Informal Cross-Border Trade (ICBT) comprises a very substantial portion of intra-regional trade flows & economic activity in the Southern Africa region. In many poor households, ICBT has become a key source of livelihoods, mainly for women. Despite its significant visibility at every border post throughout the SADC region, ICBT remains largely invisible to policy-makers, almost entirely undocumented & under-valued in most of the countries in this region. If anything, most informal cross border traders are often viewed as some of the major perpetrators of international crimes such as smuggling, tax-evasion & bribery that undermine the formal economy. But now there are several case studies showcasing ICBT’s critical role in poverty alleviation.

**Introduction**

- An Origin & Destination Survey covering 20 land border posts connecting 11 SADC countries was done.
- All people crossing through the selected border posts were monitored over a 10-day period & the number of ICBT traders counted (Gender Disaggregated).
- Interactions of traders & customs officials were observed & the types, value & volumes of goods declared & duties paid were recorded.
- The transactions of over 5,500 traders processed by customs officials were monitored & over 4,500 traders were interviewed.
- Key informant interviews with officials from relevant government departments in each country, including departments of customs and excise, border police services & department of immigration services.

**Methodology**

- To examine & profile the “hidden” role of migrant informal entrepreneurship in a number of countries in Southern Africa.
- To examine the nuances of cross-border regional trade at selected important border posts in the region.
- To determine the level of contribution made by ICBT to the national & regional economies.

**Results & Discussion**

<table>
<thead>
<tr>
<th>Country of survey</th>
<th>Total counted</th>
<th>No. of traders</th>
<th>Traders as % of all border crossers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>10 653</td>
<td>1 050</td>
<td>9.8</td>
</tr>
<tr>
<td>Lesotho</td>
<td>1 922</td>
<td>660</td>
<td>34.3</td>
</tr>
<tr>
<td>Malawi</td>
<td>15 142</td>
<td>6 492</td>
<td>42.8</td>
</tr>
<tr>
<td>Mozambique</td>
<td>40 826</td>
<td>21 793</td>
<td>53.4</td>
</tr>
<tr>
<td>Namibia</td>
<td>14 276</td>
<td>1 601</td>
<td>11.2</td>
</tr>
<tr>
<td>Zambia</td>
<td>103 026</td>
<td>44 824</td>
<td>43.5</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>20 667</td>
<td>9 412</td>
<td>45.5</td>
</tr>
</tbody>
</table>

- As shown in Table 1, with the exception of the border posts of Botswana & Namibia, traders comprised at least 30% of people crossing the border.
- In Mozambique, traders comprised over 50% of people crossing the border who were counted.
- Border posts in Mozambique, Zimbabwe & Zambia had the largest proportion of traders crossing the border while the Botswana & Namibian border posts had the least proportion of traders.
- Women were in the majority on at least half of the border posts surveyed & made up 55% of the overall number counted.
- The survey found a strong correlation between the nationality of the traders & participation in informal trade in particular countries. For example, in the survey of traders entering Mozambique, 99% were Mozambicans.
- While the types of goods carried by ICBT entrepreneurs proved to be many & varied, electronic goods & foodstuffs (including fresh produce & groceries) constituted the most significant categories of goods transported across borders.
- An analysis of the purchasing behaviour of informal cross-border traders showed that they contribute significantly to the formal wholesale & retail sectors of the countries from which they buy their goods.
- At border posts traders cited high customs duties, officials issuing permits which were too short in duration, long queues & corruption as major problems.
- Competition from large retailers & supermarkets was also cited as a problem by 71% of interviewees.

**Conclusion & Recommendations**

- The largest survey of ICBT traders in Southern Africa ever undertaken highlighted the relationships between migration, mobility & informality in establishing valuable informal sector transnational trade & business relationships.
- It also demonstrated the value of ICBT to the formal wholesale, retail, hospitality & transport sectors in the region.
- The survey’s findings have the potential to facilitate & make possible ICBT traders who create access markets across the region which would otherwise be unavailable to retailers & wholesalers in the cities they visit.
- The survey shows that ICBT involves a diverse range of actors who participate in a business which itself is diverse.
- The overwhelming majority of traders provided their own capital through savings & borrowing from family & friends be-
- The survey shows that ICBT tends to be mostly bilateral with most of the traders operating only between their home country and one other country.
- We suggest that the survey found low rates of participation in ICBT by South Africans & Namibians (less than 3% of the traders counted overall). These countries tend to be buying & selling destinations for traders from other countries rather than a source of informal entrepreneurs.
- In the survey as a whole, the major country of origin of cross-border entrepreneurs was Zimbabwe (29% of all traders), followed by Zambia (19%), Mozambique (14%), Angola (10%), Swaziland (9%) & Malawi (8%).
- Nearly 90% of the ICBT entrepreneurs captured in the survey were one-way traders, i.e. they bought goods in one country & sold them in another country. Only 13% were “two-way traders” who bought & sold goods in both their country of origin & their destination country (mostly Zimbabweans).

**Fig. 1: Traders crossing the Zimbabwe-South Africa border**

**Fig. 2: Mozambican Cross-Border Traders**

**References**

1. S. Peberdy, S. et al. 2015. Calibrating Informal Cross-Border Trade in Southern Africa. SAMP Migration Policy Series No. 69, Cape Town