

# LIBERIA

The baseline study on women in Informal Cross Border Trade (ICBT) in Liberia was conducted in November 2007 and covered four research sites located in four counties: the Foya/Kondou site at Liberia/Sierra Leone border in Lofa County; the Ganta/Beala site at the Liberia/Guinea border in Nimba County; the Bo-Waterside/Jendema site at the Liberia/Sierra Leone border in Grand Cape Mount County; and the Kuwait and Red Lights markets at Duala and Paynesville, in Montserado county. The data-collection methodology used a sample survey of women and men involved in ICBT, direct observation of the market and border sites, focus-group discussions, and interviews of officials from key service institutions such as the Liberian Marketing Association (LMA), Immigration, Customs, Police, and Transporters' Association. The sample size for the survey was 450 respondents: 240 women and 150 men from Liberian markets, and 30 women and 30 men from all three external markets (Beala, Koundu and Jendema) in Guinea and Sierra Leone. In addition 70 women and men were involved in the focus-group discussions conducted at each border site. The study was conducted in a post conflict context characterized by high levels of poverty and unemployment which account for the large informal sector and high levels of deterioration of the public infrastructure. Liberia is a member of the Economic Community of West African States (ECOWAS) and the Mano River Union (MRU), however the MRU was not highly functional due to the prolonged conflicts involving Sierra Leone and Liberia. Policy related constraints due to the conflict between national and regional trade policies, such as the restriction of food exports by Guinea due to the food crisis, were also restricting the flow of goods on the Liberian borders with Guinea and Sierra Leone.

## KEY FINDINGS

**REASONS FOR ENGAGING IN INFORMAL CROSS BORDER TRADE:** Women have dominated the ICBT sector during the pre-conflict, conflict and post-conflict periods in Liberia. The study showed that ICBT is the main source of employment and income for 91% of female and 96% of male respondents. The spouses of the male respondents are more engaged in ICBT (about 42%) relative to about 32% of the spouses of female respondents. The motivations for participating in ICBT are primarily employment (70% of female and 65% of male respondents) and income earning (33% for female and 40% for male respondents). The main motivation for trading is primarily profitability, and factors that promote profitability are good understanding of the market, availability of commodities and fast turnover rates.

**GOODS AND SERVICES TRADED: Women are more engaged in the production and sale of agricultural products than men.** 70% of all female respondents import farina, peanuts, pepper, bitter balls/okro, dried fish, meat, rice, fufu, and palm oil, while 67% of male respondents import fufu, cassava, eddoes, plantain, yam and frozen fish/chicken/meat. Most of the agricultural goods traded are produced locally within the villages and counties studied. The main agricultural product originating from Liberia is cassava, and other products include fufu, palm oil, rice and beans. 24% of women and 17% of men surveyed buy the goods from farmers while only 1% of women and 5% of men produce what they sell. 54% of female traders buy from producers and other traders with cash, while about 4% of female and 2% of male traders buy on credit.

**Women are more involved in the import of industrial products than their male counterparts** (60% of women relative to 40% of men surveyed). Women mostly trade second hand clothes (33%), footwear (20%), cotton wrappers (20%), stationery (7%), radios (7%) and other items. Men engage more in footwear (50%), cotton wrappers (25%) and used clothes (25%).

**With regard to trading in gasoline fuel, mineral and forest products, gold and silver jewelry, sales are mainly done by men while women are involved in kerosene and beads trade.** Both gasoline and kerosene are imported into Liberia from Sierra Leone and Guinea through the three border markets of Ganta, Foya and Bo-Waterside.

**Men dominate the service sector**, as they are the sole providers of transport (wheelbarrows, cars and motorbikes), money exchange and warehousing services, while women are more involved in carrying loads on their heads across and within the border markets.

**VOLUME OF TRADE:** The volumes traded are relatively small. With regard to agricultural commodities, 40% of female and 56% of male respondents purchase less than 10 bags of 50 kilogram each of food products including: farina, beans, pepper, dried fish (baskets), chicken parts (cartons), meat, cassava, peanuts, bitterball, okro, rice and fufu. About 69% of women and 72% of men surveyed buy a maximum of 20 packets/bales/pieces of clothes and fabric products fortnightly or monthly; only 3% of the women and none of the men buy more than 50 pieces/bales/packets of the products fortnightly or monthly. The volume of electronic goods traded in the border markets also seems quite limited, and is higher for men than for women. About 10% of women and 27% of men buy more than 30 cartons/dozen/pieces of each item. The majority of traders in energy-related products (67%) buy between 10 and 20 gallons of gasoline and kerosene every day. With regard to services, the majority of the male respondents offered motorbikes rides (40%), money exchange (50%) and warehousing services (20%) less than three times on every weekly market day.

**PROFITABILITY OF ICBT BUSINESSES:** 97% of female respondents own their business relative to 92% of male; and more men were wage earners (5%) compared to less than 2% of women. Women traders seem to perform better than men in terms of profitability of ICBT activities especially for electric and other industrial goods, energy related products and services although men dominate the service sector. The average weekly profit is about 904 \$LD (972\$LD for women and 837 \$LD for men) except for energy products, which earn relatively less. Thus informal cross-border traders seem to earn higher income than in regular markets and other informal sub-sectors.

#### **Profits by category of goods traded and sex of respondent**

Category of goods	Average profit (\$SLD)		
	Female	Male	TOTAL
Electronic goods	1,045	945	995
Agricultural/food related goods	939	903	921
Cloth/fabric/used clothing	932	1,029	981
Other industrial goods	965	889	928
Energy related products	576	303	461
Service related trade	1,376	958	1,167
Average income of total population	972	837	904

**USE OF INCOME FROM TRADE:** Traders use the proceeds from their activities mainly to reinvest in business, and cover family expenses such as food, rent, and medical bills. Despite the conscious reinvestment of profit, the size of these businesses is generally small due to low income from sales, high expenditure on living costs, lack of credit, and high costs of conducting business.

#### **Traders by use of income from cross-border trading and sex of respondent**

Use of income	Average profit (\$SLD)		
	% Female	% Male	Total
Reinvest in business	79	79	79
Food for household	69	68	69
Rent	69	68	69
School fees	36	36	36
Health care services	70	72	70
Build a house	64	70	65
Save in susu club	30	33	30
Save in bank	42	41	41

**PROBLEMS FACED BY INFORMAL CROSS BORDER TRADERS:** Various forms of violence affect ICBT. Other challenges include weak trade related services, high transaction costs and low literacy.

**Violence against informal cross border traders:** The obligation to pay bribes and sexual harassment against women are the most commonly named forms of violence constraining ICBT, followed by the confiscation of goods, as well as imprisonment and detention as shown below. Female traders face rape (9%) and demand for sex in exchange for favours (5%) which expose them to health hazards, particularly the risk of contracting HIV/AIDS. It is important to note that for sexual harassment, rape and sex for favours, men traders who responded were referring to women traders being subjected to such forms of violence.

### **Traders by exposure to different types of violence and sex of respondent**

<b>Type of violence</b>	<b>% Female</b>	<b>% Male</b>	<b>Total</b>
Imprisonment or detention	23	21	22
Loss of goods to officials	27	25	27
Being beaten	9	8	9
Sexual harassment	33	25	31
Rape	9	8	9
Forced to pay bribes	70	74	72
Ambushes and robbers		1	1
Fights	12	12	12
Sex for favors	5	4	4

**Weak trade related services:** The study found that there is no formal source of credit for both men and women in ICBT; women get involved in susu clubs to generate savings and credit for business. The needs expressed by the respondents for profitable participation in ICBT are mostly: capital (93%); traveling documentation (8%); market information (30% of women and 33% of men); housing conditions (36% of women and 32% of men); communication facilities (38% of women and 28% of men); security; space for selling (12%); transport and entrepreneurial skills (5% of women and 3% of men). Language barriers are a challenge for effective communication for 38% of the women and 28% of the men surveyed, especially those who do not speak French. Poor physical infrastructures, lack of childcare and healthcare facilities, clean water supply, toilet and garbage disposal facilities are other challenges. Many women traders are uninformed about customs fees and procedures, and the conditions of the MRU, ECOWAS and the Monetary Union of West African States (WAEMU).

**High cost of doing business:** 74% of respondents reported that high duties and levies paid at the numerous crossing points at the borders are a significant drain on their profit margin. The financial cost of trading across the borders is high due to poor roads and inadequate transportation, and multiple crossing points and levies, amounting to 690 \$LD for women and 710 \$LD for men for each trip, and representing about 37% of transaction costs. The requirements for membership of the LMA across all markets include: payment for table/spot at rates varying from 250 \$LD to 2,000 \$LD; annual registration fee of 100 to 500 \$LD; weekly fee of around 15 \$LD; and other occasional fees or levies such as for the use of toilets, or for contribution to funerals, all of which represent significant recurrent costs. Other costs include storage and language translation. The focus group discussions with informal cross-border traders at the Liberian and Sierra Leone markets revealed that many traders at the Sierra Leone Border markets (Kondu and Jendema) who cannot cope with the high duties have decided to abstain from crossing to Liberian markets (Foya and Bo-Waterside).

**COPING STRATEGIES TO ADDRESS PROBLEMS:** Giving bribes and taking action as individual are the main strategies used by both women and men traders. Women are more likely than men to take collective action such as joining or forming groups as shown below. Female cross-border traders also offer social support for members by organizing dispute resolution among members and border authorities. Solutions such as the joint transportation of goods are adopted, so that traders can secure economy of scale and reduce the unit cost of transport service.

### **Strategies used to overcome challenges by sex of respondents**

<b>Strategies</b>	<b>% Female</b>	<b>% Male</b>	<b>Total</b>
Giving bribe	86	85	86
Stay away from border	5	5	5
Take action as individual	53	62	57
Join group/form group	41	28	36
Influence decisions by attend meetings	5	8	6
Others	9	10	9

**IMPACT OF ICBT ON DECISION-MAKING:** Capital is the most important enabling factor for women's participation in decision making, followed by household headship and business information.

### **Factor enabling participation in decision-making by sex of respondent**

<b>factor</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
Headship of household	41	59	42
Custodian of capital for business	61	38	52
Custodian of business information	18	16	17
Entrepreneurial skills	3	2	3

**IMPACT OF ICBT ON FOOD SECURITY:** ICBT was said to have a positive impact on food security by 89% female and 78% male respondents as agricultural commodities in raw and processed forms constitute the bulk of traded items.

**IMPACT OF ICBT ON CHILDREN:** 62.6% of female respondents and 78.7% of male respondents viewed the use of children in cross-border trade as a bad practice as it can jeopardize children's education and give them bad habits. However, 52.8% of women and 31% of men surveyed use children for ICBT for: support for parents and contribution to family income; means of livelihood for children; and opportunity for children to socialize and acquire skills for business.

**IMPACT OF ICBT ON TIME USE:** More women (35%) than men (29%) spend more than 11 hours a day on ICBT compared with the formal sector where the average working day amounts to 7 to 8 hours. Therefore they have less time for domestic and community activities.

## **POLICY RECOMMENDATIONS**

**It is critical to ensure that women traders are organized into a registered and credible “Association of Women Cross-Border Traders”** and possibly other relevant specific product associations that are mandated to address the specific needs of members. This will give them a voice in the governance of the ICBT sector, enhance their potential to access financial capital that requires collaterals, and increase their scale of business to generate more income.

**A National Advisory Committee on ICBT, comprising the Ministries of Commerce and Industry, Gender and Development, Justice and Internal Affairs, and other relevant ministries should be put in place.** This will provide guidance for the development of a transformative policy framework and modalities for intervention in the ICBT sector, improve the accountability of border officials to Government and cross border traders, and strengthen the effective implementation and standardization of customs rules and tariffs in line with the various trade protocols. Implementing a comprehensive ICBT strategy would promote sustainable asset accumulation and real empowerment of women traders, including ensuring their access to social protection schemes, and protecting them from various forms of violence at border level.

**Entrepreneurship development and management skills training should be part of an empowerment strategy for women cross border traders.** Necessary skills include functional literacy, book-keeping, business-plan preparation and marketing, management of finances, and value addition. This would improve the ability of women cross border traders to make efficient business decisions that would maximize their profits.

**The MRU Agreement should be revised to address trade restrictions and address gender issues in ICBT.** This would improve trade across the borders of member countries. Collaboration among the officers at the border posts of neighboring Guinea and Sierra Leone should be strengthened to promote the implementation of standardized rules and tariffs and ensure security of persons and goods in border areas.

**Partnerships between the public and the private sector should be promoted to develop market infrastructures including storage structures, social amenities and road networks.** An improvement of services and infrastructures would reduce costs and improve the movement of goods and services in the markets. The private sector and formal finance institutions should be encouraged to invest in the ICBT sector, and to grant loans at a preferential rate to women traders.

**Forums for trade policy discussion and information dissemination on price information, and customs procedures and formalities should be created** through the mass media (particularly radio and television) and trade information centres. These could also be used for awareness raising on HIV/AIDS and other sexually transmitted diseases, and violence against women to promote behavioral change of female and male traders, service providers (transporters and others) and border officials.

### **FOR MORE INFORMATION, PLEASE CONTACT:**

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