Nature of Cross-Border Food Commodities Smuggling in Busia Town, Kenya

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Abstract
Smuggling is a global phenomenon which is quite complex due to its complex operations and the diverse commodities involved. The means by which commodities cross the border is the main issue that makes the cross border trade illegal. This illegal trade is common on the Kenya-Uganda Busia border town. This study examined cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The first specific objective was to analyze the nature of cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The study utilized human needs and transnationalism theories to examine cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The study adopted a descriptive survey research design. Stratified sampling technique was used to arrive at 8 strata, namely that of transporters, local residents, traders, trade agents, hawkers, revenue collectors, opinion leaders and that of government officers. Sample sizes of 193 respondents were selected from these strata and they were arrived at through census, purposive and snowballing sampling methods. Data collection instruments were Focus Group Discussions (FGDs), interviews, observation and questionnaires and secondary data through document analysis. Quantitative data was analyzed using appropriate descriptive statistics while qualitative data involved thematic and content analysis. The findings of study indicate that the social and economic effects of smuggling have both positive and negative effects on individual households, depending on the outcome in relation to an individual’s engagement in the activity. The study recommends that Kenya and Uganda governments work in collaboration come up with friendly policy on trading in food commodities so as to reduce illegal trade of food commodities.

Keywords: Cross-border; Smuggling; Socio-economic.

1. Introduction
The United Nations recognized six kinds of national and international security threats, and smuggling is one of them (United Nations Report, 2014). Smuggling has been variously referred to as a second, hidden, parallel, underground or informal economy, all terms intended to convey the sense of economic activity which is not officially reported to state authorities and which is therefore not directly taxable (Nkenda, 2014).

In Africa, smuggling is common due to the weak cross border enforcement Golub (2015) and this has made this type of trade to thrive everywhere in Africa (United States Agency for International Development, 2010). For instance, one of the most developed networks of smuggling involves the Mounde Muslim sect in Senegal with traders travelling across the African continent and even beyond the continental borders. The smuggled food commodities are quite varied and they are basically the most smuggled, both processed and in their raw form Golub and Lewis (2012).

In EAC, cross-border smuggling of food commodities in EAC directly or indirectly escape from the regulatory framework and often go unrecorded or incorrectly recorded into official national statistics of the trading countries (Andreas, 2013). A significant proportion of cross-border trade in this region, especially between Kenya, Uganda and Tanzania, is in the form of smuggling. Women constitute a larger proportion of small scale informal cross-border trade. In spite of efforts to promote trade integration among EAC partner states and specifically between Kenya and Uganda, formal trade links are still facing several constraints. Some of the restrictions push traders into smuggling but there are also exclusive incentives or advantages that promote the existence of smuggling (Little, 2007). Regionally, this illicit trade is quite common across the Kenyan border with her neighbors. In 2011, as noted by Golub (2015), over 400 tons of maize was smuggled out of Tanzania every day to Kenya, Sudan, Somalia and Ethiopia. This was done through the Kilimanjaro region, at Sirari border point by opportunistic traders.

There is a customs union between Kenya and Uganda from as far back as 1917. The two countries are important to each other as trading partners, though formal trade links between the countries has had problems that may have given rise to illicit trade (Boral, 2013). Smuggling across Kenya and Uganda was often associated with low income

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earners, though this is no longer the case (Haji, 2009). The war against smuggling has remained a tough one for Kenya Revenue Authority (KRA) and the Kenya Bureau of Standards due to the porous Busia border point (Ochunge and Odanga, 2017). According to these scholars, a lot of counterfeit products are smuggled into Kenya from Uganda every day, denying the taxman revenue. The smuggled products include alcoholic beverages, sugar, coffee, salt, wheat flour, cooking oils and fats and other agricultural products. This form of trade takes a large chunk of the total trade such that it rivals the formal trade (Nkoroi, 2001).

1.1. Statement of the Problem

Kenya and Uganda are important trading partners and interest in cross border trade especially in food commodities has been quite overwhelming. There are formal protocols guiding trade across the Kenya and Uganda border such as easing exchange controls and food commodity movement restrictions. However, smuggling, the illegal trade, exists across the border of the two countries. Evidence shows that this trade is persistent and is largely tolerated by the residents and even security officers tend to turn a blind eye to it (Nyaoro, 2012). In addition, reports indicate that such activities are likely to influence the socio-economic status of households of Kenya-Uganda Busia border town.

Objectives of the study was analyze the nature of cross-border food commodities smuggling on Kenya-Uganda Busia Border town.

2. Research Methodology

The research used a descriptive survey design to analyze smuggling and its influence on the socio-economic status of households on Kenya–Uganda Busia border town. A descriptive survey gathers data at a particular point in time with an intention of describing the nature of existing condition or determines the relationship that exists between specific events (Cohen and Manion, 1989). According to Mugenda and Mugenda (1999) a descriptive survey study involves finding out existence of smuggling of food commodities and how this affects socio-economic status of households. The descriptive survey data was collected through questionnaires and interview schedule. Babuta and Haenlein (2018), Cited that the purpose of descriptive study is to give accurate account of particular phenomenon, situation, community or person. The population comprised of 171 government officers, 51, 981 local residents, 200 traders, 1,094 transporters, 12 revenue collectors, 75 hawkers, 50 trade agents and 80 opinion leaders. The total population was 52, 661. Government officers were basically County Government officials, security agents, customs officers were targeted since they are the administrators of the region and they are involved in security issues within the region. Stratified sampling was used to first stratify the target population. This technique is often used when one stratum or more strata in the population have a low incidence, relative to the other stratum or strata (Kish, 2011). There were 8 strata. The constituted strata were for local residents, government officers, traders, transporters, revenue collectors, hawkers, trade agents and that of opinion leaders. Random, Census, and snow ball sampling methods were applied in order to arrive at subjects for study. The census method was used to choose revenue collectors since they are few, while Random, sampling was employed to select respondents from the strata of local residents, traders, hawkers, government officers and opinion leaders. Snow ball technique enabled the researcher obtain respondents from transporters and trade agents, since these are the ones directly involved in the illegal trade through connections and the movement of commodities. The sample size comprised of 17 government officers, 50 local residents, 50 traders, 19 transporters, 12 revenue collectors, 20 hawkers, 10 trade agents and 15 opinion leaders giving a total of 193 respondents for the study.

2.1. Nature of Cross-Border Smuggling of Food Commodities

Smuggling in Sub Saharan Africa concerns individual dealers and micro, small and medium sized enterprises (Peberdy, 2004). Smuggling in food commodities is thriving everywhere in Africa, due to a weak cross border enforcement, which has become a great challenge to state authority and has led to a tremendous loss of revenue collection (United States Agency for International Development, 2010). However, the researcher differs with United States Agency for International Development (2010) on the basis that though weak border enforcement can be a contributing factor, it is should not be considered as the main contributor to smuggling in Africa. There are cases where certain African countries have tightened border security but smuggling activities still go on. Smuggling of food products has increased trade flows and it has led to trade creation (Azam, 2007). The researcher also wishes to reiterate that smuggling has also diverted legal trade into illegal smuggling, which involves a real capital cost greater than that associated with importing legally under free trade. As cited by Mathew and Yang (2012) cross-border smuggling of these commodities in West Africa and the Horn of Africa vastly exceeds the reported bilateral trade, and such is the case with bilateral Cameroon-Nigeria trade. In this case, cross-border smuggling accounted for $ 230 million compared to officially recorded flows of $10-$40 million in 2011 Mathew and Yang (2012). In addition, the smuggling of some food commodities, especially cocoa, across national borders is most prevalent along the Côte d’Ivoire-Ghana-Togo-Benin-Nigeria and Burkina Faso corridors of the sub-region (Sunday and Okechukwu, 2014).

The Kenya and Uganda cross-border communities interact quite often and smuggling is mainly between 5 am and 9 am and also between 3 pm and 9 pm at Busia town. The choice of the time depends on how well it works for individual traders (Nkoroi, 2001). The war against smuggling has remained a tough one for Kenya Revenue Authority (KRA) and the Kenya Bureau of Standards (KeBS) due to the porous Busia border point. A lot of counterfeit products are smuggled into Kenya from Uganda every day across the borders denoting the taxman revenue (Ochunge and Odanga, 2017).
According to Ogalo (2010) smuggling has thrived due, in part, to the physical nature of the border points and inadequacies in law enforcement from both sides of the border. Despite trade promotion protocols and market reforms which to a large extent, have eased exchange controls and food commodity movement restrictions, high sales taxes and bureaucratic import/export procedures still inhibit formal trade between the two countries. There is a high volume of smuggling across the border which is largely tolerated by the residents and even security officers tend to turn a blind eye to it. Policing the border trade is therefore a fertile point of corrupt activities by the police (Nyaoro, 2012). Substantial amounts of agricultural commodities flow into Kenya. In March 2014 alone, over 28,500 tons of agricultural goods were informally traded from Uganda into Kenya, about 20,000 tons of which were maize, sugar and other cereals (Nyaoro, 2012).

2.2. The Magnitude and Persistence of Food Commodities Smuggling

Smuggling at Busia town basically involves alcoholic drinks, sugar, coffee, maize and beans. Other commodities include salt, wheat flour, cooking oils and fats and fruit juices. The alcoholic drinks, such as Guinness imported from Uganda go at Ksh 100, while in Kenya, it is sold at Ksh 180. Sugar when brought into Kenya, it is re-packaged and rebranded by local supermarkets. A majority of sugarcane factories in Kenya are struggling to stay afloat because they do not have sufficient cane to crush. Coffee cartels are now processing Grade 3 coffee and sneak it through the border where they pack it in sachets (Ochunge and Odanga, 2017).

2.3. Methods of Cross-Border Smuggling of Food Commodities

According to Husken (2017), cross-border smuggling can take various forms depending on the locality and practicability of the vice. The first one is called trading by bag and it is the most common and accepted form of smuggling. The individual nature of ‘trading by bag’ renders its practitioners vulnerable to arbitrary demands on the part of the customs officers. Often, poor traders are exposed to humiliating practices meted out by the border personnel, which include arbitrary violence, such as kicking and hitting with sticks, or random arrest for several hours. The second form of smuggling is night smuggling/night trading. In these night-time operations the border checkpoint is circumvented by using small footpaths. The third form of smuggling is smuggling by sea. This is carried out on fishing boats, and is a larger-scale operation. Smuggling by boat is risky, since the smugglers have to hide from the coastguard or make deals with them. It is also dangerous to unload the boats under cover of darkness, because navigation is more difficult at night-time Husken (2017). Smuggling processes of food commodities can be categorized as being sea, land or air smuggling.

Across the Kenya-Uganda border, at the Busia border post, the smuggled commodities are carried through Probox cars and these carry goods that can fill up to a pick-up truck (Ochunge and Odanga, 2017). In addition, traders with special needs at the crack of dawn race their specially designed heavy duty wheel chairs to the cargo collection points, that is shops and wholesale outlets strategically located in Kenya close to the Kenya-Uganda border. In Uganda, they transport their cargo to drop-off zones owned by affluent traders located more than a kilometer from the border into the interiors. In the 1970s during coffee smuggling and the 1980s and 1990s when sugar smuggling from Kenya to Uganda was at its peak, ordinary bicycles were used but nowadays, wheelchairs are the preferred mode for transport (Ochunge and Odanga, 2017).

2.4. Actors in the Cross-Border Smuggling of Food Commodities

In the East-African context, Titeca and Kimanuka (2012) categorizes actors in smuggling in 6 groups, transporters/ couriers, consumers, traders, agents, hawkers and public officials. According to Titeca and Kimanuka (2012), transporters or couriers are visible at most borders with the traders they serve. Transportation is done by using trucks, boats, carts, bicycles or by hand/ head, depending on the load, route and distance. Most of the food commodities that pass through the unofficial channels are brought in large trucks and are subsequently broken down into smaller parcels which can readily be carried even by children who act as couriers. This method of smuggling is with food stuffs such as maize, wheat flour, soft and alcoholic drinks. The other actor is that of hawkers which originally came into the country through the official channels, but invariably, the goods are products of smuggling routes and generally sell at relatively lower prices compared to those in retail shops. They mainly carry the same items but at a different border. Lastly, there are public officials who are a crucial group in cross border trade and consist of custom officials, police officers, provincial/ district administrators and cess collectors. They also operate in non-official capacities (Titeca and Kimanuka, 2012).

2.5. Conceptual Framework

A conceptual framework is presentation where a researcher conceptualizes or represents the relationship between variables using a theory. This study is buttressed by the Human Needs Theory and transnationalism theories to analyse influence of smuggling of food commodities on socio-economic status of households on the Kenya-Uganda Busia border town.
3. Findings and Discussion

3.1. Nature of Cross-Border Food Commodities Smuggling

3.1.1. Biographical Characteristics of Respondents

According to the data gathered by the researcher, there were 193 (100%) respondents from the Kenyan side of the international border. As illustrated in Figure 1.2 among these respondents, 53 (27%) were female while 140 (73%) were male. Out of these respondents, there were 17 (9%) government officers, 50 (26%) local residents, 50 (26%) traders, 19 (10%) transporters, 12 (6%) revenue collectors, 20 (10%) hawkers, 10 (5%) trade agents and 15 (8%) opinion leaders. Most of the respondents were male since most of them were more willing to be interviewed than the females. Besides, the researcher noted that there were more male at the study area than the female and this also explains reasons as to why they dominated all categories of respondents. In spite of their dominance, the researcher was able to interview the willing female respondents.
3.2. Methods of Cross-Border Food Smuggling between Kenya and Uganda

The study revealed that there were various forms of cross-border food smuggling. These included bicycle, wheelchair, head/hand, vehicle and under garment smuggling. This could further be grouped under night and daytime smuggling. This observation by the researcher was in line with the works of Husken (2017) who noted that cross-border smuggling takes various forms depending on the locality and practicability of the vice. Besides Husken (2017) cited three main forms of smuggling, notably, trading by bag, night smuggling or night trading and sea smuggling. This work of Husken differs with that of the researcher in terms of the type and number of forms. The report on World Food Programme FEWS NET (2007) on its part mentions that in Eastern and Southern Africa the main forms of smuggling include vehicle, bicycle, push cart or head/hand. This citation concurs with the researcher’s findings within the study area.

The total of respondents was ninety-nine. Figure 1.3 indicates the summary of findings.

Figure 1.3. Means of Smuggling

Source: Field Data, 2018

Figure 1.3 indicates that 50(51%) of the respondents agreed that cars are used in smuggling business while 20(20%) to bicycles, 19(19%) and 10(10%) agreed to use of wheelchairs and Lorries respectively.

According to them, goods arrive at Busia border town in hired trucks and they are then stored temporarily in hired shops or stalls. The reason why they are stored is in order to wait for a convenient moment or time to be smuggled across the border. The researcher was informed that the success of this activity depends on effective and efficient communication of those involved either through social media or face-to-face communication. It also depends on the demand and supply conditions at the time.

Data gathered from the field indicates that in case the smuggler is connected to a higher ranking officer more so a senior security officer, the later can decide to deploy the junior security agents to other areas in order to give room and time to the businessman to cross over safely with goods. Other officers even escort the smugglers to safer places while others are bribed in order to allow the smuggled commodities to be crossed over in these vehicles. This data agrees with the works of Ochunge and Odanga (2017) and also the citations by Golub and Lewis (2012) who cite the use of vehicles as a common form of smuggling. Ochunge and Odanga (2017), further state that the Probox cars can carry commodities that can fill up a pick-up truck.

3.3. Night Smuggling and Daytime Smuggling

The researcher gathered from the field that the cross-border smuggling took place at night or even during the day. The decision to smuggle at night or during the day depends on the individual smuggler, the type of goods and the state of border security at a given moment. In most cases, those involved in smuggling only keep small stocks in order to avoid any possible risk. Various transporters and carriers serve a small group of business people.

The researcher asked director in Ministry of Trade, Busia Governor, OCPD, custom officers and opinion leaders what time smuggling of food commodities took place. The number of respondents was 32. The following figure is a summary of findings:
Figure 1.4 indicates that 25 (78%) agreed that smuggling took place during the day between 5-9 am. They argued that by 7.30 am the smuggling business already booms at the border with individuals crisscrossing the border and smuggling various forms of food commodities. Individuals choose the points through which the commodities are moved across the border. In addition, all categories of smugglers are involved in the vice. Data from the field indicated that the main commodities smuggled were fresh food commodities for immediate consumption and were transported by various means such as head/ hand, bicycles, motorcycles, vehicles, carts and even wheel chairs.

Further, they pointed out that during the night, smuggling takes place between 3-9 pm. In the evening, Kenyan individuals normally cross over to the Ugandan side without any restrictions from the officers manning the border. In this case, there are less individuals involved and it involves huge volumes of commodities which need to be moved across the border. The individuals involved are those that engage in large businesses and the main commodities include sugar, maize, beans and coffee. They sometimes use formal routes after either bribing the border security agents and customs officers. Sometimes the bribed security agents escort the smugglers to a safe haven. In other instances, the smugglers capitalize on the laxity of the border patrol officers and then move across the commodities. Yet in other cases the informal routes are used especially for the coffee cross-border smugglers. The main means of transport used at night are vehicles and motor cycles. The commodities moved can either be hidden under other commodities or packed solely.

These data gathered by the researcher agrees with the citation made by Bullock (2010) who note that people choose the time and the points through which to move the goods, which can include official border crossings, unofficial or informal routes, embedding commodities in the cross-border movement of people or embedding commodities in the cross-border movement of commercial commodities.

3.4. Factors Contributing to Cross-Border Food Commodities Smuggling

The researcher was informed by the data collected from the field that smuggling as an illegal activity was not new to the international border. In an interview, an opinion leader argued that this has been a persistent activity for a long time and it is on the increase due to the high prices of some of these commodities in Kenya. This is what pushes some individual to purchase the commodities from Uganda and then sneak them into Kenya. Unlimited Capital, Delays during Clearance Process, Corruption, Ineffective Border Patrols, Lack of Knowledge on Customs Procedures, Strict Formal Laws, Cheaper Food Commodities from Uganda, Cross-Border Family Ties

3.5. Types of Food Commodities Smuggled between Kenya and Uganda

Information gathered from the field indicated that there were different types of food commodities that are normally smuggled across the border, either from Kenya to Uganda or vice versa. These food commodities were categorized as either being processed or non-processed. Findings indicate that most of the non-processed food commodities, basically food stuffs came in from Uganda since they are cheaper in Uganda than in Kenya. However, most of the processed came from Kenya. Certain commodities would be derived from either country depending on the season.

The non-processed food commodities that normally move from Uganda to Kenya include food stuffs such as maize, beans, sorghum, simsim, millet, groundnuts, rice, bananas, fruits (oranges, mangoes, pineapples,
watermelon), cassava, sweet potatoes, tomatoes, coffee green grams, pumpkins, carrots, milk, fish, chicken, eggs, vegetables and cucumbers. The processed commodities on the other hand include sugar, rice, alcoholic beverages.

Findings indicate that processed commodities from Kenya included wheat flour, cooking oils, fats, soft drinks, salt, rice, spaghetti. However, commodities like beans, maize, rice and sugar can move in any direction depending on the season experienced in any country. The commodities smuggled in large quantities as gathered by the research are alcoholic beverages, sugar, coffee, maize, beans and fish. A report by Organisation for Economic Co-operation and Development (2004) on the other hand cites that in Eastern and Southern Africa maize, rice and beans are the most smuggled. On the other hand, Yaya and Meagher (2011) mention flour, sugar, rice, tomato paste and cooking oil as the most smuggled across the Gambia-Senegal border, while millet and cowpeas are the most smuggled across the Niger-Nigeria border. However, the observations made by Ochunge and Odanga (2017) are that across the Busia border the major food commodities smuggled are alcoholic drinks, sugar, coffee, maize, beans, salt, wheat flour, cooking oils and fruit juices. All these citations by the authors are in line with the findings of the researcher on the type of food commodities smuggled across the international border of Kenya and Uganda.

3.6. Constraints in Food Commodities Smuggling Across the Kenya-Uganda Border

As actors engage in smuggling of these food commodities, they encounter several problems, hence demonstrating that smuggling is not an easy endeavor.

3.7. High Charges on Food Commodities

First, the researcher gathered from the field that for the traders who sell their commodities to Uganda, the charges put on these commodities is normally high thereby reducing the profit margins significantly. Inaccessibility to Finances, Currency Fluctuation, Unfair Trade by Female Traders, Absence of proper Border Infrastructure, Inaccessibility of Information on Cross-Border Markets, Corruption and Impunity, Conflict of By-Laws, Impact of Food Commodities Smuggling on Socio-Economic Status of Households. According to an interview with one female trader

The profit margin is quite small and as such most of us end up with limited funds for any investment and as much as we claim we are doing business, most of us have remained poor. The little money we make we use it for family consumption and left with almost nothing to invest.

Interview with a female trader on 19th July 2018, Busia town.

This interview demonstrates one issue that affects this business. The interview is in line with citations by Meagher (2003) who notes that relative price differences between countries and shortages in a particular country encourages this illicit trade, a statement also supported by key informants, mainly the government officers and opinion leaders.

The nature of smuggling commodities between the two countries has had an impact on the socio-economic status of households in Busia town Kenya. In an interview, a trader retorted that they face challenges both economically and socially. However, they reiterated that there were some positive effects of smuggling such as an income boost which has helped them invest and fend for their families. Besides, the activity though illegal, has provided employment to the unemployed youths. As a result, petty crimes such as theft have reduced in the villages. An interview with one transporter with disability showed that:

We no longer rely on handouts for survival. We work for our own money which we use on the upkeep of our families. Some of us have also used this money in investments. Quite a number have established individual businesses which are run by family members in order to earn some extra income. at least we no longer live in poverty. (Interview with a transporter with disability on 23rd July in Busia town)

This interview is an indication of the economic and social benefits derived from smuggling to individual households.

Findings indicate that the business though informal, has enabled them access commodities cheaply. This in turn has helped them save a lot in terms of their finances. The economic benefits derived from smuggling as gathered by the researcher concur with the citations of Afrika and Ajumbo (2012) who affirm that smuggling is a source of employment and income for many people.

It was noted that women are harassed and abused especially as they try to smuggle their goods in the country. They are harassed a lot by the police officers and this traumatizes them. They also complained of excessive harassment especially if the body search for hidden commodities is done by male officers. This embarrasses them and causes a lot of discomfort. Besides some are sexually abused more so when sneaking their goods through the unofficial routes thus contracting sexually transmitted diseases and even HIV/AIDS, posing a health risk to them. While trading, the female traders confessed that they sometimes fight with fellow traders over small disputes and this sometimes leads to imprisonment or detention, which ruins their businesses. In addition, because of the desire to make quick money and also lead a luxurious lifestyle, the youths and even children have dropped out of school in order to get involved in this informal trade. Thus quite a number of them have a low educational level. According to an interview by one female trader, a vegetable vendor:

In as much as this business is good, we women sometimes go through hell. First the police are quite unfriendly towards us because most of us are not willing to part with any money in form of bribes. So when they get an opportunity the police really harass us and even forcefully take money or goods from us. There are certain cases where some women have been raped more so when using the informal routes during late hours or very early in the morning. Cases of rape have been
reported leading to marriage breakdown due to mistrust or contraction of sexually transmitted diseases as well as HIV. Our life is a real tough one. Interview with a female trader on 20th July 2018 in Busia town. These findings are an indication of some of the inconveniences associated with smuggling and they agree with the works of Fletcher (2010) who states that informal networks can promote anti-social behavior and violation of rules and norms for the formal economy.

4. Conclusion

The first objective was that, the nature of Cross-Border smuggling was a continuous and an active activity within the border town. Besides the processes of smuggling were diverse involving a variety of actors and as such the activity impacts on the socio-economic status of households both negatively and positively. Most of the informal traders for instance, were not aware of their rights in the process of transacting business within the EAC region and the common problems were encountered while transacting in smuggling. Such problems included visa restrictions, duties and taxes, licensing, access to finance for trade, sexual harassment and non-uniformity in customs and immigration regulations within EAC.

Recommendation

In view of the data in relation to the first objective, the researcher first notes that mobility experiences of women differ from those of men, hence need for gender specific strategies, programmes and activities that recognize the different needs and capacities of men and women traders. This should focus mainly on the improvement of the trading environment, access to resources and opportunities for traders, more so female traders. This would in turn improve the efficiency and effectiveness of trade in the region. Besides there is need to provide the necessary services so as to facilitate the livelihoods of the informal traders. It is also recommended that the government officers in charge of manning the main entrance uphold high integrity when dealing with individuals crossing the border. It is their harassment that pushes persons to seek alternative routes hence increase smuggling. The county government has to employ strict measures against youths and children who drop out of school in order to engage in smuggling. In addition, the national government needs to fully support the county government by providing enough security personnel to man the whole border stretch in order to seal the porosity of the region. It was derived from the study findings that financial services were a critical problem which hinder the expansion of these businesses. It is necessary to explore alternative lending ways that are responsive to the unique demands of the informal cross-border traders. The interest rates are also high and the micro-finance institutions are not reaching out to the needy. Hence the government needs to explore the viability of establishing a fund primarily to benefit the small-scale commodity producers, traders, exporters engaged in their sustainable livelihood initiatives.

Also, the movement of informal cross-border traders is a major issue of concern. Clearance at the border takes a lot of time and delays transactions. The introduction of EAC passport and temporary business permits would facilitate movement of people and commodities. Local governments of the two countries also need to collaborate and establish similar by-laws to facilitate informal trade. The customs clearance procedures need to be streamlined reduce trade documents required and harmonize the nature of the information contained in the documents. The documents hence have to be standardized and harmonized according to the internationally accepted standards.

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