual favor while another is providing protection. Boogaard et al. (2018) concludes that the border

negotiations take place between the agents, customs officials, local communities and informal cross border traders and are managed in a form of ad hoc border committees with some informal payments made to facilitate the processes. Customs officials informed this study that reducing informal cross border trade activities in the borders is quite difficult because these women traders have known to go about the government rules and challenges associated with these kinds of trade. One Custom official in Isebania said;

“These traders are so cunning such that in a day they can easily transport close to 1000 kgs of rice from Tanzania to the Kenyan border by hiring different individuals spread across the day to only carry 50 kgs of rice, quoting domestic use as an excuse for ease of pass at the border. Eventually the quantity of rice transported across the border will be far higher”. (KI, C08, Isebania, 28th August 2022)

Existing studies such as by Njikam (2011) in Cameroon in supporting these findings argue that ICBWT employs different strategies to overcome the challenges such as offering bribes, joining cross border trade groups, accepting transactional sex, traveling at night or very early in the morning. Besides, others preferred the use of motorbikes or motorcycles to carry the goods while others used children to carry goods in small quantities across the border. Tekere et al. 2000 as quoted by Ama (2013) study of ICBT in Botswana and her neighboring states concludes that these categories of trader's employ coping strategies such as witchcraft, over reliance on social networks and corruption to overcome border post challenges. Similarly, Lesser and Moisé-Leeman (2009) earlier observed that these women will stop at nothing including accepting transactional sex and use political authority to negotiate their way through. However, part of the coping strategy which is not common among the studies reviewed is reliance on criminal gangs to protect traders particularly in Busia border.

These coping strategies are a product of collective action as rationalists argue by individuals who make sense of the environment where they operate and agree to design

counter measures to overcome hindrances to their interest. Informal cross border women traders as Friedman (1953) would balance costs against benefits to arrive at action that maximizes personal advantage. Additionally, the ICBT exposes women traders to a lot of vulnerabilities that not only threaten their livelihoods, survival of families but their very health and lives too due to the many challenges and risks they constantly face. Reducing these vulnerabilities by adopting various coping strategies to continue in this trade is necessary due to limited socio-economic options available. Therefore, the focus of policy makers would best be placed in addressing the challenges these informal cross border traders face by recognizing that the trade is contributing enormously to the development of African societies.

7.3 Existing Opportunities for ICBWTs

This study sought to examine the existing opportunities for ICBWTs. Njikam and Tchouassi (2011) argue that ICBT is not going away anytime soon. As a matter of fact, ICBT will continue within the borders of Sub-Saharan states because of the few formal economic opportunities available. Despite the many opportunities ICBT provides for women such as employment, poverty alleviation, food security and livelihood just to name but a few, this study noted that for the trade to continue benefiting women, there are other available opportunities notwithstanding the challenges that can make this trade better.

One of the most present opportunities to ICBWTs as this study found out is the existence of customs Union (2004) and common market protocol in (2010) which has been adopted by the member states of EAC. According to customs officials, protocols on customs union and common market provide for free movement of goods, people, labour, services and capital within EAC member states. The officers noted that the customs union provides for zero duty for certain goods originating in EAC while

common external tariffs for goods coming from outside EAC member States. As the protocol states, small scale traders only need to produce the certificate of origin of the goods and pay the requisite documentation fees then they will be allowed to import the goods. Women cross border traders can take advantage of the customs union and common market protocol to formally trade.

Another opportunity that study respondents reported is the existence of the Simplified Trade Regime (STR) which provides that traders whose consignments are below US\$ 2000 and originating from EAC. In agreement with Koroma (2017), in the EAC, goods eligible for clearance through the Simplified Certificate of Origin (SCO) like COMESA Simplified Trade Regime (STR), are provided in a list of goods, known as the EAC List of Originating Goods Commonly Traded by Small Scale Cross-Border Traders. From the eligible list, 370 products currently qualify, which include agricultural commodities like maize and beans, fish products, textiles, cosmetics, office supplies, and household goods mostly traded in small scale by women informal cross border traders. Women cross border trader's association leaders informed this study that the use of SCO has changed the way ICBWTs are doing business, as it has allowed traders to clear their consignments quickly, safely, and with less hassle unlike before. This study however noted that many of the ICBTs are not aware of STR despite its existence.

A survey by UBS (2018) on cross border trade between Rwanda and Uganda reported noticeable increases in trade volumes between the countries since 2018 as a result of Simplified Certificate of Origin and Automated System for Customs Data (ASYCUDA). The SCO is a trade facilitation document that replaced previously cumbersome Single Entry Document; it is used together with simplified declaration form all of which are available at the customs offices at the border stations. It is used for clearance of goods that have been grown or produced from the EAC Partner States

whose value is US\$2,000 and below. It is a remarkable effort to bring ICBT within the formal trading system and to extend the benefits of the Customs Union to small traders. Although it is not specifically designed for women, it can be used to leverage women's performance in cross-border trade (EASSI, 2015).

One Stop Border Post is another opportunity that this study noted is available for ICBTs. A Juxtaposed One Border Stop Post located on each side of the border was observed in Busia and Isebania. In Busia One Border Stop Post, officers from Kenya and Uganda share the border facility located in Kenya and vice versa. Similar arrangements were observed in Isebania where Kenya officers are stationed in the One Border Stop Post located in Tanzania and vice versa. In this model, passengers and vehicles do not stop in the Country that is exited but rather stop in the Country of entry where exit and entry are carried out. In the Country of entry, exit formalities are conducted before entry formalities. According to EAC (2019), the OSBPs act of 2016, aimed at improving efficiency in the movement of goods, persons and services across the EAC in a more coordinated way where all the cross-border related services and documentations are provided under one roof. An informal cross border women trader respondent in Isebania who is familiar with how OSBP work said;

“If I want to buy goods for sale in Tanzania, I will not go to the border point for document processing, instead I will go to the Tanzania officers located in Isebania border post in Kenya to help me with the temporary pass.” (C18, 47yrs, Isebania, 11th August 2022)

Civil society organization representatives supporting ICBWTs agreed that with the OSBP, all the government agencies with a role to play are stationed in the same building. This reduces time in processing the documents and cost which can benefit women informal cross border trade. Parshotam (2018) based on the study of the OSBPs in COMESA region agree that they are at the core of a 'whole of government' approach to border coordination owing to their ability to time and costs associated with clearing

goods into countries and goods in transit minimizing routine duplications beneficial to small scale women traders. One remarkable thing with OSBP is the presence of women cross border association leaders' official's offices where issues of women traders are being addressed.

Another opportunity that this study found out is the presence of Civil society organizations like EASSI, Sauti Afrika, TIMEA and CCGD. According to EAC officials supporting the borders of Busia and Isebania, these organizations are involved in supporting women cross border trade facilitation activities which include sensitization on trade rules, documents and procedures. Furthermore, they offer market information on movement of goods across the borders besides encouraging women to form small self-help groups and assisting them to register and open bank accounts for savings and internal lending (merry go rounds). These groups have assisted women informal cross border traders to get access to finances which they can't access in the formal financial markets. These organizations have also assisted women by acting as their advocates either at the policy level or practical within the border and this is reflected in the manner they push for the ICBWTs' voices on matters of trade. This study also noted that these organizations are involved in carrying out cross border related studies to inform policies, training informal cross border traders on their rights and self-protection. These organizations further encourage women informal cross border traders to register their businesses to get waivers and other additional government support. Informal cross border women traders can work with these organizations to benefit from cross border trade.

The presence of East African Community offices at the border presents another opportunity for ICBWTs. This study found out that East African Community offices in Busia and Isebania are involved in mobilizing resources to assist informal cross border

traders. They train ICBWTs on trade rules, documentations and procedure, sensitize the communities and traders on benefits of integration either through public Barraza's (meeting), school outreaches and stakeholders meeting in the meeting. The EAC office organizes for registration of ICBWTs operating in the border which enable them to get waivers, funding for their businesses and negotiate for trade opportunities within the EAC. Informal cross border women traders can benefit from EAC programs at the border.

This study learnt that in each border, there are various management committees which are critical in addressing the plight of cross border traders. There are stakeholder's management committees that include agencies in the OSBP, civic leaders, civil society organizations, business groups' representatives, County government representatives and Officials from the National Government Administration, coordination and security departments. Then there is the Border Management Committee that brings together the heads of various agencies in the border, business groups' representative, community representative, County national government administrative, coordination and security representatives.

Finally, the Joint Border Committee involving Kenya and neighboring Country representatives which meet quarterly with government officials, border post agency head, representative of traders and chamber of commerce officials as the representatives. This study noted that these border committees are very important as they agree on how to better serve traders using those borders. The EAC official informed the study that these ad hoc committees promote coordination between government agencies and businesses to enhance efficiency at borders. According to USAID (2016) the presence of border management committees have improved border efficiencies, reduced corruption, enhanced security and supported information flow to

the traders. Informal cross border traders can therefore benefit from the presence of border post committees to formalize their trade.

Informal cross border associations and other forms of association among women cross border traders is another available opportunity that can benefit ICBTs. According to the information obtained from women cross border association leaders, these associations are beneficial to traders in the following and more way; increased awareness of rights to information, protection, and access to resources, opportunity for credit, skills, and entrepreneurship development programs, opportunity to hold leadership positions empowering WICBT and articulating women-specific ICBT issues with various stakeholders, effective lobbying for a conducive operating environment at border posts, including adequate banking facilities, storage, accommodation, safe water and sanitation, and basic health facilities, networking and information sharing about WICBT business practices and opportunities, opportunity to organize safe transport and participation in trade fairs and business expos and finally in the countries of destination, opportunity to lobby for such needs as market space, warehouses, and safe and hygienic accommodation. An informal cross border women trader in Busia who is a member of association said;

“This group has empowered me through training and taught me how to save and spend money wisely. Many times they have given me loans for my businesses or for school fees”. (C97, 54yrs, Busia, 25th September 2022)

This study further noted that ICBTs belong to the informal saving clubs known as ‘merry go round’ or *Chama* or Rotating Savings and Credit Associations (ROSCA). According to the study respondents, these *chamas* provide informal cross border traders with the opportunity to save money in the form of shares and also borrow against the strength of the share at a low interest. These savings groups have enabled them to get avenues to borrow money to expand their businesses or sort out pressing issues in an

environment where formal financial opportunities are few. These savings groups are potential avenues for financing informal cross border businesses.

Finally, this study identified Kenya Trade Network Agency (KENTRADE) as another opportunity that women informal cross border traders can tap into. According to border officials, KENTRADE is an electronic platform established in January 2011 to facilitate cross border trade. This online platform has seen harmonization of payments as it serves as a single online platform entry point for parties involved in international trade and transport logistics to lodge documents electronically, for processing, approvals and to make payments electronically for fees, levies, duties and taxes due to the Government, on goods imported or exported in the country. This has reduced cases of exploitation by border officials and corruption. Informal cross border women traders can take advantage of the platform to reduce cost and time constraints associated with cross border payment.

Despite the aforementioned opportunities, the protocol for the establishment of African Continental Free Trade Area (AfCTA) in January 2021. According to Zhuawu and Enos (2021), there is no doubt that the agreement would play a significant role in boosting trade in the informal sector which is often neglected by the government. African Continental Free Trade Area, therefore, holds significant potential to support the participation of women in informal cross border trade in regional integration. The government can provide more opportunities to ICBWTs through group marketing via Cooperative societies aimed at reducing transportation costs, and fostering competitiveness and bargaining power which would result in low costs and higher profitability. Moreover, women exporters can be assisted to grow in non-traditional sectors through personalized coaching, product and service marketing support, skills enhancement training, and other export readiness services. Hand Holding programmes

connect exporters with financial institutions and other support groups to boost their growth.

7.4 Suggestions to Improve Informal Cross Border Trade by Women Traders

This study sought from respondent's suggestions that would improve informal cross border trade by women in Busia and Isebania borders as shown in Table 7.3.

Table 7.3: What would you recommend to improve informal cross border trade

	Frequency	Percent
Sensitization on the role of EAC	20	19
OSBP officials should stop harassing traders	15	15
Reduce the cumbersome border procedures	10	10
Solid Waste Management and Sewer system development	10	10
Register and provide identification cards to enable cross border traders to get access to financial support.	9	9
Ban Tanzania and Uganda hawkers	9	9
Do away with sensitive list which attract a lot of excise duties	7	7
Develop infrastructure such as road network	7	7
Employ EACC officials at the border to deal with corruption	5	5
Build modern market with storage and social amenities	4	4
Register all clearing agents/paper pushers.	3	3
Reduce all the non-tariff barriers	2	2
Harmonize taxes	2	2
Total	103	100

Source: Author, 2022.

From the findings as shown above, 19% (20) of the respondents suggested that the government should sensitize informal cross border traders on East African Community, 15%(15) OSBP should stop harassing ICBT, 10% reduce cumbersome border procedures,10%(10) improve on solid waste management and sewage system development,9% register and provide identification cards to enable cross border traders to get access to finances,9%(9) ban Tanzania and Uganda hawkers,7%(7) do away with

sensitive list which attract a lot of excise duties,7(7), do away with sensitive list which attract a lot of excise duties,5%(5) employ EACC officials at the border to deal with corruption,4%(4), build modern market with storage and social amenities, 3%(3) build modern market with storage and social amenities,2%(2) register all clearing agents/paper pushers and 2%(2) suggested harmonization of taxes.

According to Nkoroi (2015) information is very valuable in facilitating informal cross border trade. Therefore, the government as suggested by ICBTs should provide more information to traders on EAC and how it facilitates or helps traders within the framework of integration. An informal cross border women trader respondent suggested;

“EAC is not known to many of the traders and we don’t know what they do. They have an office in the OSPB but normally it is closed. We need a place where traders can get information so easily on EAC and trade on the border”. (C70, 38yrs, Busia, 19th September 2022).

Ogallo (2010) the government should take up vigorous publicity and dissemination of the EAC Treaty, the Customs Union Protocol, the Community’s policies and other applicable laws and principles as provided for under Article 39 of the Protocol to cross border traders. Unfortunately, this study revealed that there is only one EAC officer covering the two borders of Busia and Isebania and it becomes difficult for the officer to be available to all traders who may need to know more about the EAC. The officer informed this study that the movement to the two borders officers is also restricted due to lack of enough logistical support such as means of transport, financial support to organize for meetings with ICBT and other stakeholders and conduct proper advocacy either through print or electronic or other media related programs.

UNCTAD (2021) acknowledges that by reducing harassment of ICBWTs in the OSBP many of these traders will not shy away from using the facilities when trading. Neo-

Liberalist De Soto (1989) advises states that reducing the cost, the lengthy paperwork and regulation will make it easier for informal traders to go formal.

This study noted that lack of proper and functional solid waste management and proper drainage systems is a hindrance to ICBWTs. Respondents noted that addressing this challenge will result in ICBT. In Busia and Isebania towns there are no functional solid waste and sewage management systems. The border towns are full of pit latrines with poor drainage systems exposing them to various risks.

One of the major challenges that ICBWTs face as this study found out is accessing capital or other business related finances due to unregistered nature of the informal businesses. Therefore, study respondents suggested that there is a need to register ICBWTs so that they can be known for ease of supporting them financially and better still have them pass through the border easily. Representatives from civil society organizations in agreeing with the suggestion noted that many of these informal cross border traders lack accessibility to finances and registering them will be a great step towards formalizing their operations.

Uganda and Tanzania hawkers are causing problems to Kenya ICBWTs because of the type of goods they sell which mirror their goods and sell at a cheaper price. This forces Kenyan traders to lose customers whereas Ugandans Tanzanians would not easily allow hawkers from the neighboring countries. These traders therefore suggested that for them to continue making profit, the government should be able to bar hawkers from Uganda and Tanzania from getting into Kenya to avoid unfair competition.

Respondents further suggested that the government should do away with sensitive lists which attract a lot of excise duties. The sensitive list attracts more than 25% excise duty making it hard for many households to get the goods through formal means. Moreover,

the development of the infrastructure including a good road network to facilitate ease of movement, modern international border market with proper storage facilities and social amenities should be in place as suggested by respondents.

To tackle rampant corruption in the border, respondents suggested that offices of the Ethics and Anti-Corruption commission should be created within the OSBP to handle rampant cases of bribes and unethical practices which are frustrating informal cross border women traders. Respondents also suggested that all clearing agents or paper pushers should be registered officially so that they can be known and to reduce cases of swindling ICBWTs.

Finally, respondents suggested the need to harmonize some taxes and reduce all the non-tariff barriers and operations to reduce the cost of doing business. Respondents for example cited Agricultural and Food Authority and Biosafety Authority charges as one that should be harmonized with KEPHIS to avoid over charging traders. Quality and standard checks should also be harmonized to avoid unnecessary cost and delays. Alongside harmonization of taxes, respondents suggested a need to reduce generally all the unnecessary non-tariff barriers.

7.5 Summary of the Chapter

This chapter presented the findings and discussion of the objective which examined the challenges and existing opportunities for ICBWTs. This chapter also took a look at the various coping strategies and suggested recommendations by the respondents. The next

CHAPTER EIGHT

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

8.0 Introduction

This last chapter offers a summary of the main findings, conclusion, and recommendations of this study. The main objective of this study was to examine the political economy of informal cross border trade in the East African Community; a case of women traders in Busia and Isebania borders. The chapter is arranged according to the research questions and the results for each of the main questions. First, it outlines an elaborate summary and conclusion of the discussion of the preceding research question on the Nature and Magnitude of ICBWTs. Along with, it outlines the end results of research questions on the Drivers of ICBWTs. As to the third research question, this study set out the findings on the Socio-Economic and Political impacts of ICBWTs and ultimately the summary and conclusions of the fourth question on the Challenges facing ICBWTs and Potential Management Opportunities in Busia and Isebania borders are presented. Finally, it sums up the recommendations of the study with a keen look into policy and areas for future research needs.

8.1 Nature and Magnitude of ICBT by women Traders

The first objective looked into the trends and magnitude of ICBT in Busia and Isebania Borders. The findings looked into demographic characteristics of the respondents, the duration they had been in ICBT , frequency of crossing the border to source for goods, types of good and merchandised commonly traded, countries where goods are sourced, techniques used to cross the border by ICBTs, how goods are transported across the border, destinations of goods imported through the border illegally, value of goods traded, profits from ICBTs, source of capital, challenges faced by ICBWTs in getting

access to capital and finally the level of male involvement in facilitating ICBT by women.

On demographic characteristics of the respondents, this study found that women of all ages engage in ICBT. From the findings, 4% (4) of the respondents were between 18-30 yrs, 14% were between the ages of 31-43 yrs, 49% who were the majority were between the ages of 44-56 yrs, 26% were between ages 57-69 yrs while 7% were above 69-81 yrs. Married women were the majority at 58%, followed by widowed women at 16%, separated women at 15% and single women at 11% respectively. The interview did not seek to make a distinction on whether WICTs were in a monogamous or polygamous marriage but rather it just assessed marital status regardless. In terms of dependents directly supported by the respondents, this study noted a total of 425 dependents with majority 43%(187) in secondary school, 24%(103) in primary school, 12% (52) in tertiary college, 6%(26) were in University while 4% (17) were yet to join school. The high number of dependents which on average was 4% respondents was a factor that made women join the informal cross border trade.

Further, demographic data on education, 46% of the respondents dropped out of primary school, 12% dropped out of secondary school, 5% never attended school, 18% attained primary education, 11% finished secondary education and 8% completed college education where others are trained as teachers, administrators, nurses, theologians and tailors. On citizenship, the findings revealed that Kenyan without dual citizenship were the majority informal cross border women traders at 64%(66) in Busia and Isebania borders, women informal traders who are dual citizens of Kenya and Tanzania were 15%(15), both citizens of Kenya and Uganda were 10%(10), Tanzanians and Ugandans citizens were 6% respectively.

On ethnic composition of the respondents, this study reported that Kuria were 18%(19), Luo 15% (15), Kisii 7%(18), Kikuyu's 3%(3), Luhya 22%(23), Sukuma 2%(2), Wachanga 2% (2), Teso 15%(15), Wagisu 4%(4), Maasai 1%(1) and Meru 1(1%). In terms of distribution across the two borders, the majority Kuria, Kisii, Sukuma and Changa were found operating in the Isebania borders while the Teso, Luhya, Wagisu, Kikuyu and Meru were predominantly in the Busia border. The Luo were spread across the two borders though the majority operated in Isebania.

The study findings also revealed that the majority of the respondents were living proximal to the border towns for ease of crossing, storage and selling of the goods. This study noted that 25% of the respondents resides in Isebania Town,17% in Sirare in Tanzania, 4% in Kehancha Town, 1% in resides in Busia Town, 8% in Adungosi Center, 6% in Arubaine Town in Uganda, 10% in Teso North, 5% in Amukura Town,5% in Malaba,1% in Amarachi.

The study sought to determine the duration the respondents had been in informal cross border trade. According to the findings, 33% of interviewed ICBWTs reported that they have been in the trade for more than 20 years, 26% between 10-15 years, 18% between 5-10 years, and 10% had been in trade between 15-20 years, 15% reported 1-5 years while 1% indicated that they had been in the trade for less than 1 year. The average duration women informal cross border traders had been in this business was 10 years.

Concerning the frequency of crossing the border to source for goods, the study found that 23% (24) of the ICBWTs were crossing the border daily to source for goods. The study further noted 29% (30) who were the majority ICBWTs were crossing the border twice weekly to source for good across the border, 20% (21) thrice a week, 19%(20) once a week, 7%(7) four times in a week while 1%(1) of the traders were crossing five

times in a week. The frequency of border crossing to source for goods depended on perishability of the goods for example fresh vegetables, fish, and fruits were highly perishable and could only be sourced daily to avoid wastages considering the majority did not have proper storage facilities like fridges.

On the nature and type of goods traded, this study reported that agricultural non-processed goods were the most commonly traded. According to this study, cereals were the most traded goods at 21%, fresh vegetables (6%), omena/dagaa (7%), fruits (4%), rice (13%), beer products (4%) textile products (8%), cosmetic products (8%), fish (8%), tables eggs (15%) milk (8%) animal feeds (2%), plastic wares (2%)- cups, jugs, containers, sandals, shoes and cigarette (2%). The study also revealed that gold, ethanol, marijuana and human trafficking were part of the illegal cross border goods. Most commonly traded cereals were mainly maize, sorghum, millet, beans, dry cassava, cowpeas, green grams, and finger millet while for fish, tilapia and Nile perch were the most traded. A lot of whole milk was coming from Uganda to Kenya through Busia Border while cosmetic products which largely were aimed at lightening dark skin pigmentation came from Kenya to Tanzania through Isebania Border. Fresh vegetables such as onions, kales, cabbages, African nightshade, spider plant, amaranthus, spinach, tomatoes, bananas, capsicum, carrots, arrow roots, dhanian, French beans, cowpeas leaves, Irish potatoes were majorly coming to Kenya from Uganda and Tanzania which is the same case with fruits such as oranges, mangoes, ripe bananas, pineapples, sugar cane were coming from Uganda and Tanzania to Kenya. Along the border areas, beer products such as Tanzania Kilimanjaro and Heineken are informally exported to Kenya, gold from Migori to Tanzania while Marijuana came from Tanzania together with ethanol with human trafficking commonly from Uganda.

This study revealed that the majority of goods traded informally in Kenya were imported from Uganda at 47%, Tanzania at 33%, Democratic Republic of Congo at 16% and other Countries outside EAC at 1%. The informal exports from Kenya to either Uganda or Tanzania was at 6%. However, Kenya exported less informal goods to Uganda and Tanzania.

Informal cross border women traders used various techniques to evade arrest by the state officials. This study noted that majority of the respondents at 58%(60) used alternative ungazetted routes,15%(15) preferred bribing the officials at the OSBP and satellite border points to enable them to pass without going through security checks,12%(12) concealed and carried goods in small quantities goods to outsmart the border authorities, 5% (5) used brokers/or paper pushers to get the fake 'permits' to facilitate crossing and finally, 11%(11) resorted to negotiation with border authorities and even offer sexual favors.

Respondents used cross border traders associations leaders, community leaders like elders and political leadership particularly the civic leaders (members of County assembly) to negotiate with the border officials on either of the States to enable them continue with the trade. When these informal negotiations fail to yield then these traders would resort to demonstrations as a forceful way to compel the custom's officials to yield to their demands. Informal Cross Border Woman Traders partner with some border officials to run joint informal trade as a way of protecting themselves from the harsh government rules and penalties.

The study found that the most commonly preferred illegal crossing points used by the traders were Highway (12%), Bukingiri (8%), Nyamtiro (7%), Nyangiti (6%) Kopanga (5%), Nyametaburo (5%), Maringumu (5%) and Nyamaranga (3%) in Isebania to cross

with the goods to Kenya from Tanzania and vice versa. Similarly, informal cross-border women traders in Busia border preferred using Marachi (17%), Sophia (12%) Railway (10%), Buteba no-man (7%) and Malaba river (5%) to bring the goods into Kenya and to Uganda. Traders reported that these routes were commonly used early in the morning from 3 am to 7 am or late in the evening from 7 pm to 9 pm to avoid arrest.

In regard to transportation of good across the border this study found that the majority at 50%(52) preferred using motorbikes, 28%(29) used individuals (human transport) to carry the goods either on their heads or hands, 17%(17) were using Pro-box vehicles, 7%(7) relied on pushcarts and bicycles while 5% (5) used lorries. This study found out that informally cross-border traded goods by women in Busia and Isebania are not only meant for the immediate border markets but are sold in the near and far urban satellites and Cities, particularly in Kenya. It was noted that 20%(21) of the goods informally traded were sold within Busia County, 17%(17) in Kisumu County, 13%(13) in Kisii County, 11%(11) in Migori County, 10% (10) in Bungoma County, 7%(7) in Isebania/Sirare, 6%(6) in Uganda, 5%(5) in Eldoret town, in 5%(5) in Tanzania, 4%(4) Kakamega County, in 2%(2) Nakuru County and 4%(4) in Nairobi County. The destination is determined by the profitability and demand of the goods in those areas.

With respect to the retail value of goods, this study observed that 59%(61) of the respondents cumulatively had stocked goods whose retail values were below US\$ 200 or less than Ksh 200 ,000 while 41%(42) had goods whose retail value was above US\$ 200 or Ksh 200 000 were 41%(42) and not exempted from Simplified Trade Regime.

About the monthly profit that women get from ICBT, this study noted that 34%(35) of the respondents had a monthly profit margin of between Ksh 30,000-Ksh 40,000, 27% (28) reported a profit of Ksh40,000-Ksh 50,000, 15%(15) had a profit of ranging from

Ksh 20,000-Ksh 30,000, 12% (12) reported a profit of Ksh 50,000- 60,000, 7%(7) disclosed a profit of Ksh 60,000-70,000,5%(5) revealed a profit of Ksh 20,000 –Ksh 30,000 and 1%(%) indicated a monthly profit margin of between Ksh 70,000 to Ksh 80,000.

Concerning the source of the capital for traders, this study found out that 7%(7) of the respondents , relied on the Kenyan Mobile phone loan platforms such as Mshwari, Tala, Teke Teke among others, 4%(4) relied on shylocks,20%(21) preferred getting goods through *Malikauri* (goods provided based on trust),2% (2) raised capital through other sources such as sale of assets, proceeds from the farms or family support,27% (28) raised capital through loans from financial institutions such as banks and lenders,38%(39) depended on capital from savings and internal lending communities known as *Chama* or merry go round and finally 2%(2) used personal savings. Among the notable banks and financial institutions in which informal cross border women traders got loans for their businesses were Kenya Women Finance Trust, Equity Bank, Cooperative Bank and Platinum Creditors.

In regard to the challenges ICBWTs faced in accessing capital for their businesses, 40%(41) of the respondents reported high interest rates, 17 % (18) lack of collateral , 32% (33) cumbersome procedures and requirements to get access to formal markets,5%(3) divulged that lack of renegotiation window is a bottleneck, 3%(3) reported auctioning of properties cases of defaulting,2%(2) indicated the use of threat to harm to force repayment of loans while 1%(1) noted the use of witchcraft to recover goods or loans.

Finally, this study found that men were deeply involved in facilitating ICBWTs by offering protection from arrest, providing intelligence on the movement of security and

border officials, sourcing for goods for women traders, negotiating with border officials on behalf of ICBWTs, offering financial support, transporting goods across the border and renting out premises to informal cross border women trader. Without men therefore, ICBWTs would not continue in any way. The male involvement in the ICBT by women traders comes at cost as reported by respondents such as offering sexual favors which results in spread of STIs like HIV, protection fees, gender based violence resulting from social roles, extortion and insecurity and servitude.

8.2 Drivers of Informal Cross-Border Women traders

This study sought to examine the drivers of women into ICBT in Busia and Isebania borders. The drivers were examined at the sociocultural, economic, and State level contexts to gain more understanding. Sociocultural factors are the larger scale forces within cultures and societies that influence women's decision to be ICBTs.

According to this study, majority of the respondents at 21% reported kinship ties and ethnic citizenship, 20% traditional gender norms, 19% lack of education and training, 19% reported food insecurity, 11% COVID-19 pandemic and 10% societal or gender norms as socio-cultural factors driving women into ICBT. This study found out that the Kuria and Luo communities have their historical roots in Tanzania and Kenya. Respondents reported that they have their families living in Kenya (Migori County) and Tanzania (the northern Mara region) and they normally interact a lot during family occasions like circumcisions, marriage ceremonies, cultural forums, and during funerals. A similar pattern of kinship ties was reported in the Busia border where the Teso, Samia, and Marachi Luhya tribes' families are found both in Kenya (Busia County) and Eastern Uganda.

For economic drivers, the majority of the respondents at 36% (37) indicated unemployment and poverty, 23% (24) high inflation, 17(18) price differentials, 17%(17) profitability and finally 7%(7) noted competition from other businesses. The high cost of basic food items such as dry maize, beans, rice, and fresh vegetables prices have been so high particularly in Kenya with many traders crossing the border to source for cheaper ones.

With respect to State level drivers, 21% of the respondents reported marginalization, 25% high costs and cumbersome procedures of the formalizing business, 20% high taxes and duties charged on certain products, 11% complicit border officials, 11% failure by states to provide basic essential services, 9% political hostilities and 5 % local leadership support. This study noted the state's failure to provide women with quality education opportunities, and training on entrepreneurial skills, and support them economically as marginalized women.

8.3 Socio-Economic and Political Impact of ICBT by Women Traders

This study examined the socio-economic and political impact of ICBT by women traders in the Busia and Isebania borders. On socio-economic impact, 22% of the respondents reported that ICBT created employment for informal cross-border traders, 19% reduced household poverty, 17% livelihood support, 12% improved food security, 5% supply of cheaper goods, 6% spread of diseases, participation in household decision making, 5% family breakdown, 6% support community activities, 2% acquisition of assets and 1% noted reduced household crimes. At the individual level, this study noted that ICBT enabled women to be financially independent by providing them with an avenue for employment. Moreover, many respondents acknowledged that participation in ICBT is enabling them to provide for their families such as paying school fees to their siblings, footing medical bills, buying food, and providing basic items like clothes,

shoes, and shelter while others are able to pay rent for the houses they live with their families and register with the National Health Insurance Fund (NHIF). To some respondents, ICBT enabled them to tackle poverty by improving household income to be spent on supporting family survival.

This study noted that ICBT resulted in family breakdowns in and an increase in the prevalence rate of sexually transmitted diseases such as syphilis, HIV, chlamydia, and Gonorrhoea. Therefore, government and policymakers can prioritize building community resilience through strengthening livelihoods and providing support to women to overcome unemployment, poverty, and food insecurity as they stand out to be the main factors that ICBT is addressing.

In relation to the political impact, ICBTs resulted in peaceful coexistence among border citizens or communities, 22% (23) entrenched integration from below or the margins, 23% (24) source of revenue, 13% (13) political instability, 10% (10) insecurity and 5% (5) noted the participation of voters from across the border in elections.

Informal cross-border trade creates insecurity and results in political instability. According to the findings of this study, border areas are very fluid, and as much as there is peaceful coexistence among the border communities, incidences of insecurity had been witnessed as a result of this trade due to criminal gang groups such as Bulanda boys and Marachi who demanded protection fees from trader's failure to which they resort to sexual and physical violence towards women traders. This study reported that there are many occasions ICBT has created a lot of political tensions between Kenya and her neighbors of Uganda and Tanzania particularly when traders have been arrested across the border. These political instabilities even resulted in the closing of the border temporarily, confiscation of goods, and arrest of traders. This study found that ICBT

provided an opportunity for importing voters who participate in the civic election in Kenya and vice versa. Furthermore, this study noted that ICBT has the risk of importing goods in disregard to health standards exposing citizens to sub-standards.

8.4 Challenges ICBWT face and Potential Management Opportunities

The fourth objective of this study examined the various challenges ICBWTs face and potential management opportunities. These challenges are discussed under State, informal cross-border traders, and environment-related challenges. Respondents cited a lack of adequate capital, harassment by border officials, harassment by county officials, lack of modern market and social amenities, high inflation, and scarcity of commodities making traders travel long distances into the neighboring country in search of goods, unstable currency rate, sexual and gender-based violence particularly from *boda boda* riders and border officials, losing goods to criminals at the border crossing areas, conning by paper pushers and other traders, witchcraft, poor infrastructure, confiscation of goods and high transport cost as some of the constraints they face.

Furthermore, the unmanageable border procedures, delays at the border, and unwarranted confiscation of commodities and goods continue to be a bottleneck for these traders. Female informal cross-border traders mentioned being made to pay huge bribes compared to their male traders or alternatively provide the border guards and patrols sexual favors to avoid detention or impoundment of their goods and commodities. In addition, ICBWTs faced pressure for bribes, sexual harassment, and violence, extending from verbal sexual harassment to confirmed rape, and demand for transactional sex mostly from the male border and security officials. As a result of limited access to formal credit, ICBWTs turn to informal financial intermediaries such as shylocks, moneylenders, trade-lenders, retailer-lenders who charge extreme interest

rates and sometimes confiscate properties or merchandise in situations where they cannot pay.

This study found that ICBWTs also suffered from ignorance and illiteracy, exposing them to vagaries of trade informalities. The extremely low education levels among ICBWTs were reflected in poor reading, writing, and counting skills by these traders which remains a challenge to operating a successful business as many are not able to understand the various existing cross-border trade policies to facilitate trade. This study inquired on the awareness of ICBWT on the existence of the EAC customs union and common market protocol with a majority of the respondents 73%(73) reporting not being aware while 27%(28) were aware. Concerning the simplified trade regime agreement which provides for zero-import duty for goods valued at less than US\$ 2000 originating from EAC member countries, 69% (71) were not aware of this provision while only 31%(29) were aware.

This study further revealed that 54%(56) of the respondents were unaware of some of the documents which traders were required to produce or have in their possession at the border while 46%(47) only reported being aware of the documents. On the documents required, 28%(13) of the respondents reported being aware of the requirements indicated a national identification card, 17%(8) temporary pass,15% (7) invoice from the supplier, 6% (3) passenger declaration form, 6% (3) phytosanitary certificate,17% (8) Simplified Certificate of Origin (SCO) and 11% (5) certificate of conformity.

In regard to coping strategies, 26%(27) preferred offering bribes, 18%(19) reported negotiating with the border and security officers,13%(13) used local political networks to get protection from arrests by border officials, 11%(11) relied on criminal gang groups for protection, 11% favored offering transactional sex to security and border

officials, 6% registered with cross border business associations who lobby on their behalf, 4%(4) resorted to using of witchcraft to fortify their businesses from criminal gangs and government officials, 3%(3) opted to report cases of threats, insecurity or harassment to the relevant government authorities, 7% reported that they favored selling their merchandises in small units in the open markets as a way to clear suspicion by the government officials and finally 2% suggested going for a loan from shylocks to get capital for their businesses.

With respect to existing opportunities, the study revealed that ICBWTs can take advantage of the availability of the EAC customs Union (2004) and Common Market Protocol (2010) which provides for zero duty for goods originating from the economic block whose value is less than US\$ 2000 under simplified trade regime to accelerate small scale cross border trade. One Stop Border Post is another opportunity that this study noted is available for ICBWTs aimed at improving efficiency in the movement of goods, persons, and services across the EAC in a more coordinated way where all the cross-border related services and documentation are provided under one roof.

Presence of Civil Society organizations such as EASSI, TIMEA, Sauti Africa, CCGD, and women cross-border traders' associations who offered training, advocacy services, financial support through self-help groups, assisted in opening bank accounts and shaped cross-border trade policies further providing opportunities for ICBWT. Furthermore, the existence of East African Community officers in the OSBP, Joint border management, and Stakeholder Committees that provided training, and advocacy and highlight issues affecting cross-border traders provides more opportunities to ICBTs. Finally, the presence of KENTRADE, which provided a single online payment platform for parties involved in international trade and transport logistics reduces cases of corruption, the time, and the cost of processing documents. Informal cross-border

women traders can take advantage of the platform to reduce the cost and time constraints associated with cross-border payment.

Concerning suggestions to improve informal cross-border trade, study respondents proposed that the government should sensitize ICBWTs in East African Community protocol, OSBP officials should stop harassing ICBTs, reduction in cumbersome border procedures, improve solid waste management and sewage system development, register and provide identification cards to enable ICBT to get access to finances, ban Tanzania and Uganda hawkers, do away with a sensitive list which attracts a lot of excise duties, employ EACC officials at the border to deal with corruption, build modern market with storage and social amenities, register all clearing agents/paper pushers and harmonize taxes to avoid duplication.

8.5 Summary on Theoretical Application and Studies Contribution to Knowledge

The applicability of Neo- liberalism (Desoto, 1989), Vulnerability (Fineman, 2015) and Rational Choice theory (Smith, 1776) was by no means less because no single theory would explicitly explain this study. If anything these three theories were able to complement each other thereby overcoming the weaknesses.

From the Neo-liberal theoretical perspective, ICBT by women traders is a result of the cumbersome state bureaucracy, high taxes, and duties which makes formalization of the trade quite unlikely particularly for poor households or unemployed women. Moreover, to vulnerability theorists, ICBT results from inequalities created by the state by not responsibly dispersing development opportunities which have the potential to make other communities and groups economically endowed and resilient while some are excluded (marginalized) and ill-equipped to move out of poverty even in situations where taxes are low or the procedures are simpler. Finally, to rationalists, the actions

of ICBWTs are the result of individual choices guided by self-interest and preferences based on strategic calculations involving carefully weighing the costs and benefits of certain actions before undertaking them, the cumbersome legal regulations, high taxes, costly duties in an environment where women are marginalized in regard to education, health, training, employment and broader economic opportunities by the state leave them with no option other than participating in informal economic activities to survive.

This study has contributed to knowledge in the essence that it brought a better understanding as to how political economy manifested by power and authority of groups within the states dictates the activities of informal cross border trade by women traders as is the case of Busia and Isebania by focusing. In other words, political economy has a direct influence on the behavior of ICBWTs.

Finally, the use of Pragmatism philosophical paradigm in this study was relevant in proposing feasible and workable solutions to inform future actions with regard to informal cross border trade by women traders, some of which are outlined in the recommendations.

8.6 Conclusion of the Study

This study as outlined in chapters four, five, six, and seven dispensed carefully findings of the research objectives. The study adopted a mixed research methodology which was able to guide in exhaustively having a better understanding of the depth and breadth of the research problem by yielding more thorough evidence. This study has convincingly determined that the political economy dictated upon by the State through its policies, institutions and the prevailing economic environment directly influences ICBT by women traders in Busia and Isebania borders.

To begin, the first objective aimed at assessing the Nature and Magnitude of ICBT by women traders in Busia and Isebania Borders. Regarding this objective, this study concluded that women of all ages and statuses engage in informal cross-border trade with the majority being above 44 years of age and married. Many of the ICBWTs do not have quality education and training. Primarily informal cross-border women traders are residents of the border centers or rural areas for ease of accessing goods from Uganda and Tanzania. Ethnically, ICBWT is diverse though in Isebania the Kuria and Luo are predominant owing to their historical ties with Tanzania, Kisiis, Sukumas, Maasais, and Wachanga women are also participating in the trade. In the Busia border, Luhya such as Marachi, Abasamia, Teso, and Wagisu women predominated in the trade due to their proximity to the border and historical ties with Uganda, however, women from other ethnic backgrounds such as Kikuyu and Meru are also in the trade. On average informal cross-border traders had been in the trade for the approximate duration of 10 years.

On the nature and type of goods traded, this study concluded that agricultural non-processed and semi-processed goods mainly from Uganda and Tanzania such as cereals, fresh vegetables, fruits, rice, marine products tables, and live eggs were imported to Kenya. Whereas processed goods such as beer, textiles, whole milk, sugar, animal feeds, and cigarettes were imported to Kenya from the neighboring countries, Kenya largely maintained her position as the leading informal exporter of manufactured goods such as cosmetic products, plastic wares, shoes, finished fabrics, electronics, and cigarettes. Informally gold from Migori was exported to Tanzania while Marijuana came from Tanzania together with ethanol with human trafficking commonly from Uganda. Informally imported cereals to Kenya were Maize, Sorghum, Millet, Beans,

Dry Cassava, Cowpeas, Green Grams, and Finger Millet, whole Tilapia, Dagaa and Nile perch were informally imported marine products.

The most preferred illegal border crossing points between Kenya and Tanzania in areas around the Isebania border are Highway, Bukingiri, Nyamtiro, Nyangiti, Kopanga, Nyametaburo, Maringumu, and Nyamaranga. While on the Busia border, ICBWT preferred using Marachi, Sophia, Railway, Buteba no-man, and Malaba rivers to bring the goods into Kenya and to Uganda respectively. Motorbike is used widely to transport goods to and from Kenya illegally though individuals (human transport), Pro-box vehicles, pushcarts, bicycles, and small lorries are also used. The goods are sold within the border areas and even to the adjacent towns and far urban traders cities like Kisumu, Nakuru, and Nairobi. Even with stock levels of less than US\$ 2000 majority of ICBWT is able to make accrue a monthly profit of Ksh 20000 and above which is highly profitable.

The majority of ICBWT relies on Kenyan mobile phones loan platforms such as Mshwari, Tala, Teke Teke, shylocks, Malikauri, sale of assets, proceeds from the farms or family support, loans from financial institutions, Chamas or merry go round and personal savings to raise capital. The challenges ICBWT face in accessing capital are high-interest rates, a lack of security, too many procedures and requirements to get access to formal markets, lack of renegotiation window, fear of auctioning of properties in case someone defaulted, threat to harm or use of witchcraft to force repayment of loans. Finally, men are involved in the trade as sponsors, transporters, protectors, negotiators, and distributors of goods traded by ICBWT.s

The second objective was to establish the drivers of ICBWTs in the Busia and Isebania Borders. This study concluded that social and cultural factors such as kinship ties/ethnic

citizenship among the Kuria, Luo, and Teso, traditional gender norms, lack of education and training, food insecurity, and the COVID-19 pandemic contributed to ICBT. Economic factors such as unemployment and poverty reported high inflation pushing basic food commodities prices up, price differentials, profitability, and competition from other businesses drive women into informal cross-border trade, and finally, state-level factors such as marginalization, high costs, and cumbersome procedures of the formalizing business, high taxes and duties charged on certain products, complicit border officials, incapacitation, political hostilities, and local leadership support contributes to ICBT by women traders.

The third objective assesses the socio-economic and political impact of ICBWTs. On the socio-economic impact, this study concluded that ICBT created employment, reduced household poverty, offered livelihood support, improved food security, supply of cheaper goods, increased the spread of diseases such as HIV and other STIs, enabled women to participate in household decision-making, resulted in family breakdown, empowered women with resources to support community activities like building schools, enabled women to acquire assets such land and reduced household crimes.

Individually, ICBT enabled women to be financially independent by providing them with an avenue for employment, providing for their families such as paying school fees to their siblings, footing medical bills, buying food, and providing basic items like clothes, shoes, and shelter while others are able to pay rent for the houses they live with their families and register medical scheme. On the political impact, this study concluded that ICBWT results in peaceful coexistence among border citizens or communities, entrench integration from below or the margins, source of revenue in the form of VAT, political instability, and insecurity due to criminal gang groups operating in the porous

borders like Bulanda Boys and Marachi, and encourage the participation of voters from across the border in elections.

Despite the positive impacts of ICBWT, the study concluded that the trade negatively affects the state through loss of revenue, importation of cheap goods resulting in unfair competition to formal firms, and entry of poor quality and sub-standard goods hazardous to citizens' health.

Finally, the fourth objective examined the challenges ICBWTs encountered and potential management opportunities. The study concluded that state-related challenges that ICBWT face are poor access to market information, inadequate information on business development, price oscillations, the lengthy and tiresome legal process in formalizing businesses, high and costly taxes, weak and selective implementation of cross-border trade policies which favor certain traders, non-recognition of one EAC member state's trade documents by customs officials of another member, especially where documents have not been harmonized like bureau of standards. Environmental-related setbacks included sexual and gender-based violence, swindling paper pushers/middlemen, insecurity, and witchcraft. On the individual traders-related challenges, ignorance and illiteracy were concluded as some of the challenges as a number appeared to be unaware of the trade rules, documents, and even provisions like STR.

On the coping strategies, the study concluded that ICBWTs offered bribes to border officials, negotiated with the border and security officers, leveraged local political networks to get protection from arrests relied on criminal gang groups for protection from other criminals and border officials, offered transactional sex to security and border officials, registered with cross border business associations who lobby on their

behalf, resorted to witchcraft to fortify their businesses, reported cases of threats, insecurity or harassment to the relevant government authorities, favored selling them mechanize in a small unit in the open markets as a way to clear suspicion by the government officials, and relied on shylock's loans to get capital.

Finally, on the potential management opportunities, this study concluded that ICBWTs should take advantage of the: EAC customs Union (2004) and Common market protocol (2010) which provides for the free movement of labor, services, capital, and goods; Simplified Trade Regime which allows for zero import duty on goods below US\$ 2000, particularly for small-scale traders, reduces the cost and procedure by issuing a Simplified Certificate of Origin (SCO); the presence of OSBP which provides space for all the agencies under one roof thereby reducing time and cost during documentation; availability of Civil Society organizations, women cross border trader's associations, and East African Community officers who provide pieces of training, finances, advocacy, and market information; Joint border management and stakeholder committees which create a conducive cross-border trade environment and lastly, KENTRADE provides a single online payment platform thereby reducing corruption, time, and cost of doing business all presenting opportunities for informal cross-border women traders.

8.7 Recommendations

Based on the findings of this study, recommendations and suggested areas for future studies are made as shown below;

EAC member states should recognize ICBWTs as integral facilitators and invincible ambassadors of regional integration whose activities are critical in fulfilling the

mandate of Customs Union (2004) and Common Market Protocol (2010) which encourages free movement of people, goods, labour, services, capital and technology.

There is a need to differentiate informal cross border traders and small scale cross border traders because in practice majority of those categorized as informal cross border traders are just but small scale cross border traders who don't understand simple trade rules resulting in constant conflict with the authorities. This will promote trade formalization.

EAC member states should have regular capacity building sessions achieved through training and sensitization of informal cross border women traders on the EAC protocol and how to conduct cross border trade including the required documents and Simplified Trade Regime. EAC member states should recruit more staff to provide enough security by manning the expansive porous borders. This can also be boosted by enlisting the services of local communities to provide intelligence on the movement of goods and people across the borders.

The department of East African Community should be funded adequately to enable its presence to be felt in the border posts and able to provide sensitization, creating awareness and working with informal cross border traders toward formalization of their operations. Attempts should be made to register all the small scale cross border traders and issue them with identifiers which will enable them to easily pass the border without a lot of difficulty thereby reducing cases of cross border trade informalities. The registered members should be extended to interest free loan services, group marketing and pooled transport through their associations.

EAC member states should prioritize construction of border markets with enough space that can have cold storage rooms, secure stores and counters to allow a better

organization of female trader's goods. The market should have crèches to enable mothers to find a place to have their young children play, breastfeed or sleep without fear of their security and health. Furthermore, the market should have proper amenities like clean toilets and bathrooms with hot showers where traders pay some user fees to get access. Moreover the market should be well lit either with solar power to enable them to operate 24 hours, and improve traders' turnover. There is a need to improve the border centers infrastructure by building a good road network to facilitate easy movement of goods, proper sewage systems to improve sanitation and have in place functioning solid management systems to reduce polluting the environment. This will minimize diseases.

EAC member states should adopt trade policies aimed at reducing the high custom duties, banning the multiple and arbitrary taxation of goods, removing sensitive lists with goods, attracting mandatory excise duties and creating a conducive environment for cross border trade formalization. In Kenya there should be a special waiver for small scale traders from Agricultural and Food Authority permits which is far too high for many traders dealing with non-processed agricultural products.

A policy should be in place to ensure that border agents/paper pushers are registered and issued with unique identifiers to avoid rogue individuals who take advantage of the informal cross border traders.

EAC member's states should continue partnering with Civil Society Organizations who have shown potential in offering training, providing market information, availing loans through SILC model and advocating for informal cross border traders to get into the formal space at the policy level.

There should be an information desk for women cross border traders where they can easily get all the information they need to facilitate trade within the OSBP. Similarly, registered forex bureaus should be found in OSBPs where informal cross border traders cannot be charged high currency exchange rates.

The representatives sent by the States to the East Africa Legislative assembly should be directly elected by the people as is the case with the European Union Parliament to be able to advocate for people centered integration not trade minded or capitalist. This will enable the voices of the marginalized informal cross border traders to be well represented.

Finally, to be valid and for the study findings to be generalized over a greater realm or to form the basis for a theory, the study may be repeated for confirmation in a different population, still using a non-probability method.

8.7.1 Suggested areas for future studies

The following suggested areas should be considered for future studies.

- i. Informal cross border trade and spread of infectious diseases.
- ii. Solid waste management and pollution in the border posts.
- iii. Political rivalry of EAC member states and the growth of informal cross border trade.

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APPENDICES

Appendix I: Schedule for Women Informal Cross Border Traders

Title of the Research Project	Political Economy of informal cross border trade in East African Community: Case of Women traders in Busia and Isebania borders.
Name of the Researcher	Nyaliech Jack
Position of the Researcher	PhD candidate in Political Science
Contact of the supervisor	+254 721 634 650 or +254 705 233 508
Name and Address of the University	Moi University, P. O Box 3900-30100, Eldoret.
Signature of the Researcher	
Date	
<p><u>Statement to be signed by the Participant</u></p> <p>I confirm that the organizer has explained fully the nature of the research and range of questions that I will respond too satisfactorily</p> <p>I understand that my participation is voluntary and that I may withdraw at any time during the project without having to give a reason. I am aware that this study will cause no known distress to me.</p> <p>I consent to take part in this project.</p> <p>Signature _____ Date _____</p>	

Section One: Socio-demographics

1. Sex of the respondent

Male () Female ()

2. Age of the respondents

<17yrs	18-30yrs	30-45yrs	45-60yrs	Above 60yrs
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3. Marital status?

Married	Single	Separated	Widowed

4. No of Dependents.....

Children yet to join school	Children in Pre- and Primary School	Children in Secondary School	Children in Tertiary /University

4. Educational level_____

5. Your other occupation_____

6. Citizenship_____

7. Ethnic group_____

8. Religious Group_____

7. Village of residence_____

8. Sub-County of residence_____

SECTION B: Nature and Magnitude of Informal Cross border trade by women traders.

- I. Duration you have been in Informal Cross Border Trade
- II. How many times in a month do you cross the border to either sell or buy goods?
- III. What type of goods and merchandise do you sell?
- IV. How do you obtain these goods / merchandise?
- V. How do you manage to pass through the main border post with the goods without notice by customs officials
- VI. What other alternative routes do you use to cross the border?
- VII. Where do you get capital to purchase goods/merchandise? Tick any of the responses applicable?

Self () Spouse () Family () Friends () Banks () SILC ()
others_____

What are the challenges you face in getting credit? _____

VIII. How much is the total value of goods you normally purchase?
_____IX. How much do you get from selling the goods/merchandise?

X. Are you a full time informal cross border trader?

Yes () No ()

If No what else are you engaged in when you are not practicing cross border trade?

- XI. Is there interaction between men and women informal cross traders practicing cross border trade and how, when, why and where do they interact? If not, why?

Section C: Drivers of informal cross border trade.

- a. What drives you to informal cross border trade

Section D: Socio economic and political impact of women informal cross border traders.

Explain in what way does women participation in informal cross border trader impact the following;

- b. Individual women traders
c. Household /Family setting
d. Community
e. Country

Section E: Challenges faced by women informal cross border traders

- a. Are there any difficulties you encounter as an informal cross border trader?
Yes () No ().

If yes, what are these Challenges?

- b. How do you handle these challenges?
c. What would you recommend to be done to reduce these difficulties

Section D: Opportunities for women informal cross border

- I. Are you aware of the existence of the E.A. Customs Union and Common Market? Yes () No ()

If yes, what do you know about EA Customs Union and Common Market?

In what way can the EA customs Union and Common market protocols are help to your trade?

- II. Are you aware of the requirements to be a cross border trader? Yes () No ()

If yes, what requirements must you meet to be a cross border trader?

- III. Are you aware of simplified trade regimes? Yes () No ()

If yes, how can you use them to facilitate informal cross border trade?

- IV. Are there organizations you are aware of which support women informal cross border traders? Yes () No ()

- V. Who are they and How do they support WICBT

- VI. What would you recommend to improve informal cross border trade?

Appendix II: Interview Schedule for Customs Officials

SECTION A: Nature and Magnitude of informal cross border trade by women traders?

- A. What is informal cross border trade?
- B. Is informal cross border trade rampant between Kenya, Uganda and Tanzania?
- C. What is the proportion of informal cross border trade between Kenya, Uganda and Tanzania respectively?
- D. Are women the majority participants? If Yes by what proportion-Provide some statistics.
- E. What type of goods and merchandise are traded by women in informal cross border trade?
- F. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
- G. How much is the estimated value of these goods traded by informal cross border trade? - Break them down in the form of export and import.
- H. What are the common techniques used by women informal cross border traders to cross with the goods?
- I. Do men have a role in facilitating women informal cross border traders?
Yes() No ()
If yes, how and why?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER TRADERS

1. What are the main drivers of women into informal cross border trade?

SECTION C: What are the socio-economic and political impacts of women informal cross border traders?

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D A: CHALLENGES FACED BY WOMEN IN INFORMAL CROSS BORDER TRADER.

1. To what extent are the taxation policies of Kenya, Uganda and Tanzania a challenge to women informal cross border traders?
2. To what extent does the formalization procedure challenge women informal cross border traders? Explain expounding on the document required, fees charged and duration taken to complete the process?
3. What other challenges are women informal cross border traders facing?
4. What challenges do officials face as they deal with women informal cross border traders?
5. What are some of the steps currently undertaken by EAC member's states to address the challenges?
6. What are some of the solutions you will recommend EAC adopt to address these problems?

SECTION D B: OPPORTUNITIES FOR WOMEN IN INFORMAL CROSS BORDER TRADER.

1. What are the specific policies and programmes that EAC member's states have to support women informal cross border traders?
2. Are there non-state actors supporting women informal cross border traders?
Yes () No()
If yes, how can women informal cross border trader's benefit from them?
3. What are other existing opportunities for women informal cross border traders?
4. What would you recommend to EAC member states to do to support women informal cross border traders?

Appendix III: Interview Schedule for Kenya Chamber of Commerce and Industries

SECTION A: NATURE AND MAGNITUDE OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC.

1. Do chambers of commerce have a role in facilitating cross border trade?
Yes () No ()
If yes, what role does the chamber of commerce play?
2. What is the proportion of informal cross border trade between Kenya, Uganda and Tanzania?
3. Are women the majority of informal cross border trades? Provide some statistics.
4. What are the types of goods/merchandise traded by women informal cross border traders?
5. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
6. How are these goods/merchandise traded by women informal cross border traders transported?
7. What is the estimate of the value of goods traded by these women informal cross border traders?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC

1. What do you consider to be the reasons for women informal cross border traders?

SECTION C: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN**INFORMAL CROSS BORDER TRADERS.**

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D: EXISTING CHALLENGES AND OPPORTUNITIES FOR**WOMEN INFORMAL CROSS BORDER TRADERS IN EAC?**

1. What taxation policies are making women informal cross border traders face difficulties? Look at the taxation policies of Kenya, Uganda and Tanzania?
2. To what extent are the formalization procedures a challenge to women informal cross border traders in EAC? Look at the documentation procedure, cost and duration between Kenya, Uganda and Tanzania.
3. What tariff barriers are posing challenges to women informal cross border traders between Kenya, Uganda and Tanzania respectively?
4. What are the non-tariff barriers posing challenges to women informal cross border traders between Kenya Uganda and Tanzania respectively.
5. What other challenges do women informal cross border traders face in EAC
6. What does the chamber of commerce do to solve these challenges faced by women informal cross border traders in EAC?
7. What are some of the solutions you will recommend EAC adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

1. Explain some of the existing opportunities that the governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
2. What are some of the successful programmes and initiatives that chamber of commerce and EAC member states have put in place to support women informal cross border traders?
3. Are there non-state actors supporting women informal cross border traders?
Yes () No()
If yes, how can women informal cross border trader's benefit from them?
4. What are other existing opportunities for women informal cross border traders?
5. What would you recommend to EAC member states to do to support women informal cross border traders?

**Appendix IV: Interview Schedule for EAC and International Trade Ministry
Officials**

**SECTION A: NATURE AND MAGNITUDE OF WOMEN INFORMAL CROSS
BORDER TRADERS IN EAC.**

1. What is informal cross border trade?
2. Is informal cross border trade rampant between Kenya, Uganda and Tanzania?
3. What is the proportion of informal cross border trade between Kenya, Uganda and Tanzania respectively?
4. Are women the majority shareholders? If Yes by what proportion-Provide some statistics.
5. What type of goods and merchandise are women informal cross border traders?
6. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
7. How much is the estimated value of these goods traded by informal cross border trade? - Break them down in the form of export and import.
8. What are the common techniques used by women informal cross border traders to cross with the goods?

**SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER
TRADERS IN EAC**

1. What do consider being the reasons for women informal cross border traders?

**SECTION C: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN
INFORMAL CROSS BORDER TRADERS.**

4. What are the social impacts of women informal cross border traders EAC?
5. What are the economic impacts of women informal cross border traders EAC?
6. What are the political impacts of women informal cross border traders EAC?

**SECTION D: EXISTING CHALLENGES AND OPPORTUNITIES FOR
WOMEN INFORMAL CROSS BORDER TRADERS IN EAC?**

1. What taxation policies are making women informal cross border traders face difficulties? Look at the taxation policies of Kenya, Uganda and Tanzania?
2. To what extent are the formalization procedures a challenge to women informal cross border traders in EAC? Look at the documentation

procedure, cost and duration between Kenya, Uganda and Tanzania.

3. What tariff barriers are posing challenges to women informal cross border traders between Kenya, Uganda and Tanzania respectively?
4. What are the non-tariff barriers posing challenges to women informal cross border traders between Kenya Uganda and Tanzania respectively.
5. What other challenges do women informal cross border traders face in EAC
6. What does the ministry of East African Community do to solve these challenges faced by women informal cross border traders in EAC?
7. What are some of the solutions you will recommend EAC adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

1. Explain some of the existing opportunities that the governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
2. What are some of the successful programmes and initiatives that the ministry of East African Community have put in place to support women informal cross border traders?
3. Are there non-state actors supporting women informal cross border traders? Yes () No() If yes, how can women informal cross border trader's benefit from them?
4. What are other existing opportunities for women informal cross border traders?
5. What would you recommend to EAC member states to do to support women informal cross border traders?

Appendix V: Interview Schedule County Commissioner.**SECTION A: NATURE AND MAGNITUDE OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC.**

1. Is informal cross border trade rampant between Kenya, Uganda and Tanzania?
If Yes, what is the proportion compared to formal trade?
2. How does the government of Kenya define informal cross border trade?
3. What is the proportion of informal cross border trade between Kenya, Uganda and Tanzania respectively?
4. Are women the majority shareholders? If Yes by what proportion-Provide some statistics.
5. What type of goods and merchandise are women informal cross border traders?
6. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
7. How much is the estimated value of these goods traded by informal cross border trade? - Break them down in the form of export and import.
8. What are the common techniques used by women informal cross border traders to maneuver the border post officials.
9. How do women informal cross border traders transport their goods into and from Kenya?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC

1. What are the reasons for women participation in informal cross border traders?

SECTION C: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN

INFORMAL CROSS BORDER TRADERS.

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D: EXISTING CHALLENGES AND OPPORTUNITIES FOR

WOMEN INFORMAL CROSS BORDER TRADERS IN EAC?

1. What are challenges do women informal cross border traders face in EAC
2. What role does NGAO play to solve these challenges faced by women informal cross border traders in EAC?
3. What are some of the solutions you will recommend EAC member states adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

1. Explain some of the existing opportunities that the governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
2. What are some of the successful programmes and initiatives put in place by the Kenyan government to support women informal cross border traders?
3. Are there non-state actors supporting women informal cross border traders?
Yes()No() If yes how can women informal cross border trader's benefit from them?
4. What are other existing opportunities for women informal cross border traders?
5. What would you recommend to EAC member states to do to support women informal cross border traders?

Appendix VI: Interview Schedule for County Trade Department Official

1. Is informal cross border trade rampant between Kenya, Uganda and Tanzania? Yes () No ()
2. If yes, what is the proportion of informal cross border trade between Kenya, Uganda and Tanzania respectively?
3. Are women the majority participants in informal cross border trade? If Yes by what proportion-Provide some statistics.
4. What type of goods and merchandise are women informal cross border traders?
5. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
6. How much is the estimated value of these goods traded by informal cross border trade? - Break them down in the form of export and import.
7. What are the common techniques used by women informal cross border traders to cross with the goods?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC

1. What do consider being the reasons for women informal cross border traders?

SECTION C: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN INFORMAL CROSS BORDER TRADERS.

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D: EXISTING CHALLENGES AND OPPORTUNITIES FOR WOMEN INFORMAL CROSS BORDER TRADERS IN EAC?

1. What are the challenges women informal cross border traders face?
2. To what extent are the County formalization procedures a challenge to women informal cross border traders? Look at the documentation procedure, cost and duration it takes to get licenses to do businesses.
3. What are the other fees that County government charge women informal cross border traders
4. In what ways are these fees a challenge to women informal cross border traders?

5. What does the County Government do to solve these challenges faced by women informal cross border traders in EAC?
6. What are some of the solutions you will recommend EAC adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

7. Explain some of the existing opportunities that the County government and governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
8. What are some of the successful programmes and initiatives that the County Governments have put in place to support women informal cross border traders?
9. Are there non-state actors supporting women informal cross border traders?
Yes() No()
If yes, how can women informal cross border trader's benefit from them?
10. What are other existing opportunities for women informal cross border traders?
11. What would you recommend to EAC member states to do to support women informal cross border traders?

Appendix VII: Interview Schedule for Development Partners and Non State

Actors

1. What is the name of your organization _____
2. Where is your head office based _____
3. Are you in any way involved in facilitating cross border trade between Kenya, Uganda and Tanzania? Yes () No ()
4. If yes, what is your role in cross border trade?
5. Is Informal cross border trader rampant between Kenya, Uganda and Tanzania? Provide some statistics
6. Are women the majority participants in informal cross border trade between Kenya, Uganda and Tanzania? If Yes by what proportion-Provide some statistics.
7. What type of goods and merchandise are women informal cross border traders?
8. Which country is the leading source of goods and merchandise traded by women informal cross border traders between Kenya –Uganda and Kenya-Tanzania?
9. How much is the estimated value of these goods traded by informal cross border trade? - Break them down in the form of export and import.
10. What are the common techniques used by women informal cross border traders to cross with the goods?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER TRADERS IN EAC

1. What are the reasons why women are involved in informal cross border trade?

SECTION: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN INFORMAL CROSS BORDER TRADERS.

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D: EXISTING CHALLENGES AND OPPORTUNITIES FOR WOMEN INFORMAL CROSS BORDER TRADERS IN EAC?

1. What taxation policies are making women informal cross border traders face difficulties? Look at the taxation policies of Kenya, Uganda and Tanzania?
2. To what extent are the formalization procedures a challenge to women informal cross border traders in EAC? Look at the documentation procedure, cost and duration between Kenya, Uganda and Tanzania.
3. What tariff barriers are posing challenges to women informal cross border traders between Kenya, Uganda and Tanzania respectively?
4. What are the non-tariff barriers posing challenges to women informal cross border traders between Kenya Uganda and Tanzania respectively.
5. What other challenges do women informal cross border traders face in EAC

6. What does your organization do to help in solving these challenges faced by women informal cross border traders in EAC?
7. What are some of the solutions you will recommend EAC adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

1. Explain some of the existing opportunities that governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
2. What are some of the existing opportunities in EAC that women informal cross border traders can benefit from?
3. What are some of the successful programmes and initiatives that your organizations have put in place to support women informal cross border traders?
4. Are there non-state actors supporting women informal cross border traders that you work with? Yes () No ()
5. If yes, how can women informal cross border trader's benefit from them?
6. What would you recommend to EAC member states to do to support women informal cross border traders?

Appendix VIII: Interview Schedule for Community Leaders

SECTION A: NATURE AND MAGNITUDE OF WOMEN INFORMAL CROSS

BORDER TRADERS IN EAC.

1. Is informal cross border trade rampant between Kenya, Uganda and Tanzania?
If Yes, what is the proportion compared to formal trade?
2. What is this informal cross border trade?
3. Are women the majority shareholders?
4. Which country has the highest number of women informal cross border traders between Kenya, Uganda and Tanzania respectively?
5. What type of goods and merchandise are women informal cross border traders?
6. Which country is the leading source of goods and merchandise traded by women informal cross border traders?
7. What could be the value of goods traded by women informal cross border traders?
8. What are the common techniques used by women informal cross border traders to maneuver the border post officials.
9. How do women informal cross border traders transport their goods into and from Kenya?

SECTION B: DRIVERS OF WOMEN INFORMAL CROSS BORDER

TRADERS IN EAC

1. What are the reasons for women participation in informal cross border traders?

SECTION C: SOCIO-ECONOMIC AND POLITICAL IMPACT OF WOMEN

INFORMAL CROSS BORDER TRADERS.

1. What are the social impacts of women informal cross border traders EAC?
2. What are the economic impacts of women informal cross border traders EAC?
3. What are the political impacts of women informal cross border traders EAC?

SECTION D: EXISTING CHALLENGES WOMEN INFORMAL CROSS

BORDER TRADERS FACE IN EAC?

1. What are the challenges women in informal cross border trader face in EAC
2. What role do community leaders play in solving these challenges faced by women in informal cross border traders in EAC?
3. What are some of the solutions you will recommend EAC member states adopt to address these problems?

SECTION D: EXISTING OPPORTUNITIES

1. Explain some of the existing opportunities that the governments of Kenya, Uganda and Tanzania can ride on to support women informal cross border traders?
2. What are some of the successful programmes and initiatives in the community to support women informal cross border traders?
3. Are there non-state actors supporting women informal cross border traders in the community? Yes() No()
 - a. If yes, how can women in informal cross border trader benefit from them?
4. What are other existing opportunities for women informal cross border traders in the community?
5. What would you recommend to EAC member states to do to support women informal cross border traders.

Appendix IX: Observational Guide for Women Informal Cross Border Traders and Customs

1. Between women and men who are crossing the border with goods more
2. Describe the types of goods are being traded by women informal cross border traders
3. Describe the places where good are being sold
4. Describe the documents used to formalize cross border trade

Appendix X: Research Work Plan

Table A1: Research Work Plan

No	STEPS IN RESEARCH	DEADLINE FOR COMPLETION
1	Submission of the proposal	15 th February 2022
2	Departmental and School oral Defense	March 2022
3	Permission to go to the field	April 2022
4	Pre-testing data collection instruments	April 2022
5	Data Collection	May to June 2022
6	Editing of completed questionnaires, grouping and coding of data, entering data into a computer	July 2022
7	Raw tabulations/draft analysis of quantitative/qualitative data	October 2022
8	Analysis of data	October 2022
9	Reporting of findings	April 2023
10	Presentation for examination	May 2023
11	Final oral defense	November 2023
12	Submission of completed report	November 2023
13	Publication of the findings in refereed journal	September 2023

Source: Author, 2022.

Appendix XI: Budget for Research

Table A.2: Budget for Research

NO	Activity	Item	Amount (ksh)	Total cost (ksh)
1	Literature Review and Proposal Development	Daily bundles for literature search.	500 Ksh*120 days	60,000
2	Bus fare to Moi University Library	Bus fare	400 Ksh *30days	12,000
3	Document development	Typing, Editing and Printing and Binding of PhD research Proposal	20 Ksh*190 pages	3,800
4	Thesis Printing	Printing and binding of 10 copies of Thesis proposal	10Ksh*190 pages*10 copies	19,000
5	Research Permit from NASCOTI	Research Permit	2000 Khs	2,000
6	Training of research enumerators	Allowances and stationeries for enumerators	5 research enumerators*1 day*3500	17,500
7	Pre-testing of the questionnaires	Transport, accommodation and incidentals allowances for Researcher and 5 Research assistants for 5 days	4 people* 5days *5000	100,000
8	Field Work	Data collection for 60 days by 6 researchers	6 researchers*60 days*3500 Ksh	210,000
9	Data Analysis	Data analysis	30days*1500	45,000
10	Printing of thesis report for examination	Printing of 10 copies	10 copies*3800ksh	38,000
	<u>Grand Total</u>	-	-	<u>507,300</u>

Source: Author, 2022.