

WOMEN IN BUSINESS DOWNLOADS

Let's Give Women Informal Cross Border Traders a Helping Hand

Dorothy M. Tuma © March 2010

Why should anyone be interested first in informal cross border trade and second in the unique challenges faced by women informal cross border traders? First, Uganda's informal cross border trade is a substantial and growing contributor to our gross domestic product that cannot be ignored. A joint Uganda Bureau of Statistics/Bank of Uganda Informal Cross Border Trade Survey estimated that in 2007, Uganda's informal cross border trade with her neighbours amounted to just under US\$ 777 million. The same survey estimated that as a percent of formal exports, Uganda's informal exports performed as follows: 2005: 25%; 2006: 24% and 2007 58%.

Second, women are believed to be the bulk of the world's informal traders. The same belief holds true for the East African Community. As is the case in other sectors of our economy however, the women's contribution often goes unrecognized. Given the enormous role that women play in informal cross border trade as well as the importance of their contribution to our GDP and their impact on improving the livelihoods of their families and communities through their earnings, it is important that attention be given to the unique challenges they face as they transact business, with a view to identifying solutions.

This is especially important because we can only expect the level of cross border trade within our regional trading blocs to grow. Given the above quoted statistics, it is also safe to project that the level of informal trade as a percentage of total exports will move in the same direction. Finally, with women as the bulk of the informal traders, their numbers and transaction volumes can also be expected to increase. Should their trading environment then, not be made easier for them to transact business in?

The general public may not be aware that in addition to the challenges faced by all cross border traders, women traders fall victim to an additional set of perils for two primary reasons: i) most of the women traders are ignorant of their legal rights, the legal border requirements and the extent to which an officer can ask them to "comply." ii) the women are usually short of funds – which men traders use to pay their way out of situations - and end up having to find alternative means to meet the real and imaginary requirements imposed on them by the government border officials. The additional perils are outlined below.

Harassment by the police, customs and immigration officials: This comes up in almost every survey on cross border trade, irrespective of whether the survey is conducted among formal or informal traders. The harassment may be in the form of a male officer insisting on conducting an unnecessary full body search¹ of a woman trader or, it could be a direct request for a bribe.

Confronted with a situation where she is being told she does not meet the necessary requirements to take her goods across the border, aware of the importance of crossing the border in good time and short of

¹ Women Participation in Cross Border Trade in East Africa. The Role of the EAC Customs Union Protocol.

funds, the woman trader may find herself settling her outstanding requirements by means of sexual favours. This form of settlement brings with it the possibility of either contracting or spreading HIV/AIDS. Given that trade corridors are documented as being a principal source of HIV transmission throughout Africa², this is a grave concern.

Unscrupulous go-betweens: In an attempt to avoid scrutiny and potential harassment at the hands of border government officials, some women traders opt to use male go-betweens³. These self-styled “experts” in border negotiations charge women traders a fee which increases the women traders’ cost of doing business, with no real guarantee that the woman will not get harassed. In return, the go-between offers the possibility that the women traders might be able to avoid all contact with government officials.

Delays at customs posts: Either because the immigration/customs posts are understaffed or because the immigration/customs officers deliberately take their time processing papers, traders sometimes find that they get detained for unreasonably long periods of time at the border posts. These extended delays can cause traders to be left behind at the border posts, as impatient drivers keen to get to their destinations feel they have waited long enough.

Why does this present women traders with a special challenge? If the women traders are able to identify a means of transport, the truck drivers they are dealing with might choose to exploit the situation by asking for an unusually high transport fee⁴, putting the women traders in a difficult situation. In the absence of any other means of meeting the transport costs, the women may engage in transactional sex⁵ to pay for the service. Again, the risk of either spreading or contracting HIV/AIDS is encountered.

If they are unable to obtain transport to the nearest trading centre, the women traders will have to exercise extreme creativity in finding a safe place to spend the night. If the women traders are travelling in a group, they are able to sleep in a huddled group, enjoying the safety of numbers. If travelling alone however, inevitably, a woman in this kind of situation is approached by a “helpful” customs official⁶ or other man who more likely than not will end up taking advantage of her under the guise of offering safe accommodation for the night.

Border post delays and an absence of storage facilities at those locations also increase the risk of perishable commodities getting spoiled before reaching their final destination. This is a loss for the trader.

Policy considerations aside, what can be done in the short to medium term to directly offer women traders a helping hand?

² Bhuiyan. Mohamed. Mengistu(2004). Transport Corridor: A Cross Border Passage for HIV Transmission.

³ Damon & Jeuring (2009). Informal Cross Border Trade as an Instrument in Alleviating Poverty.

⁴ Olowo (2008). The Gender Dimension of the Enhanced Integrated Framework.

⁵ Matsuyama (2010). Risky Business of Informal Cross Border Trade.

⁶ Olowo (2008). The Gender Dimension of the Enhanced Integrated Framework.

- **Information is power.** Information dissemination should therefore be at the forefront of any initiative undertaken to improve the conditions under which informal cross border traders but especially women traders operate.
 - Ensure that the existing legal tariff and non-tariff barriers are widely known using the media and other relevant forms of information sharing e.g. civilian manned visible information points. If border officials are aware that the traders know exactly what can be asked of them, the officials will find it much harder to ask for something that is not legally required.
 - Educate border post officials on the importance of cross border trade and the need for border post officials to be facilitators, not hindrances.
 - Encourage cross border traders to form associations that will be conduits of information on the difference between legal and illegal demands as well as real and imaginary tariff and non-tariff barriers. The associations should receive as much capacity building support as possible not only on how to obtain current information but also in the areas of assertion and self-confidence. As a block, women traders will have a louder voice than they do individually. Armed with the right information and training as well as the backing of their block of traders, more women traders will have the courage to challenge officials seeking to take advantage of them. They will also have no need for unscrupulous go-betweens.
 - Encourage informal cross border traders to realize that their transactions will be protected under the law if they are conducted under the law. After all, in Uganda, exports draw zero taxes.
 - Conduct aggressive HIV/AIDS awareness and prevention campaigns at border posts and in the neighbouring trading centres.
- **Attract the business community** to invest in safe, clean affordable accommodation and storage facilities at or close to the border posts. This is an unmet need that could prove quite profitable for the right investor. One may even go as far as to suggest the construction of single sex hostels or dormitories simply providing basic requirements with safety at the top of the list.
- **Engage informal cross border women traders** in dialogue whenever an opportunity to capture their needs is presented. Ensure sufficient representation of their views at all levels from public forums all the way to policy levels.