

**When you consider the estimated proportion of women to men involved in this sector, there is no doubt of the contribution of women to economic development and poverty reduction in the region.**

**Cultural factors influence the kinds of activities, commodities and modes of transport used by men and women:**

- Women have limited access to capital
- Women take limited and personal loans from friends and family
- Men have access to larger amounts from commercial and other sources
- Lack of capital makes traders vulnerable to exploitative money lending practices and women are more vulnerable, due to lower literacy and business skills
- Men are more skilled
- More men plough back their profits into the business while women purchase household wares and use their income for family upkeep (1999)
- Women are dependent on door to door, street vending, flea markets, shops and offices, while men have access to a broader range of outlets, including street vending, flea markets, and the commercial and industrial sectors.

**Cross border traders face many constraints, the impact of which differs depending on gender:**

- Poor policy and regulatory environment, which does not acknowledge the contribution of this sector and which tends to be gender blind
- Poor institutional framework which is insensitive to the needs and interests of women, leading them to operate outside of the framework
- Poor access to sanitary facilities
- Abuse and exploitation by customs and immigration officials, to which women are more vulnerable
- Intrusive body searches which violate bodily integrity and which are particularly demeaning for women
- Gender and sexual violence to which women are the most at risk and from which they stand a higher chance of contracting HIV and AIDS
- Confiscation and non-payment for goods left on credit, to which women are more vulnerable
- Lack of appropriate, safe and affordable accommodation, forcing traders to either travel overnight or sleep at bus and train stations, rendering women traders vulnerable to abuse.

**Gender Dimensions that Impact upon Cross Border Trade**

**Economic**

The impact on poverty reduction, especially for women who constitute the majority of the traders, is significant. Cross border trade has transformed many unemployed women into breadwinners, sometimes with incomes that far exceed those of their spouses. While some women produce their own goods, many rely on other primary producers thus contributing to the incomes of these producers, as well as creating employment for other women who may be child minders left to care for the children or as employees tending flea market stalls. The traders also support other service sectors e.g. transporters, municipal authorities, customs and immigration, food outlets etc, as well as productive sectors (formal and informal) which benefit from goods brought back by traders. Cross border traders also contribute to the distribution of food and other goods to remote areas, that are not attractive to the formal sector, thus contributing to improved nutrition and food security and consequently improvements in the quality of lives of the poor and marginalised.

**Social**

Cross border trade has contributed significantly to the transformation of gender relations in the region by thrusting women into non-traditional areas of operation and into the public arena. The net effect has been to enhance the profile of women. Economically empowered women with independent means are more likely to be involved in decision making in their families, and are better positioned to control resources and benefits. They become less likely to be dominated by their male folk or to be bound by negative cultural practices.

Given the foregoing, it is imperative that future developments and interventions take into consideration the current realities of men and women involved in cross border trade. The starting point is the recognition of the significance of cross border trade to the economic and social development of countries in the region at the highest level within regional organs, in governments and among policy makers.

**Policy**

There is thus a need for a policy review process (international, regional and country level) that not only ensures the integration of cross border trade as a key economic sector, but also mainstreams gender considerations in order to minimise the barriers and constraints that female and male traders face. It is necessary to encourage the growth of the sector and its efficiency and effectiveness through targeted policy interventions that include affirmative action.

It is imperative that the existing institutional framework broadens its definition of 'cross border trade' to include the informal kind. Gender disaggregated data is essential in increasing the understanding of the gender dynamics. Researchers and research institutions need to develop or strengthen their capacities for social and gender analysis.

**Operational**

At operational level there is a need for gender specific strategies, programmes and activities that recognise the different needs and capacities of men and women traders and which focus on:

- Removing or minimising the operational constraints of both women and men traders
- Strengthening the capacities of women and men involved in cross border trade
- Improving access to resources and opportunities for traders, especially female traders
- Improving the efficiency and effectiveness of informal cross border traders.

The importance of research that thoroughly unpacks the gender dynamics of the sector cannot be overemphasised in informing policy and programme development and implementation.

**CONTACT DETAILS**

**Should you wish to make comments or suggestions for inclusion in future publications, or to order copies of this information pack, please contact:**

Community Organisations Regional Network (CORN)  
C/o Regional Secretariat



ZERO Regional Environment Organisation  
158 Fife Avenue, Greenwood Park  
P O Box 5338, Harare, Zimbabwe  
Tel/fax (manual): (263 4) 791333/700030/720405  
Email: info@zero.org.zw  
Website: www.zero.org.zw



Quaker International Affairs  
Representative for Southern Africa  
Programme  
48 Cork Road  
Box A1338, Avondale  
Harare, Zimbabwe  
Tel: 263-4-708572  
Fax: 263-4-708272  
Email: bmofya@afsc.org  
Website: www.afsc.org/africa/default.htm

We would greatly appreciate your responses.



**Sustainable Livelihoods & Economic Development Through Trade**  
**Make trade work for people & the environment - Let the poor set the agenda**

1

**This fact sheet introduces cross border trade and its gender dimension.**

- **What is cross border trade and how has it evolved over the years?**
- **Gender and cross border trade.**

**Foreword**

By Mr B. Itaye

Despite the increasing contribution by the informal sector in the provision of employment and income opportunities, there is still no active policy support by governments. While extensive research has been carried out by scholars on the contribution of this sector to economies in Southern Africa, individual governments and the Southern African Development Community (SADC) as a group are yet to come up with support mechanisms for the informal sector.



*Mr Billison Itaye (Deputy Ambassador of the Republic of Malawi in Zimbabwe; Malawi Consul-General for South Africa, 2001 - 2003; Chair of Board of Directors, Malawi Investment Promotion Agency; 1998 - 2001)*

The recommendations made in this information pack are but a few of those highlighted in presentations by several writers on the subject. I suggest that, unless there is immediate action for recognition of this sector, and Southern Africa acts rapidly to harmonise macro-economic policies and the regulatory framework for the sector, the immense contribution of cross border traders to our economies will continue to be obscured. The informal sector urgently needs government intervention.

It is clear that, in the last two decades of the economic structural adjustment programmes, the formal sector has exposed its constraints in creating sufficient job opportunities to absorb all of those willing and able to work. However, the informal sector has been absorbing increasing numbers of the unemployed urban labour force.

These millions of people are seeking refuge in the informal sector in which they can create their own employment opportunities.

I congratulate ZERO Regional Environment Organisation, the Regional Secretariat for Community Organisations Regional Network (CORN) as well as the American Friends Service Committee (AFSC) for their initiative in organising the regional workshop for SADC cross border traders. Both the regional workshop and this information pack provide important steps in the journey to recognition of the role of cross border traders and the informal sector in our economies.

**These fact sheets are part of a series by Community Organisations Regional Network (CORN) and American Friends Service Committee (AFSC) targeting regional trade and development partners and practitioners. They focus on the challenges facing cross border traders, as well as exploring possible solutions.**

## What is Cross Border Trade and how has it evolved over the Years?

'Cross border trade' is an alternative term for 'international trade' or 'external trade'. In short, it is trade beyond the boundaries of a nation. This trade is differentiated into formal trade and informal trade. 'Cross border trade' refers to undocumented cash flows which are not taxed.

Special characteristics of cross border trade include:

- Undocumented cash flows
- Minimal use of bills of entry
- Handling of comparatively small consignments
- Traders usually accompanying their consignments
- No taxation.

### Brief Historical Background

Informal trade existed long before the slave trade. It helped to foster communication among various peoples. Informal trade was conducted fairly and transparently, through a barter exchange system based on mutual trust and agreement. There were few restrictions on the commodities that could be bartered. Even today, the socio-political and economic environment permits the continuance of this cross border trade which promotes interaction, integration and development for the ultimate goal of sustainable livelihoods and economic development of people from different cultures and nations worldwide.

The dictates of globalisation and the world economy have resulted in the formal sector continuously shedding its labour force to accommodate modern technology, in order to increase efficiency and maximise profits. The consequence of this modernisation has been retrenchment of workers and closure of non-competitive industries. World Bank/International Monetary Fund (IMF)-designed structural adjustment programmes have also worsened poverty and have condemned an increasing number of families to living below the poverty datum line. This scenario has forced many people to think of alternative ways of eking out a livelihood.

### Poverty

In 1992, it was estimated that one-third of the population of the Southern African Development Community (SADC) region was living in poverty (Poverty Reduction Report, 2000). It is estimated, for example, that over 75% are poor in Zimbabwe, where unemployment levels have reached over 70%. Against this background, cross border trade has become one of the main sources of livelihoods for the poor in the region.

### Effects of Structural Adjustment Programmes (SAPS) in Southern Africa

In Mozambique, sixteen years of civil war that ended in 1992, compounded by harsh economic policies including the SAP, were a recipe for unemployment and extreme poverty. As a result, many people were drawn into the web of unemployment when state-owned enterprises were privatised.

Although Angolans could at last 'breathe the wind of peace' after 30 years of civil war, their country was left destroyed, with the majority of its citizens living in abject poverty, forcing many people to adopt a survival mode that included cross border trading.

In Zambia, a hostile economic environment, characterised by globalisation and harsh economic policies brought about through the implementation of SAPS, caused the loss of jobs, forcing many Zambians into cross border trading.

However, it should be made clear that not all informal traders venture into this means of livelihood as a last resort. Many see it as good business sense and a way to earn a living as they enjoy the buzz of trading and the independence of self-employment.

It used to be a pastime for some but, either by necessity or choice, cross border trading has now become the livelihood of thousands of people in the SADC region, either on a part-time or a full-time basis. At a time when formal employment has become scarce, thousands of youths are resorting to informal cross border trade.

*From The Herald - March 22, 2004*

"I am proud of what I have achieved so far even though I have only been in this business for just two years," said Mr Lazarus Nyamukapa of Glen View high-density suburb. Mr Nyamukapa said he only got to realise the benefits of cross border trading and that it contributed immensely to the economy of the country after his neighbour bought a second-hand commuter omnibus from the proceeds of this trade.

"If you know what to sell and in which parts of the country you can conduct your trade, you can make money and live a good life. I now specialise in selling things like teabags, margarine, butter and other items that are on demand in Mozambique and when I come back, I bring back some rice for sale," said Mr Nyamukapa, showing off his fancy mobile phone, designer jeans, and branded sports shoes.

## Gender and Cross Border Trade

The policy and institutional frameworks for national, regional and international trade are generally silent on both cross border trade and gender issues. More in depth studies to examine the gender dynamics of cross border trade are needed. In order to deal comprehensively with gender issues in this trade, it is important to unpack the conceptual framework being used to analyse gender issues in this sector.

Gender and Development recognises that women and men, by virtue of their gender and socialisation, are positioned differently in societies, have different experiences, perform different roles, have different needs and interests, and may have different capacities to contribute to and benefit from development.

Gender Analysis allows policy makers and practitioners to understand the situation of men and women, their different needs and interests, their different vulnerabilities and their different capacities to participate, contribute and benefit from interventions. It also allows them to assess how women and men are impacted upon by situations or processes.

### Gender Issues in Southern Africa

Gender issues in Southern Africa have to be understood in the context of the predominantly patriarchal culture which subordinates women to men, where there are clear social expectations of male and female roles and behaviours. Most of these limit women's participation in public arenas and ensure that women and men do not enjoy equal conditions in which to participate in and benefit from resources and opportunities.

Historically, informal trade was the preserve of women. With the advent of colonialism, men were considered to be wage earners and breadwinners and were drawn into formal employment, while women were considered homemakers and expected to stay at home or to be engaged in low volume, low profit activities, mostly at or near their homes. In some cases, e.g. Zimbabwe and South Africa during the early colonial days, women

were not expected to be in cities and were not catered for, as evidenced by the policy of providing single room accommodation for city-based male employees. Education and skills training were generally only offered to men to prepare them for the world of work. By the time restrictions were lifted and women were able to move into urban areas, they were ill prepared to join the formal employment market and were, therefore, drawn into informal sector work. They did this for various reasons, including the need to supplement the low wages of their husbands, provide missing services and goods (food, vegetables and clothing) and to occupy themselves.

However these activities still remained an extension of their traditional roles of homemaking and family care.

It is very evident that clear distinctions based on gender determine the operations of traders including:

- Types of goods produced and traded
- Volumes
- Locations of the businesses and access to markets
- Access to capital and other technical resources.

Women's triple roles (productive, reproductive and community) also left little time for their trading activities and meant that they could not move as far afield as their male counterparts. Women's primary responsibility for the maintenance of the household meant that most of their profit was ploughed into the upkeep of the family.



Women generally constitute the largest proportion of cross border traders (70% in Zimbabwe - Survey conducted in 1993; 80% in Swaziland in the 1980s; 70-80% in Zambia - ECA study).

However, with increasing unemployment being experienced across the region, the trend could be shifting as more and more men have entered into informal sector activities to earn a living.

### Cross Border Trade

Women were among the first to be drawn in large numbers to cross border trade as a natural extension of their local activities. This was supported by their experience with local trade as well as a strong entrepreneurial and trading culture. Women's creativity and innovation has been noted as a particular strength in this trade. It is, therefore, not surprising that women constitute the majority of cross border traders in the SADC region. The critical factor fuelling the growth of cross border trade in the region has been the negative economic conditions. These contribute to the growth of the informal sector in different degrees and are characterised by: high unemployment; high inflation; chronic shortages of foreign currency, and goods and commodities, leading to high levels of poverty and food insecurity, to which women and female headed households are the most vulnerable; and a thriving black/parallel market in goods and currency, supported by differential foreign currency rates.

This has lessened the opportunities for women's sustainable livelihoods. Negative social conditions exist in which women suffer discrimination and marginalisation from key social and economic sectors, while continuing to carry a disproportionate burden of domestic and social responsibilities. The gender implications of these trends have been the worsening of women's situation, leaving them no choice but to engage in informal sector activities to support their families.

### Gender Characteristics of Cross Border Trade

A broad overview of the sector suggests a number of gender differentials. Women constitute the majority of cross border traders. For example, of over 150 000 traders in Zimbabwe, 80% are women. A case study of Beitbridge, Chirundu and Chitungwiza found that 36% of the respondents were married, 42% were single parents and 22% widowed, 60% were mature women in the 30-39 years age group, followed by 30% in the 18-29 years age group. Figures released by the South African High Commission in 1999 indicated that 80% of traders from Zimbabwe were women trading in soft goods, food items, clothing and textiles, cosmetics, crochet, small woodwork items, basketry and household utensils.

Cross border trade was a way of life for many pre-colonial communities.

New entrants into this market include school-leavers and youths, as they are unable to find formal employment.

'Gender' refers to the social differences between men and women and the relationship between them, which is based on shared norms and expectations within a particular society and culture about female and male behavior, characteristics and roles.

