

TANZANIA

The baseline study on women in Informal Cross Border Trade (ICBT) in East Africa, conducted in 2007-2008, focused on the borders of the United Republic of Tanzania with Kenya and Uganda. The border sites surveyed are Namanga (Tanzania/Kenya), Holili (Tanzania/Kenya) and Mutukula (Tanzania/Uganda). These sites were selected because they are major trading routes. The methodology employed included: focus group discussions involving traders, police and health officials, agricultural produce inspectors, and Tanzania Revenue Authority officials; interview of female and male cross border traders; and review of literature and secondary data. The sample size for the questionnaire survey was 100 respondents, of which 56 were female. The context is characterized by a heavy dependency of the national economy on agriculture and primary commodity exports, high levels of informalization and feminised poverty, and slow progress in regional integration. Tanzania is a member country of the East African Community (EAC) and of the Southern Africa Development Community (SADC).

KEY FINDINGS

REASONS FOR ENGAGING IN INFORMAL CROSS BORDER TRADE: Women are more likely to participate in this business for employment and income generation than men: 81% of women and 71% of men surveyed reported income as the main reason for engaging in ICBT, while 79% and 69%, respectively, reported employment.

TYPES OF GOODS TRADED: Industrial products dominate ICBT in terms of imported commodities, followed by agricultural products: 69% of informants traded mainly industrial goods, while 28% traded mainly agricultural goods. The industrial products include textiles, second-hand clothes, sweets, juices, alcohol and other beverages, cooking oil, soaps, and plastic bags. Women are more likely to engage in trading industrial goods and men more likely to trade in agricultural goods: 38% of men reported trading mainly agricultural goods against 21% of women. Indeed, men tend to dominate the sale of agricultural products, particularly those earmarked for export such as coffee, tea, sisal and other food items.

VOLUME OF TRADE: The volume of goods traded is small for both women and men who participate in this trade as retailers or wholesalers. These operators are characterized by limited capital, lack of relevant entrepreneurial or business skills and minimal support systems. Nevertheless, the study reveals that ICBT contributes to government revenue in a minor way through payment of border taxation.

USE OF INCOME: A great majority of respondents spend the money generated from their business on household needs such as food, school fees and medical bills as shown in the table below. This affects the potential for growth of their businesses.

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

Use of income	% Female	% Male	Total
Reinvest in business	26	52	38
Food for household	87	88	87
Personal effects	66	76	71
Rent	38	33	36
School fees	81	76	79
Health care services	72	71	72
Build a house	23	40	31
Other	9	18	13

PROBLEMS FACED BY WOMEN INFORMAL CROSS BORDER TRADERS: All those involved in ICBT face a lot of problems and challenges, including various forms of violence, lack of access to information on the regional trading protocols and services, as well as a lack of trust between traders. Women also face gender-specific constraints such as sexual abuse, including rape.

Violence against informal cross border traders: Both women and men cross border traders are subject to different forms of violence, however, more male respondents than women reported rape as a problem facing women informal cross border traders. This is likely related to the stigma attached to rape. Women who admitted having experienced this problem reported attempted rape rather than rape itself. The obligation to pay bribes is also a major problem as it reduces women's profit margins given that they start their business with very small capital. It can also potentially lead to sexual corruption or harassment.

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

Type of violence	% Female	% Male	Total
Imprisonment	40	48	43
Loss of goods to officials	81	86	83
Beatings	19	24	21
Rape against women	26	55	39
Forced to pay bribes	77	71	75
Ambush/robbery	30	43	36
Fights	11	26	18

Lack of information on regional trading agreements and protocols: The study showed that ICBT actors, particularly women, are not well informed on existing tariffs, customs regulations and the needed documentation for trade. This subjects them to exploitative relations with intermediaries who often distort information. For instance, most women traders surveyed stated that they are not able to access relevant information on opportunities offered, such as those provided by the East African Community (EAC) Customs Union Protocol. Most of the women in ICBT are not aware that the Protocol abolished import duty from January 2005 on goods transacted within the region as long as they fulfil the following conditions: agricultural goods were grown in one of the three countries; the livestock were born in one of the countries; and 65% of processed goods were made of raw materials from one of the countries.

Some of the traders are unable to complete import declaration forms, or fear to fill them out due to ignorance of what they entail. They report that information on taxation and any other relevant

information related to ICBT is not available at every border customs office. Clearing procedures at customs offices are often unknown or unclear.

Weak trade related services: Due to the lack of banking and currency exchange services in most of the sites, the informal money-changers regularly inflate the exchange rates, thus reducing the profit margins of women informal cross border traders. Excessive exploitation by intermediaries, including those who volunteer to assist them with needed information for clearing their goods was also reported, as well as the lack of communication services at border level.

Lack of trust between traders: 70% of women and 64% of men reported a lack of trust between traders as a big challenge, leading to fear of forming trade groups and barriers for accessing credit facilities that would require group collateral.

COPING STRATEGIES TO ADDRESS PROBLEMS: ICBT is basically organized on an individual basis, and problems are also mainly handled individually: 57% of women and 71% of men took action as an individual, while 38% and 19%, respectively, joined or formed a group. Women, however, are more likely than men to act collectively to solve their problems due to their greater engagement in informal social networks.

IMPACT OF ICBT ON DECISION MAKING: The study revealed the potential impact that ICBT has in enhancing the decision-making powers of actors generally and women in particular: 93% of female respondents and 98% of male respondents make decisions about their businesses. Most female respondents stated that their engagement in informal trade has enhanced their ability to make decisions on how to use the money earned, however, some stated that tension emerges if the male members of the family earn less. Men tend to have more decision-making powers as heads of households than women, while women earn more decision making power as custodian of capital for business as shown below.

Factor enabling participation in decision-making by sex of respondent

Factor	% Female	% Male	Total
Headship of household	58	69	63
Custodian of capital for business	58	38	49
Custodian of business information	19	19	19
Entrepreneurial skills	8	7	7
Other	6	5	5

IMPACT OF ICBT ON TIME USE: Women tend to spend more time on ICBT than men. The impact of this on the care economy is yet to be explored, given that women undertake the bulk of domestic care roles, such as cooking food, caring for the elderly, the sick and children and other household chores – is yet to be explored.

Mean, median, minimum and maximum number of hours worked per day in ICBT, by sex of respondents

Hours spent in ICBT in normal day		Mean	Median	Minimum	Maximum
Sex of respondent	Male	8.6	9.0	2.0	14.0
	Female	9.8	10.0	2.0	12.0
	Both sexes	9.3	10.0	2.0	14.0

POLICY RECOMMENDATIONS

ICBT should be addressed in trade policies, poverty reduction strategies, national development plans and budgets. The Tanzania study underscores the potential impact that ICBT has on poverty reduction and economic empowerment of women if they are supported to access and benefit from public and private resources.

Regional trading agreements and protocols including the EAC Customs Union Protocol with its Common External Tariff should be reviewed from a gender perspective. The current tariff exemptions mainly benefit bigger traders who have access to enough capital and information on cross border taxation policies. This has undermined the possibility of women traders to take full advantage of the opportunities created such as broadened market, gradual elimination of tariffs, reduction of documentation, existence of a data bank accessible to all traders and quality assurance for imported goods through the anti-dumping measures.

Women's access to information on regional trading agreements should be enhanced. The existing information on tariff exemptions and market opportunities should be repackaged in user-friendly formats and disseminated widely to women informal cross border traders with a clear communication strategy, also targeting those who are illiterate.

The capacity of public institutions such as the Taxation Revenue Authority, the border police and security services as well as immigration and customs should be strengthened for more women friendly cross border procedures and for fighting violence against women at border level.

Policy interventions are needed to facilitate access of women informal cross border traders to credit, foreign currency exchange, storage/warehouse and communication facilities, affordable and safe housing, adequate transportation and other trade related services. It is crucial to build partnership with the private sector, regional economic communities, civil society organisations and development actors to achieve this.

There is need to mainstream ICBT in the research agenda of academic and research institutions on poverty, trade and regional integration. For instance the study revealed the potential of ICBT in enhancing women's decision-making power over their business and the use of the earned income, and further research could explore the impact of ICBT on intra-household gender dynamics.

FOR MORE INFORMATION, PLEASE CONTACT:

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