



BORDERLINE:
Women in informal
cross-border trade
in Malawi, the United
Republic of Tanzania
and Zambia





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INTRODUCTION

Informal cross-border trade is defined as trade in legitimately produced goods and services that escapes the regulatory framework established by the government, thereby avoiding certain tax and regulatory burdens. These goods and services may be traded by (1) informal (unregistered) traders operating entirely outside the formal economy and passing through unofficial routes, or by (2) formal (registered) traders who fully or partially evade trade-related regulations and duties. For trade in goods, partial evasion of customs duties by passing through official border posts involves illegal practices of under-invoicing (i.e. reporting a lower quantity, weight, or value of goods to pay lower import tariffs), misclassification (i.e. falsifying the description of products so that they are misclassified as products subject to lower tariffs), misdeclaration of the country of origin, or bribery of customs officials (Lesser and Moisé-Leeman 2009; Ama *et al.* 2013).

Informal cross-border trade has been a major feature of African economic and social landscapes dating back to the colonial era. While it is difficult to precisely assess the magnitude of such trade due to lack of consistent measurement tools and accurate data, estimates suggest that it continues to play a large role in Africa. In the Southern African Development Community (SADC), for example, informal cross-border trade is estimated to amount to US\$17.6 billion per year, i.e. 30 to 40 per cent of total regional trade. In West Africa, informal cross-border trade accounts for 20 per cent of GDP in Nigeria and 75 per cent of GDP in Benin (UNCTAD 2013a; Koroma *et al.* 2017).

Informal cross-border trade supports livelihoods, particularly in remote rural locations. It creates jobs, especially for vulnerable groups such as poor women

exports. At certain border posts, estimates suggest that small-scale trade eclipses formal trade in both value and volume. Goods (mostly agricultural products) are carried across borders by hand, bicycle, taxi, or bus for sale in local markets. Each consignment is typically small, but thousands of individual traders cross borders daily, and in some places multiple times per day, to buy and sell goods, leading to high volumes overall.

A key feature of informal cross-border trade is that most traders are women, and for these women such trade is often their main or even only source of income (Titeca and Célestin 2012; World Bank 2012; Lesser and Moisé-Leeman 2009; Perberdy and Rogerson 2000; Macamo 1998; Muzvidziwa 1998; Perberdy and Crush 1998). According to UN Women (2010), women constitute about 70 per cent of the informal cross-border traders in the SADC region. The female predominance in informal cross-border trade 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'o-Tchouawou *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. A large proportion of women informal traders are heads of single-parent households and may rely exclusively on trade for their own subsistence and that of their children (Spring 2009).

Even though women play a critical role in cross-border trade, they often benefit only marginally from

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