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– Challenges Encountered by Informal Cross Border Traders and the Simplified Trade Regime

1. The important role played by informal cross border traders.

Studies conducted estimate that about 70-80 percent of informal cross border traders are women. It has also been established that cross border trade is the only source of income for the majority of these women, and hence trade remains a tool to empower women and can propel entire economies forward. However the women traders face gender based barriers at borders affecting potential for inclusive growth. Therefore in order to attain sustainable economic emancipation of women traders, it is key to promote their trade efforts by removal of the barriers they encounter whilst moving goods across the borders.

2. Challenges being faced by women traders at the borders

- Women traders often lack access to information on trade rules and customs procedures and as a result, some may resort to use of illegal crossing points which has negative consequences if caught by border authorities. If caught, women traders may end up paying high penalties, bribes or they may have their goods confiscated. When such incidences happen, their businesses may fail to transition to profitable or sustainable ones. Use of illegal crossing points is also highly risky for them, as they find themselves sexually harassed and abused in the process of crossing the borders illegally.
- Women traders face delays at the borders due to seemingly complex customs procedures as well as the presence of multiple border agencies leading to low compliance levels and delays in clearance of goods. My recent experience with multiple border agencies was about 6 days ago, I passed through a border post and I had no goods to declare, it was early in the morning and the border was still quiet and there were no queues. I went through 12 check points and it took me about 55 minutes to complete border clearance formalities. Imagine if I had goods to be cleared and the border was congested? How long would I have spent at the border?"
- Although borders are restricted areas, most of them remain porous as unauthorised personnel illegally gain access to swindle unsuspecting traders and travellers who are mostly women.

- Women traders also face infrastructural challenges. Infrastructure for most borders in Africa remains outdated and inadequate to handle current demands of increase in trade volumes.
 - Lack of reliable electricity results in poor lighting at night, creating a sense of insecurity among women traders.
 - Some border posts provide improper sanitary conditions as some of ablution facilities are in a state of disrepair and overwhelmed by demand. On a busy day and in most of the cases, women can be seen lining up to get in the ablution facilities one after the other. Some ablution facilities are not sensitive to women travellers' needs and requirements as they do not have facilities for breastfeeding mothers, including provisions to change nappies for their babies.
 - Lack of overnight accommodation may expose women traders to greater risks of violence creating more gender based barriers to trade.

- Most border posts are not friendly environments for women traders as the ratio of male to female is disproportionate. Women traders may feel intimidated at border posts where almost all staff in position of authority is men. I had a personal experience with this imbalance as at one time I was assigned to work at a border post for three years and out of a staff establishment of 10 for those in position of authority, was the only female.

- Woman traders may also face discriminatory treatment at the border posts which is not reported and hence the offenders go unpunished. They may face verbal, physical abuse and sexual harassment at the hands of customs officials, border police, the military, and other (unauthorised) persons at the border, including forcible stripping and sometimes even rape in emerging economies. Due to the absence of information on appeals and review mechanism, such incidents go unreported. Most women traders are not sure how and where to lodge their complaints.

3. Measures that can be put in place to facilitate women traders.

- Translation of trade regulations and procedures into indigenous languages and make them available to all. This is essential as studies have shown that skills, business size and literacy level amongst women involved in cross border trade is not homogeneous, hence the writing of procedures in local languages understood by many will have a widespread impact. Trade procedures should also be made more accessible to women traders by displaying them on screens or posters at entry and exit points at border posts.

- Gender sensitive policies should be put in place in order to create a safe working environment where women traders are not taken advantage of by male personnel. There is also a need to set up a reporting mechanism on gender based

discrimination at the borders, which women traders can make use of as a way to reduce discriminatory encounters.

- Studies carried out at border posts revealed that there is usually one queue for everyone. There is a need to have separation of queues between the elderly women and those few who have children on their backs. Priority should be given to the elderly and breastfeeding women through the introduction of the express lanes for them to be cleared faster.
- Make border posts a more women friendly environment by increasing the proportion of women officials within their ranks.
- Governments should invest in border infrastructure upgrades to enhance smooth flow of trade as well as provide amenities for women to keep them safe from diseases and harassment.
- Awareness workshops for women traders on trade related issues and education on use of simplified trade regime (STR) where this is available. Regions not yet implementing STR should strive to do so, and those already implementing could further refine STR conditions to better respond to the specific needs of informal traders

4. The Simplified Trade Regime as a trade facilitation measure for Informal Cross Border Traders.

What is a simplified trade regime (STR)?

The Simplified Trade Regime (STR) is a special provision aimed specifically at Informal Cross Border Traders who regularly transact in low value consignments. This arrangement is implemented by Member States of regional economic communities. The objective of the STR is to create opportunities for small scale and informal traders so that they are not excluded from benefits of regional economic integration. The STR helps to formalize and improve the performance of the informal cross border traders and more importantly, enables them to benefit from the regional preferential treatment when importing or exporting goods within the region.

The STR as a trade arrangement.

Use of STR simplifies trade through the use of generally four main instruments and one common administrative pillar namely:

1. Common list of products (This is key as it specifies goods that enjoy preferential treatment under this regime)
2. A threshold for the value of consignment. (In EAC and COMESA the agreed threshold is USD 2000)

3. Simplified certificate of origin. (Upon arrival at the border, ICBTs with qualifying goods is issued with the simplified Certificate of Origin (CoO) by the Trade Information Desk (TID) manned by Trade Information Desk Officer (TIDO). The qualifying imported goods are then cleared and enter the country customs duty-free, although in some instances import value added tax maybe chargeable.

4. Simplified Customs Document

TIDO is responsible for educating ICBTs and SSCBTs about the STR facility through holding workshops and awareness initiatives, explaining the procedures and processes, updating traders on any changes that might come into existence, as well as assisting them with the completion of the applicable forms.

Within the Tripartite Free Trade Area, COMESA and EAC have implemented STR, with SADC yet to do so.

In the Southern African Development Community (SADC), informal cross-border trade (ICBT) is significant, accounting for between 30 to 40 per cent of total intra-SADC trade, with an estimated value of USD 17.6 billion. Women make up approximately 70 per cent of informal cross-border traders in SADC. STR implementation in SADC would enable these traders to enjoy preferential duty rates on their imported goods. The majority of female ICBTs are relatively poor, with low levels of education, and trade in high volume of low-value goods, including food products, cosmetics, clothes and handicrafts. Women ICBTs (WICBTs) support some of the most fragile and impoverished communities, and hence by not providing facilitative arrangements like the SADC STR to support trader's to sustain their businesses may pose a threat to the most vulnerable and least resilient.

Considering the high level of informal cross-border trade within SADC, member countries should make use of the SADC STR Framework already in place and enter into bilateral agreements to operationalise STR for the benefit of ICBTs. Implementation of STR would lessen the challenges currently faced by informal traders engaged in Intra SADC trade leading to economic empowerment of many households.