



An Examination of the Role Female Traders Play in the Liberian Economy

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Abstract: This study access the Investigation into the Involvement of Liberia Women in cross Border Trade at the Guinea Border with Liberia; 2014-2016.” The significance of the include: The research findings are of value to the various industries in the region that will have available information on the functions of the cross border trade. Government and policy makers. The study was carried out through a descriptive survey design. The target group for the purposes of this study was importers and exporters at border point. The study focused on female traders on the Liberia side of the border. The total population of the study is 500 registered female traders with a sample size of 70 respondents. The study used both primary and secondary data was used in this research. The study shows that 25 respondents representing 42% and all comprising of females in the study were between 30 – 39 years and another 16 respondents representing 26% and all comprising of female in the study were between 20– 29 years. The study shows that 30 respondents representing 50% in the study agreed that Liberia Females are involved in Traders at the border between Guinea and Liberia, 20 respondents representing 33% and all comprising of females in the study agreed that the involvement of Liberia Female Traders at the Liberian and Guinean has an impact on the development of trade at the Liberian and Guinean border. Base on the findings the researcher concludes that: The regional Governments have made considerable efforts in reducing the incentives to trade informally, by diminishing the costs of formal importing/ exporting; enhancing compliance levels with existing regulations; and improving trading opportunities and services for traders in the formal sector. The study recommends that: 1) Formulation of the Customs Management Act, the Customs Management Regulations outlining standard forms and fees payable across the region. 2) Simplifying and reducing documentation.

Key words: CBT- Cross Border Trading, EAC- East African Communities, ICBT- Informal Cross Border Trade, NTBs - non-tariff barriers, NTTB- Non-Tariff Trade Barriers

1. Introduction

1.1. Background of the study

Cross-border trade plays an important role in the region, where goods are traded between Liberia and Guinea. This trade is mostly informal insofar as the traders are not registered and pay no income taxes. However, they do pay export or import taxes accordingly and often pass through official border crossings with the appropriate travel documentation (UNECA, 2009). They thereby contribute to the national economy, even though part of their operation is informal. It is for this reason that we refer to “small” or “informal” cross-border trade. Cross-border trade is crucial for the supply of products to countries which do not have an adequate provision of goods for individual consumption, such as certain foodstuffs. According to the original approach to trade in Africa was characterized by autarchic, government-driven approaches to regional integration, an emphasis on the transformation of industrial production through import-substitution, and the proliferation of largely ineffective regional integration schemes.

Subsequently, recent research has shown that informal cross border trading activities have cushioned the effects of the financial crisis and the food crisis on African countries. The Regional Indicative Strategic Development Plan clearly states that ICBT is an integral, yet unrecognized, component of the economy of Southern Africa. The reason that these ICBT activities are not recognized could be that they move small amounts of goods from country to country, often trading in informal sector markets. Additionally, ICBT largely consists of those goods exchanged across borders either bypassing the official customs checks and recording points, or passing through these customs points while deliberately undervalued or unrecorded. It has been noted that despite its economic significance, ICBT

largely goes undocumented and its participants are rarely recognized, supported, or included in policy formulation. As such, the general negative perception of ICBT means that in practice it is viewed more as a threat needing control rather than a genuine economic activity. These traders work without benefiting from preferential tariff agreements, and often work at personal and economic risk – they can be robbed, harassed by customs officials, and women in particular, can be raped, beaten or sexually exploited if they are not adequately protected. Despite the risks, this kind of trade is an important component of the economy and a vital source of livelihood for the poor – particularly for women, who form the majority of ICBT. People involved in ICBT do not derive the benefits of formal employment – such as health insurance, access to information or capital, or leave days.

1.2. Statement of the Problem

Liberia and Guinea are important trading partners, but formal trade links between them have been constrained by a myriad of factors which have spurred the growth of informal (unrecorded) cross-border trade. Interest in cross-border trade has been overwhelming, but knowledge of its magnitude, determinants, and consequences remains inadequate. Further still, the impact of the establishment of Customs Union on cross-border trade remains largely unknown. In as much as finance remains the paramount factor that affect Liberian Female “traders”, nobody wants to invest in the trade and small businesses. Finance is a critical issue in rebuilding the economy and developing the local private sector. It is even more critical for Liberian women traders who may not have the collateral or assets to approach the banks for loan, and even if they do have, the interest rate imposed by those financial institutes are so high that it leads to failure for most traders to repay loans and thus closure of business. However, non-tariff barriers (NTBs) have gained prominence as alternative trade policy instruments for domestic industry protection or for regulating trade. Various documented studies have focused on different aspects of the co-operation. For instance, using EAC as a case study. [Korir \(2007\)](#). Looked at the factors that make regional integration attractive to international capital in-flows. The study concluded that EAC like other regions and countries is seeking to attract foreign direct Investment. There is no study that has been conducted on the role female traders’ play in the Liberian economy. This study aims at filling this knowledge gap.

1.3. Research Questions

The researcher sought answers to the below research questions:

1. What is the involvement of Liberia Female Traders at the border between Guinea and Liberia?
2. What are the commodities that Liberian Female traders are involved in at the Liberian and Guinean border?
3. What is the impact of the involvement of Liberia Female Traders at the Liberian and Guinean on the development of trade at the Liberian and Guinean border?

1.4. Significance of the Study

The research findings are of value to the various industries in the region that will have available information on the functions of the cross border trade. Further, individual companies may apply these findings in formulating strategies on how to optimize gains within the union. Government and policy makers: Decision making arms of the government at the various level of management in both the ministries and state corporations. They have an insight on how to spur economic growth, improve on service delivery to the people of Liberia, and also enhance good governance through improved transparency, accountability and efficiency controls.

This information is beneficial to scholars in the field of business management in understanding the importance of regional integration towards economic development. They can also use the information as a reference point for further research on integration or cross border trade.

2. Chapter Two: Review of Related Literature

2.1. Involvement of Female Traders in Cross Border Trading

[UNECA \(2009\)](#) conducted a study on the involvement of female trader and the results of their findings showed that the regional integration process calls for more formal systems of trade. However, there is increasing evidence that a significant proportion of intra-regional trade is carried out informally. Women are said to be over-represented in informal CBT, dealing mostly with small batches of agricultural and other commodities. The predominance of female traders within informal trading systems is often

attributed to their continued exposure to time and mobility constraints. Other reasons include differences in access to support systems, which often prevent them from complying with legal trade requirements

In contrast, a study by found some evidence in Karonga market (Malawi–Tanzania border) that in terms of formal export trade, men tended to dominate in most commodities, that is, value-added agricultural and non-agricultural commodities, while women only represented a very small proportion (estimated at 4 percent) of the formal traders. In a similar vein, a case study in Rwanda indicated that only 20 to 40 percent of formal traders in the surveyed cross-border points were female entrepreneurs, possibly reflecting a predominance of men in conducting formal cross-border trading activities study shows that female get involve in cross border trade for economic reasons. Socio-economic determinants are directly linked to the socio-economic status of traders and may therefore also bring some gender considerations to CBT activities. No exhaustive list of socioeconomic factors exists which could affect traders' participation in agricultural trading activities in border areas. Several studies have focused on a few limiting factors to provide a gender analysis of CBT. These mainly consist of financial sources, experience in trade, intensity of trade, household responsibilities, access to information and trading networks and also, gender-based issues in relation to administrative procedures and security at the border.

2.2. Commodities in which Female Traders are involved at Cross Border Trading

A study done by found that they trade in agricultural commodities; women are also likely to trade in cloth. The trade in agricultural commodities is crucial as it typically involves trading from surplus to shortage areas, e.g., from food-abundant Guinea to frequently food short Liberia, as emerged in the fieldwork. This trade in fact comprises the principal foundation for food security in Africa. However, most ICBTs have a broader range of goods and are flexible and entrepreneurial enough to add to or change commodities in response to a sudden opportunity or a shift in supply and demand patterns.

Coughlin and Wood (1999), conducted a study on cross border trade and found that the best illustration comes from the fieldwork in Liberia with data from women and Guinea with data from women. Liberians ICBTs trade with Guinean. Guinea, despite the fact that it is not considered as affluent as Liberia, is a supplier of groceries and some manufactured goods to Liberia. Guinea is a very popular destination for Liberian ICBTs who seek, among other things, cloth, high-quality second-hand clothes, shoes, and handbags, and seasonal vegetables and produce. ICBTs trade in very similar commodities in general. Agricultural commodities include: vegetables such as rape (a leafy green), sweet potatoes, cassava, and plantains (either dry or ground); crops such as groundnuts, cowpeas, sugar beans, and green mealies (corn); fruits such as bananas and mangoes (with phytosanitary certificate); sugarcane; stock feeds such as wheat and corn, sunflower, molasses, and cotton cake; and dried fish.

In Liberia, traders also deal in manufactured goods, including grocery items such as finger food and cleaning gadgets; clothes and shoes, both new and second-hand; African clothing materials such as linen, curtains, and chair backs; furniture; building materials; car accessories; cosmetics; leather handbags; kitchen utensils; electric appliances such as fridges and hotplates; electronic devices including phone accessories, radios, televisions, electric wires and plugs; jewelry; hair weaves; cheese; and takeaway packaging. Handicrafts and curios are also part of the trade.

Coughlin and Wood (1999), study found that some ICBTs sometimes also trade in illegal goods, including drugs, precious stones, fuel (petrol and diesel), firearms, both labor, especially child labor, and sex trafficking, and even in human body parts. However, the magnitude of illicit trade in western Africa remains unknown. The research team was told by police officials that illegal crossing through unofficial borders is not large-scale; however, time limitations did not allow researchers to cross-validate this claim. ICBTs mentioned unofficial (and presumably unobserved) routes in both Liberia and Guinea, including quite dangerous wild animal corridors. Police and other border officials confirmed the existence of illicit trade, which they estimated to be very limited. For example, the Ganta - Guinea Border Police reported that in an average month they arrest five to eight individuals for under declaring and arrest up to 15 smugglers through unofficial borders, the latter mainly through whistleblowers. Cases of drug trafficking have been reported with two or three arrests per month for marijuana and about one per month for hard drugs. The researchers were told that no arrests for smuggling precious stones have occurred at this border post. Male ICBTs report that antiretroviral drugs are also being smuggled from Guinea and they allege that border officials solicit women for sexual favors. Smuggling of prohibited items such as skin lightening creams is also rampant at Border Post; this trade is attributed to Liberian traders who trade freely in this commodity in Ganta Market across the river. For women, these include private domestic work and care work, hairdressing, and prostitution.

Women predominate in the low-value and generally low volume manufactured commodities. From 2007 to 2009, in response to foreign exchange shortages, women ICBTs from Liberia and Guinea were exporting commodities and curios within the region in order to get money to import small-scale manufactured goods in demand back home. Research found that women ICBTs usually carry cash to other countries to purchase goods for import.

2.3. The Impact of the involvement of Female Traders in Cross Border Trading

[Oparanya \(2008\)](#) Focuses on women's economic empowerment in SSA in relation to trade and poverty. This author analysis the impact of trade on the feminization of poverty at the micro, and macro level, as well as the effect of the gender disparities under-lying poverty on trade. In a context of feminization of poverty, the ICBT is often considered as offering a lot of employment and income opportunities to women traders. Thus, the ICBT get involves in playing a vital role in alleviating poverty and promoting women economic empowerment.

[Obwona and Ayoki \(2005\)](#), study discussed the importance of the impact of women involvement in cross border trade, and the dramatic development of the ICBT in the aftermath of the economic crisis, the situation of women cross-border traders has received little empirical attention in the African region. The paper finds significant difference in the male-female age, marital status, and educational achievement patterns. The patterns related to the type of organization revealed that the male and female informal traders were at different positions in the value chain.

[\(Obwona and Ayoki, 2005\)](#) also conducted a study on the impact of women involvement in cross border trade and the finding reveals that the opportunities offered through ICBT were related to regional integration, income and employment opportunities, and the changing role within the household i.e. women involvement in the decision-making process. By contributing to the exchange of regional produced goods, the ICBT contributes immensely to the process of regional integration, whose main purpose is to increase the Africa's visibility in the global market.

[Obwona and Ayoki \(2005\)](#) also labeled this process as the new regionalism. In addition to moving a substantial volume of goods, the ICBT also involves considerable income opportunities.

In addition to previous impacts, positive aspects of ICBT also included food security, while negative aspects included government revenue losses because of the tendency of traders to evade export taxes and import duties.

2.4. The Concept of Trade

Trade is the voluntary exchange of goods and services and a mechanism that allows trade is called a market. The original form of trade was barter, the direct exchange of goods and services Modern traders instead generally negotiate through a medium of exchange, mostly money. Trade is as old as mankind, although it has evolved over the years with civilization from the simple exchange of goods and services between families, communities and later countries on small scale (barter trade) to a complex and sophisticated modern day global trade among nations and regional trading blocs, governed under national, regional and international treaties.

International trade deals with exchange of goods and services across international borders. The history of international trade is as old as the civilization of mankind.

Trade began when the first forms of society -the family, church and kingdom started to exchange goods for goods. However, the first recording of trade was done in the governing trade, personal relationships, discipline and punishments. The second recording of trade was during the reign of King Solomon in about 900 BC. He was visited by the Queen of Sheba and brought items of trade which included gold and silver among others. Further recording of trade was during the Roman Umpire that ruled the Mediterranean's from 500 IIC -1200 AD.

The Roman Empire significantly contributed to the development of international trade as we know it today. They were the first to develop trade infrastructure that included shopping centers, shops, and factories including roads. The church then played a key role in establishing a system of laws and discipline in conducting trade. The church was among the strongest institutions in the Mediterranean countries between 200 -1400 AD hence its significance to trade ([Oparanya, 2008](#)).

2.5. Cross Border Trade

Generally cross border trade is conducted by small scale quasi-professional traders including women, who use various means to move small quantities of goods across national frontiers. Border areas are traditionally considered as disadvantaged and low opportunity regions. The geographical coordinates

of such areas are expected to form a low competitiveness profile for one or more of the following reasons: a peripheral location and an isolated position with respect to the economic and political heartland of their country, resulting in relatively high transportation costs; limitations to physical flows of commodities, truncated markets, and distorted trade relations; a relatively poor infrastructure because of their geographical location on peripheral arteries of transport and communication networks; less developed social and business service provision and large differences in legal, administrative, and social welfare systems as well as in language and cultural traditions, which altogether hamper communication and cooperation with regions across the border (Niebuhr and Stiller, 2002; Nijkamp, 1998; Petrakos, 1996; Petrakos and Economou, 2002). Cross border trade activities, depending on the way they are conducted can be both beneficial and harm fill to the economy. In marry instances; they help to create employment (formal and informal) especially for the local population close to the border areas. The increased presence of traders and movement of people and goods across borders has certainly created more demand for goods and services hence employment e.g. in hotels, lodges and restaurants, shops, money changing, etc. In a formal or law abiding situation (where official procedures arc followed by operators) the economy gains through lax revenue.

However, where informal trade is conducted using illegal or illicit means, cross border trade can be detrimental to the economy. For instance, the trade can have a distorting effect on prices, with attendant consequences on competitiveness, employment and loss of revenues (as goods arc sold below normal market prices), thus a source of disincentive to investment. In fact, this underground economy, if significant in magnitude, can make implementation of monetary and fiscal policies difficult (Obwona and Ayoki, 2005).

The informal cross border trade refers to the unregistered business activities undertaken across borders based mainly on popular economy. One of the main characteristics of this trade is that it is not mandatory to submit tax returns at the end of each financial year hence not entered in national accounts. It is observed that this form of trade has severe consequences for the country's social and economic development as it denies the country of much needed revenue, and retards the growth of private sector and flow of investment through price distortion, among other effects.

2.6. The Concept of Economic Integration

According to Oxford Advanced Learners Dictionary, integration means to bring together two or more things in such a way that one becomes fully a part of the other. Rugman *et al.* (2006). View economic integration as the establishment of transnational rules and regulations that enhance economic trade and cooperation among countries. They observe that at one extreme, economic integration would result in one worldwide free trade market in which all nations had a common currency and could export anything they wanted to any nation. At the other extreme would be a total luck of economic integration, in which nations were self-sufficient and did not trade with anyone. According to McIntyre (2005) Economic integration refers to the commercial policy of discriminative!)' Reducing or eliminating trade barriers among the member states, lie points out that the degree of economic integration ranges from Preferential Trade arrangements to Free Trade Areas, Customs Union, Common Market and Economic Union.

McIntyre (2005) views integration as a process that may lead to a condition in which 3 groups of people has attained within a territory a sense of community and of institutions and practices strong to assure, for u long time, dependable expectations of peaceful change among its population. He distinguished between two effects, one in which trade between partner countries expands in accordance with comparative advantage, and the other in which trade between partner countries expands us a preferential treatment given to imports from within the region as compare to those from the rest of the world. Vincor named the former effect "trade creation", where domestic products are substituted by imports of lower-cost goods produced by a country's partner. The latter he called "trade diversion", which refers to shift in imports from the least-cost export to the more expensive product from the nation's partner.

As a variation of economic integration, regional integration has been seen as a useful component on the way towards global integration, but not a substitute for it. Such arrangements help to overcome the disadvantages of small economic i/e, enhance expect competitiveness, minimize adjustment costs, and provide an effective framework for financial sector, legal and regulatory reforms, investment promotion, and the implementation of sectorial policies.

2.7. Tariff and Non-Tariff Barriers to Cross Border Trade

2.7.1. Tariffs and Tariff Rate Quotas

Tariffs, which are taxes on imports of commodities into a country or region, are among the oldest forms of government intervention in economic activity. They are implemented for two clear economic purposes. First, they provide revenue for the government. Second, they improve economic returns to firms and suppliers of resources to domestic industry that face competition from foreign imports (Coughlin and Wood, 1999).

Tariffs are widely used to protect domestic producers' incomes from foreign competition. This protection comes at an economic cost to domestic consumers who pay higher prices for import competing goods and to the economy as a whole through the inefficient allocation of resources to the import competing domestic industry.

Therefore, since 1948, when average tariffs on manufactured goods exceeded 30 Percent in most developed economies, those economies have sought to reduce tariffs on manufactured goods through several rounds of negotiations under the General Agreement on Tariffs Trade (GATT) (Coughlin and Wood, 1999).

A tariff-rate quota (TRQ) combines the idea of a tariff with that of a quota. The typical TRQ will set a low tariff for imports of a fixed quantity and a higher tariff for any imports that exceed that initial quantity.

2.7.2. Non-Tariff Trade Barriers

Countries use many mechanisms to restrict imports. Among the key mechanisms include the following: domestic content requirements, import licenses, import state trading enterprises, technical barriers to trade, and exchange rate management policies (Coughlin and Wood, 1999; Sumner *et al.*, 2002). Governments have used domestic content regulations to restrict imports. The intent is usually to stimulate the development of domestic industries. Domestic content regulations typically specify the percentage of a product's total value that must be produced domestically in order for the product to be sold in the domestic market (Carluugh). Several developing countries have imposed domestic content requirements to foster agricultural, automobile, and textile production. They are normally used in conjunction with a policy of import substitution in which domestic production replaces imports. Member countries of trade agreements also use domestic content rules to ensure that non-members do not manipulate the agreements to circumvent tariffs (Coughlin and Wood, 1999; Sumner *et al.*, 2002).

3. Chapter Three: Research Methodology

3.1. Research Design

The study was carried out through a descriptive survey design. This design enabled the researcher to study a sample of the population in order to make generalizations and draw conclusions about the entire population. The design was also appropriate because of the cross-sectional nature of data that was collected and the nature of the phenomenon under investigation.

3.2. Population

The target group for the purposes of this study was importers and exporters at border point. The study focused on female traders on the Liberia side of the border. Most of them are unregistered and therefore there could be no authentic source of information on how many they could be. However, sources at LRA offices indicated that there were 3,343 registered female traders as at 2012/2013. According to the LRA System, only 500 of the registered traders are active. It was expected that the total population of female traders at the border was higher given that others are not registered even though they are engaged in active trade.

3.3. Sample Size and Sampling Techniques

Given the large number of elements in the population of study, there was need for sampling. The idea was to select some elements of the entire population in order to make generalizations and draw conclusions for the entire population. The study targeted a total of 70 female traders to be drawn by way of both stratified and snowball sampling techniques. Stratification was based on registration status of the traders. Therefore, to arrive at 70 traders, 50 traders were randomly selected from among the registered and active ones while the other 20 through snowballing from among the un-registered traders.

3.4. Data Collection Instruments

Both primary and secondary data was used in this research. The primary data was collected using a structured questionnaire and secondary data was captured through written review of the trading records.

3.5. Data Collection and Analysis Procedures

A structured questionnaire was developed by the researcher based on the research question. A letter requesting the permission of the respondent and explaining the purpose of the study were sent for their consent. When the permission is granted, the researcher distributed the questionnaire among the respondents. The completed questionnaire was collected by the research for analysis. The study used both quantitative and qualitative methods of data collection.

4. Chapter Four: Data Presentation and Interpretation

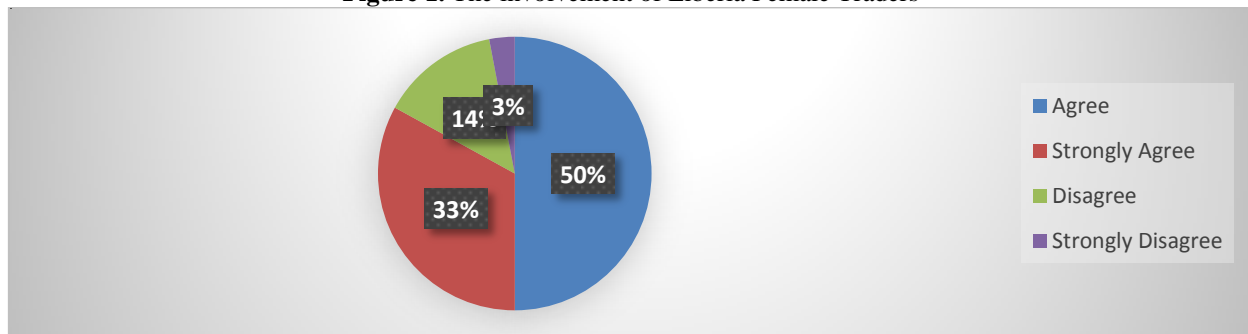
Table 1. Liberia Female traders are involved in Cross Border Trade with Guinea

The involvement of Liberian female traders	Frequency	Percentage
Agree	30	50
Strongly Agree	20	33
Disagree	8	14
Strongly Disagree	2	3
TOTAL	60	100

Source: Researcher's Field Data, 2018

Table 1 shows that 30 respondents representing 50% and all comprising of females in the study agreed that Liberia Females are involved in Traders at the border between Guinea and Liberia and another 20 respondents representing 33% and all comprising of female in the study strongly agreed.

Figure 1. The involvement of Liberia Female Traders



Source: Researcher's Field Data, 2018

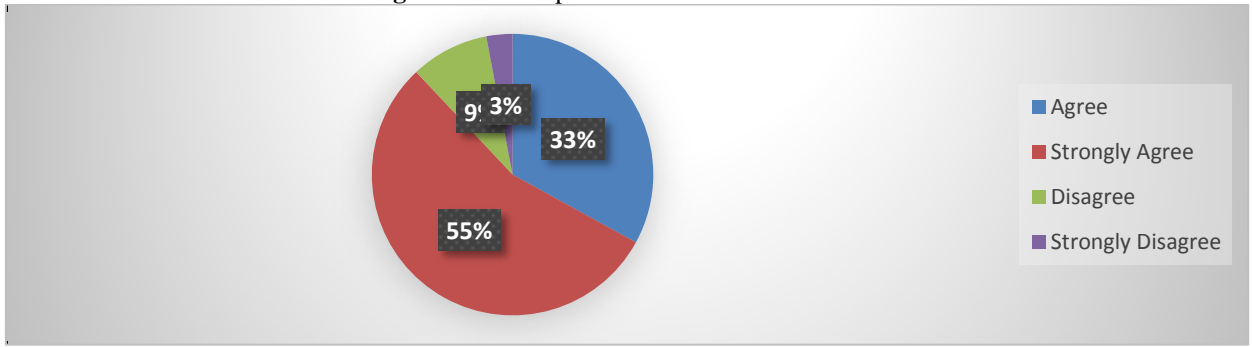
Table 2. The Impact of the Involvement of Liberia Female Traders at the Liberian and Guinean boarder on the Development of Trade

The Impact of Liberia Female Traders	Frequency	Percentage
Agree	20	33
Strongly Agree	33	55
Disagree	5	9
Strongly Disagree	2	3
TOTAL	60	100

Source: Researcher's Field Data, 2018

Table 2 shows that 20 respondents representing 33% and all comprising of females in the study agreed that the involvement of Liberia Female Traders at the Liberian and Guinean has an impact on the development of trade at the Liberian and Guinean border and another 33 respondents representing 55% and all comprising of female in the study strongly agreed.

Figure 2. The Impact of Liberia Female Traders



Source: Researcher's Field Data, 2018

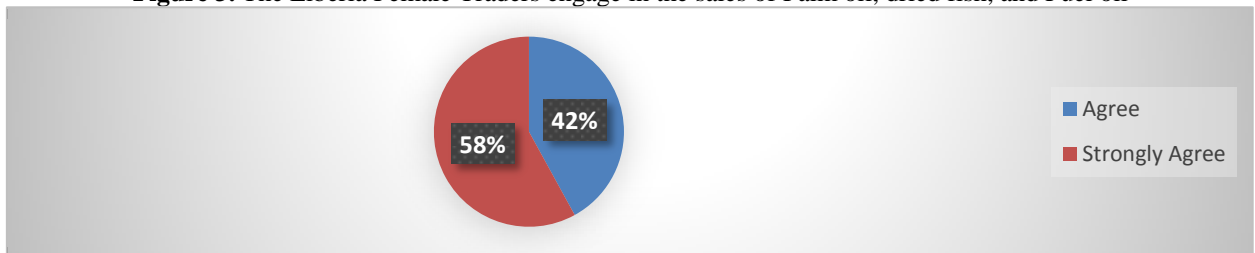
Table 3. Liberia Female Traders engage in the sales of Palm oil, dried fish, and Fuel oil to Guinea at the Liberian and Guinean Border

The Liberia Female Traders engage in the sales of Palm oil, dried fish, and Fuel oil	Frequency	Percentage
Agree	25	42
Strongly Agree	35	58
TOTAL	60	100

Source: Researcher's Field Data, 2018

Table 3 shows that 25 respondents representing 42% and all comprising of females in the study agreed that there are common commodities that Liberian Female traders are involved in at the Liberian and Guinean Border and another 35 respondents representing 58% and all comprising of female in the study strongly agreed.

Figure 3. The Liberia Female Traders engage in the sales of Palm oil, dried fish, and Fuel oil



Source: Researcher's Field Data, 2018

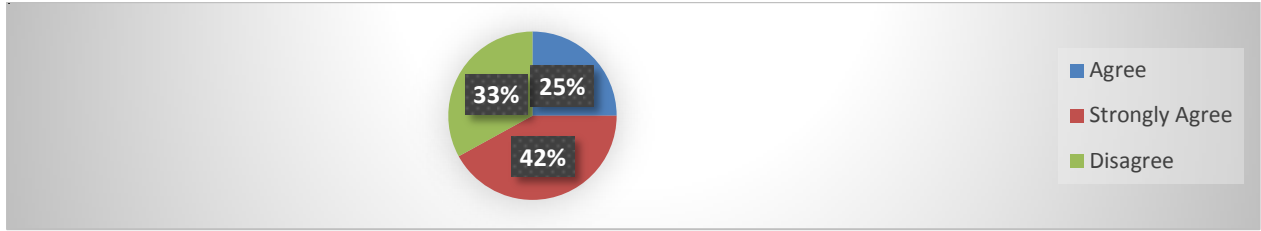
Table 4. Liberia Female Traders engage in the purchase of clothes, vehicles, livestock and cash crops from Guinea

The Liberia Female Traders engage in the purchase of clothes, vehicles, livestock and cash crops from Guinea	Frequency	Percentage
Agree	15	25
Strongly Agree	25	42
Disagree	20	33
TOTAL	60	100

Source: Researcher's Field Data, 2018

Table 4 shows that 25 respondents representing 42% and all comprising of females in the study says that the Liberian Female Traders are involved in purchasing of clothes, vehicle, livestock and cash crops and another 20 respondents representing 33% and all comprising of female in the study says they are Strongly agree to the above statement.

Figure 5. The Liberia Female Traders engage in the purchase of clothes, vehicles, livestock and cash crops from Guinea



Source: Researcher's Field Data, 2018

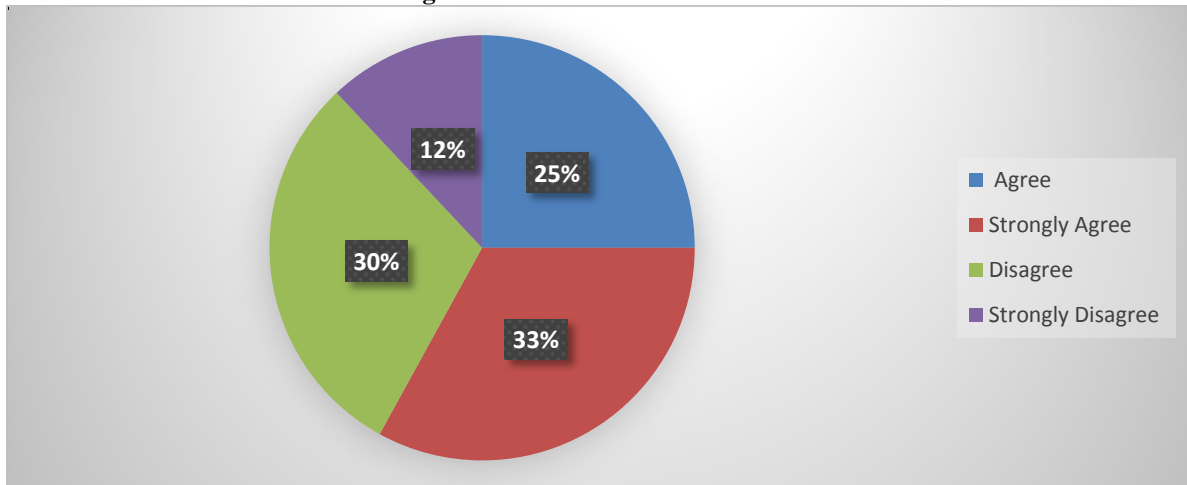
Table 6. Informal Cross-Border flows often consist of relatively small Consignments of Goods.

The Informal cross-border flows	Frequency	Percentage
Agree	15	25
Strongly Agree	20	33
Disagree	18	30
Strongly Disagree	7	12
TOTAL	60	100

Source: Researcher's Field Data, 2018

Table 6 shows that 20 respondents representing 33% and all comprising of females in the study strongly agree that the Informal cross-border flows often consist of relatively small consignments of goods and another 18 respondents representing 30% and all comprising of female in the study disagree Informal cross-border flows often consist of relatively small consignments of goods.

Figure 8: The Informal Cross-Border flows



Source: Researcher's Field Data, 2018

4.2. Discussion of the Findings

The major findings are summarized under this paragraph. Referring to the charts, tables and graphs presented previously and also interpretations of the result of the statistical data. The researcher sought to answer some questions which were deemed important to the study.

The involvement of Liberia Female Traders at the border between Guinea and Liberia

Base on the research 30 respondents representing 50% and all comprising of females in the study agreed that Liberia Females are involved in Traders at the border between Guinea and Liberia and another 20 respondents representing 33% and all comprising of female in the study strongly agreed. The finding were in accordance with [UNECA \(2009\)](#), conducted a study on the involvement of female trader and the results of their findings showed that the regional integration process calls for more formal systems of trade. However, there is increasing evidence that a significant proportion of intra-regional trade is carried out informally.

The Impact of Liberia Female Traders

Base on the research 20 respondents representing 33% and all comprising of females in the study agreed that the involvement of Liberia Female Traders at the Liberian and Guinean has an impact on the development of trade at the Liberian and Guinean border and another 33 respondents representing 55% and all comprising of female in the study strongly agreed. The finding was in accordance with [Devlin and Estevadcordal \(2002\)](#), focuses on women's economic empowerment in SSA in relation to trade and poverty. This author analysis the impact of trade on the feminization of poverty at the micro, and macro level, as well as the effect of the gender disparities under-lying poverty on trade.

The commodities that Liberian Female traders are involved in at the Liberian and Guinean Border

Base on the research 25 respondents representing 42% and all comprising of females in the study agreed that there are common commodities that Liberian Female traders are involved in at the Liberian and Guinean Border and another 35 respondents representing 58% and all comprising of female in the study strongly agreed. The finding were in accordance with [GoU \(2007\)](#), found that they trade in agricultural commodities; women are also likely to trade in cloth [GoU \(2007\)](#) The trade in agricultural commodities is crucial as it typically involves trading from surplus to shortage areas, e.g., from food-abundant Guinea to frequently food short Liberia, as emerged in the fieldwork.

5. Chapter Five: Summary, Conclusions and Recommendations

5.1. Summary

The entire respondents of the study were female and had been in business for over years. A majority of the respondents considered the Protocol to affect the volume of cross border trade only to a moderate extent: this was followed by those who indicated that the protocol had affected trade to a less extent. Generally, the effect of the Protocol was considered to be positive. The respondents strongly agree that informal cross border trade mainly concerns individual dealers, micro and small and medium sized enterprises; that a large share of informally traded goods is transported by vehicle, bicycle, push carts or by head or hand: that some informal traders are not registered at all and that almost all types of goods are involved in informal cross border trade.

The respondents were indifferent on whether informal cross border trade flows often consist relatively of small consignments of goods and that goods traded informally often reflect many of those recorded in formal regional trade statistics and promoted through government export promotion schemes.

The respondents agreed that informal cross-border trade is generally characterized by an important share of female traders and most of the informally traded industrial commodities are re-exports, i.e., imports that are exported without much value addition.

A majority of the respondents, indicated that there was no effect at all of the Protocol on informality of the cross border trade and that the Protocol has increased cross border trade. The respondents strongly agree that illegal cross border trade is continued not to circumvent official markets but it is attributed to family links, ignorance and insufficient level of civic awareness, among other factors.

The respondents further agree that price disparity for identical products due to differences in tax regimes is one of the major incentives for illegal cross border trade.

The respondents also agreed (that differences in fiscal and trade policies lead to the tremendous and perhaps unprecedented illegal cross border trade.

Most of the respondents consider that the Protocol has had no effect on frequency of illegal trade. The findings indicate that a majority of the respondents indicated that to some extent, the implementation was somehow successful.

5.2. Conclusion

Base on the findings the researcher concludes that:

The regional Governments have made considerable efforts in reducing the incentives to trade informally, by diminishing the costs of formal importing/ exporting; enhancing compliance levels with existing regulations; and improving trading opportunities and services for traders in the formal sector.

It is however not suggested that the authorities will be able to fully eliminate the incidence of informal cross-border trade. Individuals with low literacy levels, trading very small amounts of low-value goods with their family members across borders, often through unofficial routes with no border posts, usually do not declare any of their business activities and are thus unlikely to formalize their cross- border

trade transactions. The measures in place therefore mainly concern individuals or firms that have (partially) registered their activity and/or are partially compliant with trade-related regulations.

In relation to the effect of Protocol on cross border trade, it can be concluded that there was no effect at full of Protocol on informality of the cross border trade and that the Protocol has increased cross border trade. In relation illegal cross border trade it can be concluded that it is not to circumvent official markets but it is attributed to family links, ignorance and insufficient level of civic awareness, among other factors. Price disparity for identical products due to differences in tax regimes is one of the major incentives for illegal cross border trade. The differences in fiscal and trade policies lead to the tremendous and perhaps unprecedented illegal cross border trade in the region, in addition smuggling, under-declaration, and false declarations are the common illegalities in cross border trade.

5.3. Recommendations

Based on the findings the researcher recommends the following measures were identified as having the potential to boost cross-border trade:

1. Formulation of the Customs Management Act, the Customs Management Regulations outlining standard forms and fees payable across the region.
2. Simplifying and reducing documentation requirements and formalities: lowering the levels of fees and charges for importation and exportation; expediting the release and clearance of goods from customs custody; enhancing transparency and predictability of trade-related regulations and fees; and improving border agency coordination (both within and across countries) will lower both direct trade transaction costs arising from compliance with trade-related regulations and the payment of fees and charges, and indirect costs arising from waiting times at the border and lack of predictability of the trading environment.
3. Furthermore, they can lower the incidence of corruption and significantly enhance the efficiency of controls at the border (e.g., through risk management techniques and enhanced regional border coordination), thus improving compliance with trade-related regulations. Such measures bear a particular importance for smaller firms which often do not have the necessary capacity nor resources to deal with complex documentation requirements; cannot easily absorb trade-related fees and charges and might be subject to additional inspections at the border (due to the lack of rich track records with Customs authorities).
4. A simplified trade regime consisting of simplified documentation formalities, lower trade-related fees and charges, and immediate release from Customs custody for goods under a certain threshold to be introduced to encourage micro-, small and medium-sized enterprises to formalize low value cross-border transactions for which they currently face a disproportionate compliance burden, for example a Simplified Certificate of Origin to be in place for small scale traders at the border.
5. Moreover, complementary measures, such as assistance to help traders understand and comply with existing trade regulations (through targeted information material and training) and efficient support services for formal importing and exporting could further act as strong incentives towards formalization.
6. Finally, improved interaction between traders and border agencies (e.g., through systematic consultations) and enhanced integrity of Customs administrations, could also result in stronger trust among these parties and higher compliance levels with trade-related regulations.

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