

UGANDA BUREAU OF STATISTICS



THE INFORMAL CROSS BORDER TRADE QUALITATIVE BASELINE STUDY 2008



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FOREWORD

The Qualitative Module of the Informal Cross Border Trade (ICBT) Survey is the first comprehensive Study of its kind to be conducted in Uganda to bridge information gaps regarding informal trade environment. The study was carried out at Busia, Mirama Hills, Mpondwe and Mutukula border posts. The ICBT Qualitative study collected information on informal trade environment and the constraints traders' experience in order to guide policy formulation, planning and decision making in the informal cross border sub-sector.

The study focused specifically on gender roles in ICBT, access to financial services, marketing information, food security, and tariff and non-tariff barriers to trade among others. This study was conducted alongside the ICBT Quantitative Module that collected information on the nature of products transacted, their volumes and value, and, the direction of trade.

Notwithstanding the significant contribution informal cross border trade has made to the welfare of the people of the East African region (in terms of employment creation, economic empowerment of women, food security, regional and social integration), there are no appropriate policies designed to guide players in the informal trade sector. The information gathered, therefore, will provide an insight into the challenges informal traders face in their day to day business and will guide policy and decision makers to enact appropriate policies to harness the potential benefits of informal cross border trade.

The Bureau is grateful to the Integrated Framework (IF) through TRACE Project of the Ministry of Tourism, Trade and Industry for the financial contribution that facilitated the study. Lastly, I thank the technical team, Customs, Immigration, Security, and District Officials of Rakai, Kasese, Busia, and Ntungamo for the cooperation and invaluable input that led to the successful execution of the study.



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EXECUTIVE DIRECTOR

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ACRYNOMS

CAO	Chief Administrative Officer
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
EAC	East African Community
EU	European Union
FGDs	Focus Group Discussions
KII	Key Informant Interview
ICBT	Informal Cross Border Trade
IMF	International Monetary Fund
MTTI	Ministry of Tourism Trade and Industry
PEAP	Poverty Eradication Action Plan
PWDs	People With Disabilities
SACCOS	Savings and Credit Cooperative Societies
UBOS	Uganda Bureau of Statistics
UNCTAD	United Nation Conference on Trade and Development
URA	Uganda Revenue Authority
WB	World Bank

DEFINITIONS

Household

A household is defined as a group of people who normally eat and live together. Very often a household consists of a family living in the same house or compound and eating together, although in the some instances a household may be different from a family. A household normally consist of a man, his wife and children and sometimes relatives, maids and visitors.

Business Household

A business household is a household at that border post that owns a business. At most border posts, the household also houses the business. In this survey, a business household is defined as a group of people who have been living and eating their meals together for at least 6 months preceding the survey. The ICBT qualitative study concentrated on only business households, while excluding households that are not engaged in any business activity at the border post.

Enumeration area

For the purpose of the ICBT qualitative study the entire border area was considered as an enumeration area while taking into account the villages that constitute the border post.

EXECUTIVE SUMMARY

The communities along the territorial boundaries of Kenya, Tanzania, Rwanda, Sudan and DRC share a lot in common both culturally and socially. This aids them to engage in informal trade to exploit available opportunities on either sides of the border. However, traders engaged in Informal Cross Border Trade (ICBT) activities face a number of challenges which need to be addressed to survive the impact of economic crisis and trade liberalization.

The overall objective of the study was to generate baseline information on informal trading environment, understand the dynamics of informal trade and its implications on border communities to inform policy and decision making. The study specifically investigated issues regarding food security, access to financial services, marketing information, gender roles and general constraints to trade in terms of tariff and non tariff barriers.

This study was conducted at the border posts of Busia located in Busia District, Mutukula in Rakai District, Mirama Hills in Ntungamo District and Mpondwe in Kasese District during the month of September 2008. These border posts were purposively selected with due considerations regarding the organization of trade, volume of business and diversity of countries that border Uganda.

The research process involved various stages: design, pilot testing and review of methodology, training of field researchers, fieldwork, analysis and report writing. The data collection methods employed included participatory focus group discussions, key informant interviews. Separate instruments were designed and utilized to collect the relevant quantitative and qualitative data. The summary of the findings are outline below as follows:

Overview of ICBT

Informal Cross Border Trade represents a normal market response to cumbersome documentations, time-consuming customs regulations and regional price distortions for border communities. It is a source of livelihood for both men and women at the border posts. While to government and other institutions such as URA and Police, ICBT regard ICBT as a potential loss of revenue, illegal activity/disguised smuggling and a source of unfair competition to official traders and domestic producers.

It was observed that traders engage in ICBT as source of employment to earn income to cater for their families and buy cheap goods across the border points. The involvement in ICBT was also linked to the lucrative market opportunities offered by the counterparts in the bordering country. And on the other hand, high profit margins obtained ICBT activities was equally a driving force for engagement in the trade. The findings further indicate that the scarcity of food supplies in the neighbouring countries could have encouraged people to participate in ICBT. The readily available market for agricultural commodities in Kenya, Rwanda, Democratic Republic of Congo and Tanzania, together with the political stability and good relations existing between the Ugandans and her neighbours was mentioned as factors facilitating ICBT.

Traders involved in ICBT experience several constraints ranging from infrastructure, legal and administrative framework which often results in increase in the cost of doing business and market distortion. The cost of goods entering Uganda becomes expensive thereby reducing profit margins significantly. Profit margins remain small leaving limited funds for reinvestment; hence traders tend to remain poor.

ICBT and livelihood

The study revealed that there are a number of livelihood choices for border communities, including trade, provision of services such as lodging and restaurants, and crop farming. However, the majority of different categories of people at the border posts thrive on trade as their main source of livelihood.

Also, the need for faster communication was reported to have promoted the operation of telephone booths as a source of livelihood. Similarly, the increasing need for affordable and convenient transportation of goods and traders across the borders was mentioned to have led to the emergence of bicycle and motorcycle repairs services as a source of livelihood. A few PWDs were engaged in ferrying merchandise across the borders as a source of livelihood; however the majority were reported to depend on well-wishers, sympathizers and relatives.

The study further revealed that ICBT have greatly contributed to poverty reduction for the people at the border posts. A number of people were reported to have benefited from the trade; they had to improve on their housing conditions, household welfare including paying of school fees of their children, and accumulated household assets

Women had mobilized themselves in small cash round groups as means of accessing financial credit. In general, ICBT activities were reported to have led to increased interaction and socialization of border communities thereby improving social, economic and political relationship amongst the neighbours.

Food security

The majority of households were reported to be food insecure. The findings revealed that over 90 percent of the business households at the border posts experienced food shortages during the year. This scenario was attributed to increased demand for agricultural products from Uganda to the rest of her neighbours. Indeed the majority of respondents reported that ICBT had an impact on food availability and price fluctuation of food stuffs at the border posts. However this was in addition to poor soils, draught conditions and fragmented pieces of land that cannot support viable agricultural. However a few people were reported to sell off the harvested food due to lack of storage facilities.

Access to social services

Some of the social services were reported to be insufficient, non-existent or of poor quality and community members have to move long distances for them. They include warehouses, health and quality education services. However, lack of money was a major constraint to accessing some of the services such as health and education across the study sites.

At least there was one government aided primary school reported for three border posts visited expect for Mpondwe, where the nearest government school is 7 km away from the border. However people preferred private schools because they offer better quality education. It was reported that government schools had inadequate teachers, furniture, and there are still extra charges to cater for security, electricity and food.

Health services at most of the reported government aided health facilities had a lot to be desired. The study reported limited access to healthcare services, including limited HIV and AIDS interventions. The study revealed that government health facilities had inadequate drugs and personnel. On the other hand, these facilities are pressured by the increasing population from Uganda and her neighbours. Most of the private health facilities were reported to be managed by unqualified staff, besides being expensive.

Although most of the border posts are served with piped water, gravity flow system, boreholes, and protected springs, the water was said not to be safe. Pit latrines have been constructed near water sources leading to contamination. Similarly, water facilities are also pressured by the increasing population in Uganda and her neighbours which lack water. On the other hand, a number of the households at border posts were reported to lack toilets facilities.

Both trunk and feeder roads were reported to be good and well maintained. However, the access roads were reported to be full of pot holes and without drainage channels and impassable for vehicles transporting goods during the rainy season. At Mirama Hills, the poor road network was reported to have hindered provision of social services and this had negatively affected ICBT. The study also revealed interesting findings on services such as

energy, telecommunications, markets, roads, and agriculture as being available but costly to access them.

Financial and marketing services

Formal financial services were only reported at two border posts of Busia and mutukula, where commercial banks, microfinance institutions and SACCOs. The study reported that available lending microfinance institutions mostly target women groups as opposed to men with different lending arrangement. Lack of collateral and financial discipline on the part of borrowers limits access to credit. Besides most ICBT traders have no physical address and their business are considered not credit worthy.

For both men and women, ICBT activities are mainly financed through personal savings were initial capital is raised through sell of assets, such as livestock and agricultural produce. To a limited extent a few obtain their first stock on credit. Borrowing money from friends, fellow traders or customers was also reported as one of the strategies for financing ICBT activities.

The study also revealed that since men and women deal in similar goods and services, marketing strategies were similar. Marketing is mainly carried out on individual basis, and there are no organized marketing groups. Marketing through open mobile markets, mobile phones and friends were reported to be the most common strategies employed.

Gender and family relationships

The findings indicate that feminine roles that affect ICBT activities were linked to time devoted to household chores, while for men, it was related to financial resources used to run the household. It was reported that women's household roles take a lot of women's time that could have been used for ICBT activities. On the other hand, most men were reported to have roles that require financial resources which would have been invested in ICBT activities.

Overall, the impact of ICBT on family relationships was reported to be positive where returns are shared by all household members through meeting basic necessities. However, the study also reported incidences of increased domestic violence, divorce and separation, family roles neglect, mistrust and suspicion as a result of ICBT.

Conclusion

The ICBT activities are significant and contribute immensely to household welfare. Therefore designing appropriate policies to guide traders involved in informal trade could impact positively on the local food security situation, attract investments in agro-processing, develop markets and transport infrastructure which could greatly contribute to poverty reduction.

CHAPTER ONE: INTRODUCTION

1.0 Background

In most developing countries, the informal sector plays a crucial role in improving household incomes/poverty reduction, employment and contributes significantly to economic growth. Although many countries have liberalized trade to reduce tariff and non-tariff barriers, informal trade has been on the increase in Eastern and Southern African countries. The liberalization of the trade sector created opportunities for both formal and informal traders to participate in international trade. In some countries, efforts have been made to determine the magnitude and commodities transacted under informal cross border trade. However, no detailed research has been carried out to understand its implications on the countries involved. The inadequate information on informal trade activities has attracted little attention from policy and decision makers who would formulate appropriate policies to transform the informal trade sector. The improvement of the business environment under which informal businesses operate could spur further trade and boost social economic development. The contribution of informal trade in particular to overall merchandise trade statistics is underestimated leading to inaccurate economic statistics.

Uganda and her neighbors; Kenya, Tanzania, Rwanda, Sudan and DRC are important trading partners. The communities along the territorial boundaries share a lot in common both culturally and socially. They speak the same or similar languages, inter-marry and own land on either side of the borders. This alone provides an incentive to these communities to engage in informal trade to exploit available opportunities on either sides of the border. Informal cross border traders engage in the buying and selling of assorted products ranging from food items to electronic appliances to earn a living. The informal business although lucrative and risky, has attracted both women and men including children.

The plan by the government of Uganda to promote economic management and elimination of poverty as spelt out in the PEAP cannot be fully realized without proper formulation of policies that guide all players in the external trade sector. The traders engaged in ICBT activities face a myriad of challenges which need to be addressed to survive the impact of economic crisis and liberalization. Apparently, there is no clear policy framework to guide informal traders to harness the ICBT proceeds to improve household income and create sustainable conducive trade environment. The vulnerability patterns of ICBT tend to perpetuate existing constraints that limit women and other vulnerable groups to fully exploit the benefits accruing from cross border trade.

Informal Cross Border Trade refers to unrecorded business transactions undertaken across the borders based mainly on popular economy. The traders involved do not submit tax returns at the end of each financial year hence not entered in national accounts statistics. Generally informal cross border trade is conducted by women, youths, children and men who use various means to move merchandise in both small and large quantities across international frontiers.

A clear distinction exists between Informal Cross Border Trade (ICBT) and Smuggling. Informal cross-border trade refers to trade transactions that involve residents and non-residents across the economic boundaries of two or more countries, and, are largely not recorded by customs authorities. Under ICBT arrangement, goods cross territorial boundaries both in bulk and small quantities in broad day light. Therefore, goods involved are easily identified and recorded. Some of the goods involved especially exports attract no duties at all. On the other hand, smuggling is an illegal undertaking which involves taking in or out goods illicitly/stealthily without paying lawful charges or duties to customs authorities. Smugglers usually transact their business at odd hours (usually at night) in a concealed manner. Smuggled goods are mostly in bulk and not easily accessible or estimated. Important to note is that, the smugglers are sometimes armed with sophisticated weapons that pose a serious security risk to customs authorities and security officials at the frontiers.

1.1 Statement of the problem

Although several studies have been carried out in Uganda to estimate the magnitude of informal trade flows, little is known regarding the business environment under which informal traders operate. There is no adequate information regarding the informal trade dynamics including issues regarding access to financial services and risks, food security, marketing information on demand for goods across the countries, storage, non tariff barriers, household welfare, trade facilitation, gender dimensions in informal trade, and ICBT business environment which are critical for guiding policy formulation and decision making. Besides, gender issues relating to composition and linkage to the informal trade system need to be fully explored if specific interventions are to be designed.

1.2 Overall Objective

The overall objective of the ICBT qualitative survey was to generate baseline information on informal trading environment so as to inform policy and decision making process. In consultation with her stakeholders, UBOS conducted the Informal Cross Border Trade (ICBT) qualitative survey to understand the dynamics of informal trade and its implications on border communities. The survey sought to investigate issues regarding food security, access to financial services, marketing information, gender roles and general constraints to trade in terms of tariff and non tariff barriers to informal trade activities.

1.2.1 Specific objectives

Specifically the study sought to:

- (i) Understand the contribution of ICBT activities on border households/communities in terms of food security, income generation and family relations
- (ii) Understand the factors that contribute to the continued ICBT activities at border posts
- (iii) Investigate the gender aspects and vulnerable groups like children, PWDs involvement in informal trade transactions and the challenges faced.
- (iv) Understand how informal trade is organized, funded and its role in poverty reduction among the border communities
- (v) Establish the constraints to informal trade in terms of tariff and non- tariff barriers under EAC Customs Union

1.3 Justification of the Study

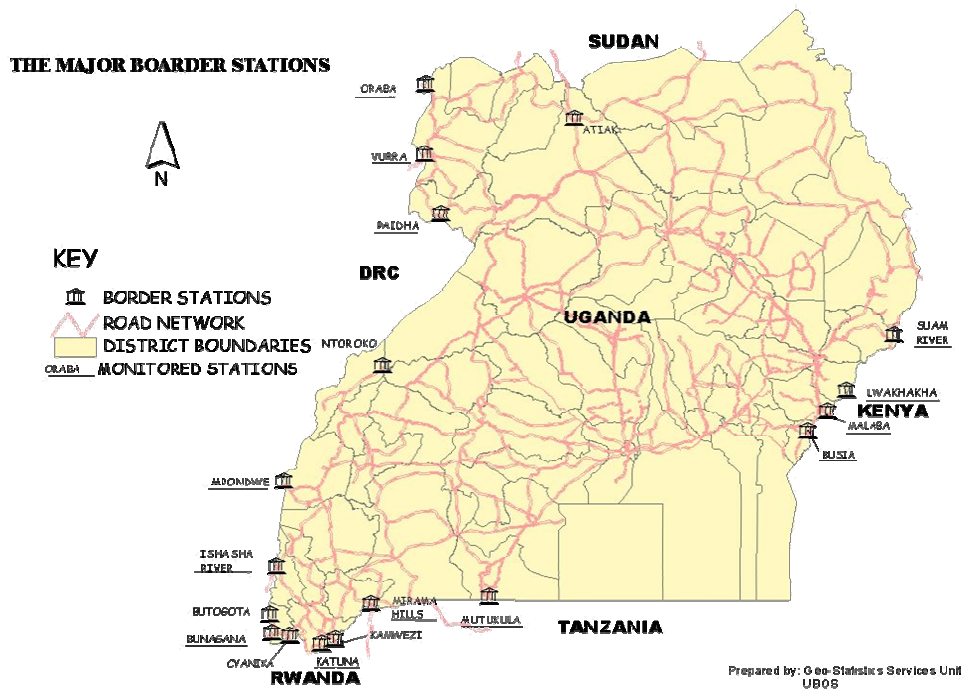
The ICBT qualitative information will assist in explaining the contribution of informal trade to poverty reduction and highlight the environment under which traders operate. The information gathered will highlight the current challenges faced by informal traders, the gender roles in ICBT and bridge the information gap on informal trade transactions. The information could also contribute to effective trade policy formulation and guide investment decisions.

Furthermore, the ICBT qualitative module will provide additional bench mark information on informal trade activities that explains the current unprecedented increase in informal trade flows. For instance, from the ICBT quantitative module, it is estimated that during 2008 informal (unrecorded) export earnings stood at US 1.3 billion compared to US \$ 776.5 million recorded in 2007. Meanwhile, informal imports also increased significantly from US \$ 57.2 million in 2007 to US \$ 78.1 million in 2008. The challenges and constraints which informal traders face will be exposed for trade policy makers to create a conducive environment for the traders to earn more.

1.4 Geographical Scope

The study was conducted at the border posts of Busia located in Busia District, Mutukula in Rakai District, Mirama Hills in Ntungamo District and Mpondwe in Kasese District. These border posts were consultatively and purposively selected with due considerations regarding the organization of trade, volume of business and diversity of countries that border Uganda in the east, south, south west and west.

Figure 1.1: Map of Uganda showing Border Posts



1.4.1 Busia

Busia border post, located along the Uganda/Kenya border has no physical barrier separating the two countries hence making the border porous. There are two important unofficial crossing points along the border that is Sophie and Malachi that are monitored in addition to the main gate. The persons involved in informal trade in this area are mainly women and men cyclist who provide transport services. The market days for Busia are on Wednesdays and Saturdays on the Kenyan side. Whereas on the Ugandan side, there is a central gathering point for agricultural commodities around the no mans' land. There is a forex bureau in Busia but not utilized by ICBT traders. The currency conversion is handled through the informal system of Money Changers.

1.4.2 Mpondwe,

Mpondwe is located in Kasese district about 59 kilometers from Kasese town along River Mpondwe which acts as the physical barrier between Uganda and DRC. The other entry and exit points in the vicinity are Kisenyi, Kitoma, Kabuyiri and Kamukumbi. The border post is linked with a tarmac road and good telecommunication facilities. The station is busy with industrial goods forming the bulk of exports to DRC, especially on market days of Tuesdays and Fridays.

1.4.3 Mirama Hills

Mirama hills is located in Ntungamo district about 40 Kilometers away from Ntungamo town. The area is fairly hilly and accessible by a murrum road. The existence of government offices like police, URA and Immigration facilitates official trade. The local money changers facilitate the conversion of currencies required but no formal financial providers exist. The main modes of transport used in ferrying goods are bicycles and head/hand. The station has piped water and all the telecommunications networks are accessible in addition to Rwandacell from Rwanda operators. Market days are on Wednesdays and Saturdays on the Ugandan side with none on the Rwanda side. Kamwezi is another nearby crossing point along the Uganda/Rwanda border.

1.4.4 Mutukula

Mutukula border post is situated in southern Uganda in Rakai District. There is no natural barrier separating the two countries at this point and hence making the border porous with several crossing points. The road from Masaka to Mutukula border is tarmac. There exists good telecommunication links with all the mobile networks. There are two other crossing routes in the vicinity namely; Mukabawo and Kulwazi. The station has well established government offices like Police, URA, Immigration, and Ministry of Agriculture that facilitate official/formal trade. Saturday is the market day and is the busiest day when there is high trade flows.

1.5 Funding of the Survey

The Integrated Framework through the Trade Capacity Enhancement (TRACE) Project of the Ministry of Tourism, Trade and Industry (MTTI) provided UBOS with financial assistance to execute the survey. The IF is a multi-agency donor comprising of IMF, WB, EU, UNCTAD and DFID which promote trade development initiatives in developing countries.

1.6 Survey Organization

The Uganda Bureau of Statistics (UBOS) provided technical personnel who worked together with the field teams to carry out the survey. UBOS mobilized collaborating institutions to participate in the survey design and identification of thematic areas. The Principal Investigators, who doubled as supervisors, were involved in the development of data collection instruments and survey implementation in accordance to qualitative methods. The supervisors and coordinators ensured adherence to qualitative data collection techniques and quality control.

The overall research team comprised of four teams each with a coordinator, supervisor, team leader and four interviewers. The supervisors and the four field teams held daily evaluation meetings to identify challenges and way forward. These meetings also provided an opportunity to edit the questionnaires and give a feedback to the data collection team. Continuous field checkup were done to ensure collection of quality information in consonance with research objectives. Field teams also benefited from technical support from coordinators who provided overall supervision and technical expertise.

CHAPTER TWO: METHODOLOGY

2.0 Introduction

The design of ICBT qualitative study began with stakeholders' consultation that led to identification of the thematic areas for investigation. The stakeholders who were consulted included Ministry of Gender, Labour and Social Development, Bank of Uganda, Ministry of Tourism Trade and Industry among others. This participatory process culminated into the development of key research questions and objectives that guided collection of information on thematic areas and concretized the research agenda. The thematic area matrix informed the design of the data collection instruments and the field manual. Separate instruments were designed and utilized to collect the relevant quantitative and qualitative data. These included the survey questionnaire, participatory FGD and interview guides for key informants which were pre-tested before conducting the baseline survey. The survey techniques also took into account the characteristics and lifestyles of informal trade practitioners at the borders

2.1 Pre-test

A team of 16 field interviewers and 4 team leaders with the necessary academic qualification and language requirements were recruited and trained in data collection. After the training of the field teams, a pre-test was conducted to test adequacy and validity of the instruments, which included, the questionnaire, FGD and KII. The pre-testing was carried out to a sample of respondents drawn from two border posts of Malaba and Katuna located in Tororo and Kabale districts respectively. A review meeting on issues emerging from the pre-test was held and this provided input to finalization of the survey tools.

2.2 Sampling Frame

The listing of business households was done by enumerators to establish the number of existing households (population size) at selected border posts. This was done in a sequential manner to avoid omission or duplication while recording details regarding the household head, type and duration of business. The sampling frame was then generated from the list of business households upon which a sample was selected.

Example of the listing form

Border post: <u>Busia</u>				
Serial Number	Head of Business	Type of Business	LC I/Village**	Duration
001	Kate James	Retail	Marachi	6 months
002	Wanasolo David	Wholesaler	Marachi	1 year
003	Kato Emanuel	General merchandise	Marachi	2 years
004	Kasango Omar	Retail Charcoal	Alupe	2 weeks
005	Ocheng Sam	Produce	Alupe	4 years
\	\	\	\	\
\	\	\	\	\
\	\	\	\	\
N	George Babigumira	Retail	Walupe	7 years

** We assumed the border post to be one area with different villages if they existed

2.3 Sample design

The selection of the business households was systematically done. The first sampling unit in the sample was selected using a random number and the remaining units were selected by the predetermined rule. After generating the sample frame to determine the population size, the sampling interval k was applied to select subsequent units.

For instance, if the population size is N units and the required sample size is n , including y for substitution.

We can then calculate the sampling Interval (k) as below

$$k = \frac{\text{Total business household listed (N)}}{[\text{Sample to be covered including the substitutes (n) + substitution elements (y)}]}$$

$$k = \frac{N}{n+y}$$

For example, if the interviewer listed 342 Business Households, then

$$k = \frac{342}{46} = 7$$

The random start is a number where the interviewer starts with the sampling basing on the serial numbers. This number does not exceed the sampling interval and hence it would lie between 001 and 007 in our example above. Suppose the fifth (005) business household was selected as a random start using random numbers, the next to be selected will be (005+7) 12th, (012+7) 19th and so on to the last household in the sample.

The sample selection depended on the total population size (N) of the listed households. For example, due to the nature of business of Mutukula, we listed less than 350 business households but at the same time we had to consider the total sample for all the sampled borders in order to determine the size of the sample. In Mirama border post, all the 55 (N) business households listed were covered during enumeration.

Systematic sampling was found to be cost effective owing to the linear settlement of the business households along the border posts. Follow-up and substitution of the non-response cases could be easily done.

The identification and selection of the respondents to participants in the FGDs was done with assistance of local council leaders at the border post. On the other hand, the identification of Key informants and case studies was pre-determined or identified during FGDs.

2.4 Data Collection Procedure

2.4.1 Community entry

The research teams were provided with introduction letters to the CAO and other district officials to seek for their assistance during fieldwork activities. These letters facilitated the fieldworkers to access the lower administrative levels and respondents at district and community levels. The four interviewers and one team leader administered the ICBT survey questionnaires to selected business households and conducted FGDs, KIs and case studies at every border post.

2.4.2 Administration business household questionnaire

The ICBT survey questionnaire was administered by the interviewer to the head of the business household selected. Interviews took place at the business premises where respondents could be found. In case of respondents who were not found at selected business premises, efforts were made to make call backs so as to interview them personally.

The administration of the questionnaire to respondents was done in the local language to enable the respondent understand the questions and bridge language barrier gaps. Instructions were read from preprinted questionnaires and explanations were made for items or words that were difficult to respondents. Respondents were also assured of treating their responses with confidentiality throughout the study and after.

2.4.3 Focus group discussions

This comprised of a set of questions, which were tailored to specific study themes for focused group discussion guide. Leaders at the border post were approached and requested to mobilize FGD participants as well as identify a suitable meeting place. The questions and exercises in the qualitative tools aimed at collecting community perceptions regarding informal trade activities.

The FGD sessions, which lasted for about 1hr and 30 minutes per thematic area, had a moderator, note taker and an observer. The moderator's role was to ask the questions as well as guide the discussion, while the note taker recorded responses. The observer took record of the silent voices. The moderators started the sessions by introducing the study, research team and explaining the purpose of the meeting. Prior to each session, permission was sought to record notes from the discussants, who consented.

The moderators then initiated the discussion by asking questions relevant to the themes, and probed the participants by name so as to bring them closer. Soliciting information in a participatory way involved the use of social/resource maps, trend analysis, cards, and Venn diagrams, among others. Information accruing was concurrently recorded then summarized at the end of the session into exercise reports in line with the thematic objectives of the ICBT study. FGD participants were also involved in the development of visuals aids to the ICBT study. Each session ended with an appointment for the following day.

2.4.4 Key informant interviews

Interviews were also conducted with knowledgeable key informants to gather information on various ICBT related issues at national, border post and community levels. In-depth interviews were conducted with key informants to primarily obtain qualitative information regarding informal cross border transactions, deepen the understanding of the factors that contribute to the continued ICBT activities at border posts as well as the contribution of informal trade in poverty reduction among the border communities. Key informants were chosen purposively from central government institutions and departments as well as officials from selected local government departments; URA border posts officials, selected officials from private, public and civil society organizations and civic leaders.

Each KI session had an interviewer and informant (interviewee), who interacted face-to-face during interviews. The interviewers' roles were to ask the questions to the informants and record responses at the same time. The interviewer began the session by introducing him/her self and explaining the purpose of the study, and why he/she had been selected to participate. The interviewer then initiated the interview by asking questions relevant to the ICBT study themes, and probed the informant by name/ title so as to bring him/her closer. Information accruing was concurrently recorded then summarized at the end of the session into an exercise report in line with ICBT study objectives.

2.4.5 Observation

Observations were made to primarily verify existence of physical items such transaction goods, available infrastructure, conditions under which ICBT takes place, records kept at the border posts, and other indicators which were of valuable input to the study. Observations were done at the border posts where actual informal cross border trade takes place.

CHAPTER THREE: ICBT PERSPECTIVES

3.0 Introduction

For some traders, ICBT represents a normal market response to cumbersome documentations, time-consuming customs regulations and regional price distortions that should be encouraged as a means to increase intra-regional trade to meet local demand to ensure regional food security. For the government and other institutions such as URA and Police, ICBT presents a potential loss of revenue, illegal activity/disguised smuggling and a source of unfair competition to official traders and domestic producers. The government authorities argue for increased regulations and taxes, policing, and drawing traders back into formal trade system.

3.1 Characteristics of women and men in ICBT

Informal Cross Border Trade is carried out by women and men who conduct trade by moving goods across national borders. The results of the baseline survey revealed that 96 percent of the business households were residents of the border area, with 96 percent being Ugandans. Of these, 58 percent were male and 48 percent female. The results further revealed that 69 percent of the respondents were household heads of the business household.

The ICBT qualitative module collected data on the literacy levels as well as educational attainment by asking the highest grade completed for all respondents in the business households. In Uganda, literacy is defined as the ability to read and write with understanding and write meaningfully in any language; and this is associated with formal education. The results indicated that 88 percent were able to read and write, while 43 percent and 39 percent had attained secondary and primary level education respectively. The percentage distribution of educational attainments of the respondents is shown in the table 3.1 below.

Table 3.1: Percentage Distribution of Literacy Levels

Level of educational attainment	Frequency	Percent
Primary	214	39.2
Secondary	237	43.4
College /Higher Institution	40	7.3
None	55	10.1
Total	546	100.0

The study also collected information about the marital status of all household heads. Table 3.2 shows that females dominated among those who had ever married and divorced constituting 84percent and 17 percent respectively. The table further shows that the widowed accounted for about two percent of the business household heads of which the females were more dominant.

Table 3.2: Percentage of Marital Status of Business Household Heads

Marital status	Male	Female	Total
Never married	19.1	15.4	17.6
Married	77.1	63.4	71.4
Widowed	0.6	4.0	22.0
Divorced/separated	3.1	17.2	9
Total	100.0	100.0	100.0

Since most respondents were reported to have ever been married, the ICBT study also collected information on whether such households had children of school going age and whether they were actually attending school. Results indicated that 73 percent had children of school going age as shown in table 3.3 below.

Table 3.3: Business Household with Children of school going age

Have children of school going age	Frequency	Percent
Yes	400	73.3
No	146	26.7
Total	546	100.0

Out of the business households with children of school going age, 72percent had the children still attending school leaving 28 percent with children out of school.

Table 3.4: Business Households with Children attending school

All children attending school	Frequency	Percent
Yes	288	72.0
No	112	28.0
Total	400	100.0

The non school attendance by some children was linked to involvement in business, lack of schools in the locality, long distances to school and lack of money to take them to school. Other reasons for not attending school included working as maids, refusal to study, sickness, and perception of being still young.

3.2 Business house characteristics

Through observation, the ICBT survey examined the type of business premises for the households. Results indicated that 84 percent were operating from permanent structures, 13 percent in semi-permanent while 4 percent operated from mud and wattle structures as shown in table 3.5 below.

Table 3.5: Percentage Distribution of Business House identifiers

Type of housing	Frequency	Percent
Permanent	456	83.5
Semi-permanent	68	12.5
Mud and wattle	22	4.0
Total	546	100.0

A further inquest into the business house characteristics revealed that 91 percent had cemented floor, 99 percent were iron sheet roofed and 90 percent had brick walls. In terms of space, 36 percent of business premises had two rooms, 27percent had three rooms, 20 percent one room while nine percent had four rooms.

When asked about the buying or selling of items across the border, 58 percent indicated that it was easy and 79 percent of the business households mentioned that at least a member of their household has ever been engaged in selling or buying of items across the border. In addition, 93 percent of the business households reported that buying/selling of items was their main source of employment as shown in the table 3.6 below.

Table 3.6: Main Source of employment for Business Households

Selling/buying of items	Frequency	Percent
Yes	506	92.7
No	40	7.3
Total	546	100.0

For those who were involved in buying or selling of items, they mentioned that their main source of employment was either agriculture or working in eating places.

Since the informal buying and selling of items across the border featured as the main source of employment for most business households, the study further investigated the reasons for involvement in such trade.

3.3 Reasons for engaging in ICBT

Informal cross border traders leave their homes and country determined to earn money by buying, and selling, an assortment of products ranging from food items to electronic appliances. It was revealed that traders engage in ICBT as away to earn income, employment to cater for their families and buy cheap goods across the border points. Thus ICBT is a source of livelihood to people involved in it for survival. A female FGD participant mentioned; *“Most of us came to the border to look for survival. In search for better livelihoods many of us have engaged in trade which has translated into further interactions within these areas ”* [Female FGD participant, Mirama Hills]

The involvement in ICBT was also linked to the lucrative markets offered by the counterparts in the bordering country. The high profit margins obtained were reported to be a driving force for engagement in ICBT. One male FGD participant said that: *“the high market prices for Ugandan agricultural products across have encouraged people to engage in ICBT to fetch high profits and therefore keep in business.”* [Male FGD participant, Busia]

Another female FGD participant noted that: *“A fish of 1-1.5 kg costs UGX 5000 in Kenya so traders have found it profitable to sell it to Kenya at a higher price. This has left us with fish remains popularly known as ‘philly’ or spoilt / skeletal fish.”* [Female FGD participant, Busia border]. The scarcity of food supplies in the neighbouring countries could have encouraged people to participate in ICBT. This was emphasized by one female FGD participant indeed noted that:

“Our neighbouring countries do not have adequate food supplies because they lack conducive climate and fertile soils that can support growth of food.” [Female FGD participant, Mutukula]

Another reason for engaging in ICBT was the preference to buy items at a cheaper cost or being paid in foreign currency which was stronger than the Ugandan currency. At Mutukula engagement in ICBT was linked to buying of goods such as cooking oil and rice from Tanzania at cheaper prices. At Busia border traders revealed that the sale of Ugandan goods to Kenya facilitates the procurement of manufactured goods.

Lack of alternative job opportunities was also reported as one of the reasons why people engage in ICBT. At Busia and Mutukula, many people were reported to be unemployed and this had made men, women and PWDs to engage in ICBT. An elderly man from Busia said that: *‘In Busia here we don’t have any factory to employ us and this trade has helped to employ most of the people from this border area.’*

3.4 ICBT activities

Diverse ICBT activities were reported to be conducted by border communities only separated by nationality but interact with each other very often for activities like trade. Trading in agricultural and manufactured goods across the border was reported to be the major ICBT activity. This is mainly carried out between 5.00 am and 9.00 am and from 3.00 pm to 9.00 pm. However, the peak times differed among border posts and individual traders. During the FGD meeting, one male FGD participant observed that: *‘the choice of time depends on how well it works for individual traders’* [FGD participant, Mpondwe].

At Mirama Hills, ICBT participants/traders reported use of informal routes that cross the natural river barriers separating Rwanda and Uganda where traders cross with different items at different times of the day as a result of restrictions regarding trading in certain items. This was mainly with regard to beans, milk, firewood and charcoal which are considered contraband in Rwanda but fetch high returns and attract many customers.

The majority of the ICBT traders involved in food products are also engaged in small-scale agricultural production. Hawking of second hand shoes and clothes, plastic wares, radios, watches, padlocks, were also mentioned as an ICBT activity across all border points under study.

3.5 Sources of items transacted in ICBT

ICBT involves buying and selling of all items including industrial or agriculture products across the borders. Results indicated that 70 percent of the industrial export products were bought from other districts other than the district where the border is located, seven percent were bought from other villages found within the district; three percent were produced from within the border village/area while sources for 20 percent of the export products were not known as shown in table 3.7 below.

Table 3.7: Sources of Industrial Products exported under ICBT

Source of Industrial Export Products	Frequency	Percent
Produced within the village/area	17	3.1
Bought from other villages within the district	35	6.5
Bought from other districts	383	70.7
Sources not known	107	19.7
Total	542	100.0

As for the mineral export products, 69 percent don't know the source, while those bought from other districts, other villages and those produced from within the village were each accounted for by 11 and 10 percent respectively. With forest export products, 36 percent did not know the sources, 28 percent were known to be bought from other districts, 22 from other villages within the border district and 14 percent were known to be produced within the border villages.

With regard to agricultural export products transacted, six percent did not know the sources, 16 percent were known to be produced from within the border villages, 35 percent from other villages within the district while 42 percent were known to have been bought from other districts. The sources of mineral, forest and agricultural export products transacted under ICBT are shown in table 3.8 below.

Table 3.8: Sources of mineral, forest and agricultural Exports under ICBT

Nature of Source	Minerals	Forest	Agricultural
Produced within the village/area	10.2	13.6	16.2
Bought from other villages within the district	10.2	22.3	35.4
Bought from other districts	10.8	27.9	42.2
Sources not known	68.8	36.2	6.3
Total	100.0	100.0	100.0

Transportation of goods was reportedly to be mainly by carts, bicycles, vehicles, and head and by hand. One male FGD participant mentioned that; *'In Busia if you have a bicycle, you never sleep hungry. No wonder the number of bicycles increase day by day'*. [Male FGD participant, Busia Border] The PWDs, who were reported to dominate the sector, provide transport, services on their tricycles and wheel chairs since they could not engage in hard labour.

The children were mainly involved in selling of paraffin, as well as provision of support to the PWDs who transport merchandise across the border. They provide information on the safer routes and hours of crossing the borders.

3.6 Commodities traded in ICBT

Seasonality was reported to be the key determinant for the types and quantities of commodities traded under ICBT especially for agricultural commodities. This explains the demand and supply forces on either side across the borders as one of the key informant had

this to say: *“Seasonality is a key determinant for the types as well as quantities of commodities traded. For example during times of food scarcity trucks of matooke are taken to Rwanda while beans are brought in to Uganda* [KII Customs Official, Mirama Hills]

Commodities traded in ICBT include forest products such as timber, firewood and charcoal, agricultural and manufactured goods. The agricultural commodities include cereals, beans, cow peas, cabbages, cassava, groundnuts, fish, tomatoes, matooke, ripe bananas, Irish potatoes, yams, and carrots (food items). The agricultural commodities traded were reported to be influenced by the food items grown around the border and neighbouring districts. The driving force for exportation of these products was linked to the high prices offered as a result of the high demand and scarcity of food items, poor soils and harsh climatic conditions that are not conducive to agricultural production. On the other side of the border, a male FGD participant who operates an eating place in Sofia suburb of Busia border post remarked that: *“Most of the Kenyan border population cross and eat from Sofia because of their limited food options.”* [Male FGD participant, Busia]

The manufactured goods traded in include crafts, cooking oil, salt, paraffin, wheat flour, plastic wares, electronic goods, secondhand clothes, soap, mattresses, perfumes, polyethene bags, leather products, electronic goods, building materials, bicycle parts, drinks, human and veterinary drugs, and general merchandise. The importation of these items was linked to the low cost prices in the countries of manufacture and high profit margins when sold in Uganda. A female FGD participant had this to say: *“I can get salt from Kenya for as low as UGX 100-150, paraffin can be bought for as low as UGX 900 per litre, a child’s clothing can be acquired for as low as UGX 100 and a man’s shirt can be bought at UGX 500 which is not the case in Uganda.”* [Female FGD participant, Busia]

3.7 Mode of payment for ICBT transactions

Since ICBT involves buying and selling of items, it was in the interest of the survey to investigate the mode of payment for the transactions Under ICBT. The results in table 3.9 indicate that 99 percent of the ICBT transactions were settled by cash as opposed to cheque and credit. This means that a lot of cash exchanges hands and this poses a security risk to some traders. It should be noted that some border posts do not have banks or financial institutions to take deposits or facilitate trade.

Table 3.9: Modes of Payment for goods transacted

Mode of payment	Frequency	Percent
Cash	520	99.2
Cheque	3	0.6
Credit	1	0.2
Total	524	100.0

3.8 Organization of ICBT

For any activity to thrive for long, mechanisms have to be in place to sustain its existence. Therefore, it was in the interest of the survey to investigate how ICBT is organized. Survey results indicated that men and women mainly work on their own while others mobilize themselves to work in groups.

3.9 Categories of people engaged in ICBT

A significant proportion of informal traders at the border posts are women, who vulnerable to harassment, abuse, and health risks including HIV/AIDS. Widowhood has made most women assume roles of household heads to take care of themselves as well as the orphans. It was

reported that women had assumed roles of their drunkard husbands by paying school fees, healthcare and looking after their families was a driver for ICBT.

Women dominance in ICBT was linked to their easier access to loan facilities as compared to their male counterparts. FGD participants reported that women were regarded to be trustworthy and had mobilized themselves into cash round groups which enable them to service loans.

The youth were ranked second in engagement in ICBT because many of them were reported to be orphaned or lacked fees and could not continue schooling. However, this was disputed by participants as negligible because most of the youth especially girls were cited to drop out of school and were being taken to neighbouring countries to perform petty jobs as housemaids, barmaids and as sex workers. One elderly male FGD participant observed that: *'these young girls have helped in child trafficking as a result of money enticements. These young girls usually come to Uganda and convince other young girls to join them in Kenya for better life after conniving with Kenyan lords who have gained out of selling them to people who need them.'* [Male FGD participant, Busia]

The PWDs were ranked third in participating in ICBT. They are mainly employed to provide transport of ICBT materials on their wheel chairs. The PWDs are neither intercepted by the customs staff nor by the revenue collectors and are able to cross the border so many times without restrictions. The PWDs mainly constituted men although there were a negligible number of women among them.

Men were said to be the least participants in ICBT because they fear to secure loans to run business. Besides, the few who had secured loans had not used them productively because they ended up marrying other women, drinking as well as spending it on prostitutes. Besides, men had failed to acquire the investment capital due to limited savings and heavy family responsibility and expenditure. Thus they cannot effectively compete with their female counterparts. One male respondent noted that: *"Women are suckers to our financial resources and they depend on us for everything. As a result, many men have ended up in brokerage services, and casual labour of loading and offloading trucks, working in gardens, and rearing of cows and goats."* [Male FGD participant, Busia]

3.10 Factors facilitating ICBT

Informal cross border trade thrives due to a number of factors. The tendency for traders to evade high taxes and other customs levies; bureaucratic licensing; attractive prices offered in neighbouring countries, registration requirements; and local market failures as a result of different policies adopted by the East African States and poor road infrastructure. This latter can result into poor access to domestic markets where Ugandans find it easier to market across the borders of Kenya, Democratic Republic of Congo, Tanzania and Rwanda rather than to other parts of Uganda. In some cases, due to wider price differentials among the neighbouring countries Ugandans take advantage of existing market niches out of the country.

The readily availability of market in Kenya, Rwanda, Democratic Republic of Congo and Tanzania was mentioned as one the factor facilitating ICBT. One male FGD participant noted that: *"You cannot fail to sell off your item if you take it to Kenya."* The Kenyans have liquid capital to buy the trade items and this is an impetus for the traders to increasingly carry their goods across the border. On the other hand, Rwanda was reported to have fewer businesses and commodities to be traded in and this was responsible for the influx of people crossing to Uganda to buy a variety of goods.

The political stability and good relations existing between the Ugandans and her neighbours enables citizens from either country to freely cross the border and transact business in search for better livelihood. This has promoted interactions among community members at the border posts. One district level key informant had this to say: *"Neighbours naturally do interact, intermarry, and usually have social gatherings and cultural issues that force them to interact. In due course they are even bound to engage in trade easily more so because of their proximity"* [KII Deputy CAO, Ntungamo district]

Furthermore, it was reported that there is, free interaction on the Ugandan side. One key informant at the border post indeed remarked that: *“When these people come to trade in Uganda, they are not limited in any way regarding the need for documentation”* [KII, Mirama Customs Border Post]

The existence of strict formal laws governing the border posts coupled with the inability to meet these requirements results in use of informal routes as an escape alternative. These include immigration, security, taxation requirements and perceived delays that might hinder them from making quick money. The existence of weekly market days attracts people from across borders to purchase items on either sides thereby facilitating ICBT. At Busia and Mutukula, the low cost prices of some commodities from the respective border countries and availability of ready market for items from Uganda was also noted to be a driving factor for engagement in ICBT.

3.11 Beneficiaries of ICBT

At Busia border post, the major beneficiaries of ICBT were reported to be women and PWDs. The women were reported to have benefited by supporting the education of their children as well as providing for their households. One female FGD participant noted that: *“as for me I feed my children as well as dress them”* [Female FGD participant, Busia]

Women have also been able to secure and service loans while engaging in ICBT. Many women testified that they have acquired plots of land and constructed houses for rent as a result of involvement in ICBT. One female FGD participant indeed noted that: *“for me I brew waragi and sell it to Kenyans because of the loan I got and I have been able to service it adequately. I have also been able to buy a plot of land in Bugiri where I intend to settle with my children during my old age.”* [Female FGD participant, Busia]

Women also confessed that they were earning more money than men. However, they reported losing some of it to their husbands who take the entire capital upon sighting it. One female FGD participant noted that: *“Our men if you don’t keep the money very secretively, a man can carry the whole of it if he comes across it. For me I keep my money on my waist and the man can’t eat on it except my child.”* [Female FGD participant, Mutukula]

At Busia border, PWDs were ranked second in benefiting from ICBT and this was linked to the sympathy and favours from the customs and other revenue officials from either side of the border. They transact their trade without any interference. Besides, the PWDs have also organized themselves into groups through which they have accessed financial support as well as access to other resources. In Busia these groups included Foster Group for Disabilities, Syoteba Syobona Disability Group and Widows and Orphans Group for Disabilities.

The youth on the other hand were ranked third in benefiting in ICBT but had not registered any significant achievement because they spend their earnings on social enjoyments such as discos, playing cards, drinking, and promiscuity. One elderly FGD male participant noted that: *“Our youths love quick and soft life.”* [Male FGD participant, Busia]

On the other hand, the men were reported to benefit less in terms of development since they spend much on polygamous unions, drinking and are weak hearted in accessing and utilizing loans.

As for the children, they have minimal involvement in ICBT. The few children in ICBT were mainly reported to be errant children who had escaped from their parents just to come and earn money and also the Karamojongs. It was reported that these children keep waiting at the gate for the PWDs with wheel chairs so that they can provide support services by pushing the PWDs while transporting their goods across the border points. As for the Karamojong children, they pick grains from produce markets, accumulate the quantities and sell them across. One elderly woman noted that: *“Karamojong children save every coin they get and accumulate big chunks of money which they carry back to their homes.”* [Elderly woman, Community FGD, Busia]

As to why they don't attend school, one female participant remarked that: *"If parents of these children in Karamoja have not controlled them, how do you expect us in Busia to manage them?"* [Female FGD participant, Busia]

Besides, the children who are schooling and staying with their parents were reportedly to be periodically involved in ICBT during holidays. They do it with the consent of their parents in an effort to raise school fees.

The positive aspects of informal cross-border trade include availability of markets, food security, and income. The role played by ICBT in terms of income, employment, and market to food producers could be substantial. Opportunities offered through cross-border markets should be explored as these markets provide an important outlet for producers who may not have access to domestic markets due to poor infrastructure and internal marketing inefficiencies.

3.12 Constraints experienced in ICBT

Traders involved in ICBT experience several obstacles ranging from infrastructure, legal and administrative framework which often results in increase in the cost of doing business and market distortion. The cost of goods entering Uganda becomes expensive thereby reducing profit margins significantly. Profit margins remain small leaving limited funds for reinvestment; hence traders tend to remain poor.

The traders cited lack access to finance as a critical problem to initiate and even expand their businesses. They cannot access finance from banks and are unable to solicit finance from other formal financial institutions as they are considered to be involved in high risk businesses. Hence they fund their activities from their personal savings or through backstreet moneylenders, friends and relatives. Only a few are able to raise money from banks or savings and credit institutions. The stringent measures demanded by banks compound the situation for this partially developed sector. The high interest rates attached to loans from financial institutions have especially affected women's abilities to save and re-invest in businesses.

The fluctuation of exchange rates sometimes results into losses especially when the goods have to be sold in Uganda at prices lower than the equivalent of the cost price in the neighbouring countries. The currency fluctuation was attributed to lack of a common currency in the EAC and monetary policy. Adoption of common currency and harmonization of monetary policies could enable informal cross border traders to carry out trade easily without incurring much loss and creating unnecessary demand for hard currencies.

Informal traders are asked to pay heavy penalties and bribes when caught with goods from neighbouring countries hence impacting negatively on the growth of their businesses. Women further reported incurring losses as a result of unfair trade with their clients who take their goods on credit and fail to effect payments. One female FGD participant who deals in ICBT mentioned that: *"These customers are very unpredictable .They start by paying at first but when they get used to us they begin telling us that they have not fully sold the merchandise. This has retarded our businesses."* [Male FGD participant, Mirama]

In addition, women in informal trade complained of excessive harassment especially when men do the body search for any hidden goods. They complained of embarrassment and discomfort and would prefer any inspection to be done by women colleagues at the border posts. Other problems faced by women who participate in ICBT included domestic violence, sexual harassment, loss of goods to customs/police officials, force to pay bribes, and fights with fellow traders as well as imprisonment/detention.

Table 3.10: Harassment experienced by Women in ICBT

Kind of harassment	Frequency	Percent
Sexual harassment	47	23.9
Domestic Violence	55	27.9
Rape	28	14.2
Husbands take their money forcefully	34	17.3
Confiscation of goods	8	4.1
Intimidation and moral abuse	8	4.1
Fighting with fellow traders	8	4.1
Imprisonment and detention	3	1.5
Total	197	100.0

As for men who participate in ICBT, they mainly face imprisonment/detention and losses of goods to customs and police officials. Other problems faced include high transport costs, high taxes; harassment for identification, charged when convicted, and restriction from entry and markets.

Although some border posts had restrictions on child participation in ICBT, the children who involve themselves mainly face problems of imprisonment/detention, loss of goods to customs officials/police, cheating by adults, beatings by police and parents, as well as child labour charges.

In order to deal with the problems encountered, 67 percent of the business households pay bribes for confiscated /impounded goods, 22 percent forward cases of robbery and fighting to local authorities, 7 percent pay taxes to avoid disturbances as well as fighting to defend themselves see table 3.11 below.

Table 3.11: Responses to Problems encountered in ICBT:

Response	Frequency	Percent
Paying bribes for confiscated /impounded goods	92	67.2
Forwarding cases of robbery and fighting	30	21.9
Paying taxes to avoid disturbances	10	7.3
Defending oneself by fighting back	5	6.7
Total	137	100.0

It should be noted that most agricultural commodities are perishables which can rot if not consumed immediately. Traders lack storage and preservative facilities which may force them to sell goods at low prices. It was also reported that sometimes the transporters disappear with the goods while some are confiscated by revenue mobile groups.

Transport and quality accommodation was also reported to be a challenge for many informal traders who survive on meager resources. Thus, transactional sexual relationships may arise between female traders and truck drivers in exchange for free transport. Furthermore, some female traders end up sleeping in the open, exposing them to various vulnerabilities including sexual assault.

Customs duties and other direct costs paid at the border were reported to a significant drain on the profit margin of traders. Survey results indicated that 98 percent of the business households encountered charges during ICBT transactions. They included taxes and other government tariffs, bribes, market dues, security, rental and transport charges as shown in table 3.12 below.

Table 3.12: Charges involved in ICBT Transactions

Charges	Frequency	Percent
Bribes and fines	59	17.3
Taxes/custom dues	132	38.6
Trading License and Market dues	77	22.5
Rental charges	30	8.8
Security charges	18	5.3
Transport charges	17	5.0
Others	9	2.6
Total	342	100.0

Informal cross border traders also find it difficult to sell their goods in neighbouring countries due to the licenses that they are supposed to obtain in order to do so. Community members reported lack of clear knowledge about government policies to guide the development and protection of the informal sector. They claimed knowledge of large firms from the formal sector that are able to obtain import permits for capital equipment components and raw materials or tariff rebates on duties paid on imported inputs and materials used in the production of export products.

3.13 Coping mechanisms adopted in ICBT

Despite the problems encountered, business households take multi pronged actions in order to survive in ICBT. Results indicated that 26 percent move in groups, 23 percent pay the charges, twelve percent change /alternate the routes and yet ten percent endure the problems as seen in table 3.13 below. Others include changing the time of transaction, reporting to relevant authorities, using children, women and PWDs to transport the merchandise, cooperating with relevant authorities at the crossing points and with fellow traders from other countries as well as using informal routes.

Table 3.13: Action taken by Traders in order to survive in ICBT Activities

Actions	Frequency	Percent
Moving in Groups	104	25.9
Changing/alternating routes	47	11.7
Paying Charges	92	22.9
Changing the time/schedule of transactions	32	8.0
Reporting to local authorities	16	4.0
Using children, women, PWDs to transport goods	18	4.5
Cooperating with URA/police officials	18	4.5
Cooperating with traders from other countries	5	1.2
Stop informal trading	9	2.2
Use informal routes	20	5.0
Enduring despite the problems	41	10.2
Total	402	100.0

Survey results revealed that men and women engaged in ICBT employ strategies encountered at individual level, by joining groups or by influencing decisions through meetings. The results further indicate that men and women have adopted different strategies. Strategies adopted by individuals include everyone trading on his/her own, not giving credit, paying money to relevant officials in order to release the goods, self defense, selling personal belongings to settle taxes/levies, sending people with disabilities to transport the goods and dealing with fellow traders who are known to the officials as well as sharing information with relatives. At group level, traders may send one trader who talks to the officials to regain the confiscated goods, targeting the hours when the officials are not at the border crossing point, making contributions towards security as well as appointing security guards; and forming a business union for traders.

The findings revealed that 47 percent of the women created relationships with officials, 26 percent cry to win sympathy from the officials and sixteen percent employ other people to carry their goods. Other strategies employed by women included avoiding official routes and changing clothes to confuse authorities as shown in table 3.14 below.

On the hand, results indicates that 42 percent of the men change routes, 30 percent pay bribes, and thirteen percent carry weapons like knives for self defense.

Table 3.14: Survival strategies used by women and men in ICBT

Women	Percent	Men	Percent
Creating relationship with officials	46.5	Changing Routes	41.5
Avoiding official routes	4.7	Employing other people to transport goods	7.6
Employing other people to carry goods	16.3	Changing the time/schedule for crossing	5.7
Changing/alternating informal routes	4.7	Paying bribes	30.2
Changing clothes to confuse authorities	2.3	Using brokers	1.9
Crying and pleading to win sympathy	25.6	Carrying weapons like knives for self defense	13.2
Total	100.0		100.0

3.14 Recommendations proposed by respondents

In response to the above, the business households proposed numerous actions to be undertaken by both government and private sector to address the problems faced by women and men involved in ICBT.

About 42 percent of the respondents recommended the reduction of taxes and other levies/fees, abolition of non-tariff barriers followed by provision of financial services such as forex bureau (21 percent). Other recommendations mentioned included improvement of security, formalization of ICBT, fighting corruption, price regulation and control for goods and services, sensitization of community members on taxation, provision of entrepreneurial skills as well as provide market for their commodities.

Table 3.15: Recommended Government Action towards problems faced by women engaged in ICBT.

Actions	Frequency	Percent
Reduce taxes/license fees	194	41.8
Provide financial services like forex bureau	98	21.1
Regulate prices /rates of goods and services	11	2.4
Improve security	45	9.7
Provide entrepreneurial skills	2	0.4
Provide markets for their commodities	1	0.2
Improve on social services and infrastructure	44	9.5
Sensitize community members on taxes	8	1.7
Formalize ICBT	41	8.8
Fight corruption	20	4.3
Total	464	100.0

Regarding government effort in addressing problems faced by men, 50 percent of the business households recommended tax/ reduction, 18 percent removal of trade barriers, 10 percent proposed formalization of ICBT, seven percent recommended improvement in security while six percent suggested improvement in social infrastructure. Other recommendations proposed in favour of women engaged in ICBT included establishment of industries to provide alternative employment, offering financial services and sensitization of traders on issues related to customs union as shown in table 3.16 below.

Table 3.16: Recommended Government Action towards problems faced by men engaged in ICBT.

Actions	Frequency	Percent
Reduce taxes / licence	221	49.7
Improvement on social infrastructure	28	6.3
Improve security	33	7.4
Establish industries for alternative employment	17	3.8
Sensitization of traders on customs union	5	1.1
Formalize ICBT	45	10.1
Reduce license fees	2	0.5
Offer financial services	12	2.7
Remove trade barriers	81	18.2
Total	445	100.0

Similarly, respondents were asked to propose actions that should be undertaken by the private sector (for example companies) to address problems faced by women engaged in ICBT. The majority of business households recommended provision of financial services (33 percent), followed by price reduction (32 percent), help in delivery of goods and services, setting up industries to provide alternative employment opportunities, sensitization of traders on alternative trade opportunities, production of high quality competitive goods, support in group formation, sensitization on how to access and manage resources as well as support to organize trade shows as shown in table 3.17 below

Table 3.17: Recommended Private Sector Action towards problems faced by women engaged in ICBT.

Actions	Frequency	Percent
Provide financial services	134	33.2
Produce high quality goods that compete on the market	12	3.0
Help traders to form groups	6	1.5
Sensitize traders on alternative trade opportunities	21	5.2
Set up industries to provide alternative employment	24	5.9
Advertise and market their commodities	4	1.0
Organize trade shows	1	0.3
Sensitize them on how to access, own and manage resources	4	1.0
Help in delivery of goods and services	70	17.3
Reduce prices /rates of their goods	128	31.7
Total	404	100.0

Traders further proposed actions to be undertaken by the private sector in addressing problems faced by men engaged in ICBT. From table 3.18 below, the results indicated that 32 percent recommended provision of financial services such as loans, 26 percent requested for help in delivery of goods and services, while 24 percent recommended reduction in the prices of their goods and services. Other recommendations raised establishment of factories /industries to provide alternative production of high quality goods, training in entrepreneurial skill support for group formation and provision of storage facilities

Table 3.18: Recommended Private Sector Actions towards problems faced by men engaged in ICBT.

Actions	Men	Percentage
Produce high quality goods	21	5.2
Reduce rates/ prices of their goods and services	96	23.9
Advertise their commodities	5	1.2
Provide financial services such as loans	130	32.3
Provide storage facilities	5	1.2
Training traders in entrepreneurial skills	15	3.7
Help in the delivery of their goods and services	103	25.6
Establish factories /industries for employment	17	4.2
Help traders form groups	10	2.5
Total	402	100.0

CHAPTER FOUR: ICBT AND LIVELIHOOD

4.0 Introduction

The objectives of investigating livelihood at border posts were to; document different strategies of livelihood among border communities; analyze the interaction between ICBT, poverty, and vulnerability among border communities; establish their wellbeing as well as different coping strategies adopted. In the context of ICBT study, livelihood comprises of sources of food, and income which include employment and occupational opportunities for formal and informal work, trading and business among other things.

4.1 Livelihood activities at border posts

The survey findings indicated that the choices of livelihood varied among border posts. The different sources of livelihood for border communities included trade, service provision and crop farming. Trading in different/general merchandise was ranked number one source of livelihood. FGD data indicated that some of the villages across Uganda's borders were so remote that the border posts on the Uganda side were the nearest trading centres. One elderly man at Mutukula had this to say: *"Mutukula in Uganda serves as a trading center because it is nearer than Bukoba for some remote villages in Tanzania,* [Elderly man, Mutukula FGD]

The service industry especially for hotel, restaurants, lodges and bars was mentioned to thrive at border posts because of the people on transit from either side of the border for trade and social activities.

Also, the need for faster communication was reported to have promoted the operation of telephone booths as a source of livelihood. Similarly, the increasing need for affordable and convenient transportation of goods and traders across the borders was mentioned to have led to the emergence of bicycle and motorcycle repairs services as a source of livelihood.

At Mirama and Mpondwe border posts, FGD data revealed that community members grow beans and bananas which are crossed to Rwanda and Democratic Republic of Congo respectively. However, crop farming does not take a higher livelihood proportion across all border posts visited because of the fragmented plots of land which cannot justify viable agricultural activities. Besides most of the people at border posts were reported to be immigrants who stay in rented premises while those with large pieces of land do not practice meaningful and modern agricultural practices. One business woman at Busia border post indeed remarked: *"How can people come all the way from Buganda to Busia border to dig? People come to Busia purposely to engage in trade and nothing else,"* [Female FGD participant, Busia]. Similarly, most businessmen and women in Mutukula were reported to be from areas like Kyotera, Kooki, Rwanda and Tanzania, stay in rented premises and do not own land at the border area.

Across all the border posts visited, men were reported to engage mostly in trading of general merchandise, and renting out both commercial and residential houses. Other services dominated by men included money changing and lending, transport services, dry cleaning of clothes, carrying items, water vending, hawking of goods, welding and carpentry, building, shoe repairing and shinning. At Busia and Mutukula border posts few men were reported to engage in growing of crops and livestock keeping on commercial basis. One elderly male observed that: *"Women grow crops at subsistence level while men cultivate for developmental activities like buying land, building and investing in business. We sell our produce and get money which we invest in these developmental activities"* [Elderly man, FGD participant, Busia].

Generally, women were reported to engage mostly in crop farming at subsistence level and in the service industry, and a few were in small-scale trading at all the border posts visited. Women's livelihood choices revolves around saloon services, sale of herbs, small business of

baking pancakes, brewing and selling of alcohol, operation of eating houses, tailoring, making mats, and selling of agricultural produce. At Mirama border post, most of the women were reported to be involved in selling food items, charcoal and firewood as one male FGD respondent mentioned: *"Women in this community are not educated and cannot manage to do business like men but are engaged in petty businesses like sale of raw and cooked food in markets and eating places,"* [Male FGD participant, Mirama border post].

Similar sentiments were echoed at all border posts involved in the study to emphasize that few women engage in big businesses. Most of the women engaged in big businesses were reported to be either from other parts of the country or non-natives. One of the male FGD participants indeed remarked that: *"Out of the five private clinics/drug shops at Mirama border post, four are owned by women from Ntungamo and Mbarara".* [Male FGD participant, Mirama border post]

The practice of brewing crude waragi (local gin) was also reported to be a source of livelihood for most women at border posts. At Busia border post, FGD data revealed that Kenyans provide ready market for the local brew because the practice is not allowed in their country. One elderly woman from Sofia slum at Busia border post had this to say: *"Women dominate the brewing and selling of waragi because men fear being despised for engaging in an activity that is mostly done by women so they prefer drinking to brewing it."* [Elderly woman, participant, Busia]

Most of the youth and some of the children at all border posts were reported to derive their livelihood from hawking, boda-boda riding, odd jobs like off loading and loading of cargo from trucks and carrying boxes and sacks of merchandise or jerry cans on bicycles across the border. At Busia border, it was reported that youth had come as far as Busoga and Mbarara to engage in boda-boda riding. At Mirama border post, the youth were also reported to participate in carrying people across the river through the informal routes. One middle aged man remarked that: *"During the rainy season, these young men make a lot of money. They charge up to 2000/=shillings to carry a person across the river, and at times the bargaining is done in the middle of the river while in transit such that if you refuse, he has the option of dropping you in the middle of the river with your goods,"* [Middle aged woman, FGD Mirama]

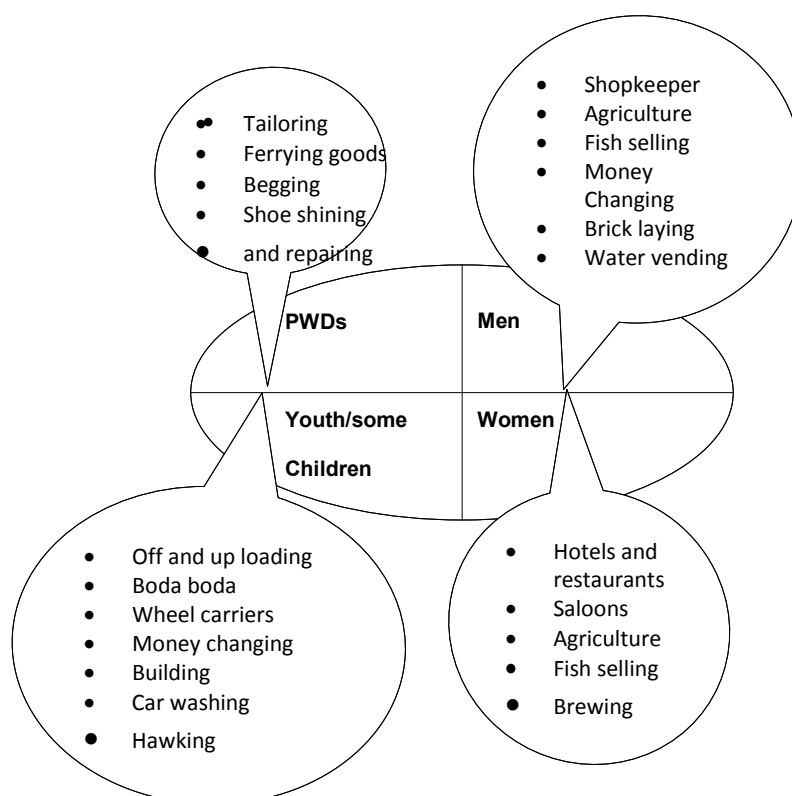
As for the children, FGD data revealed that although most primary school children do not involve themselves into ICBT activities, they tend to start engaging in boda boda as well as transportation of ICBT merchandise when they finish primary seven. This was linked to the limited hopes for continuity for secondary education.

Although few PWDs were engaged in ferrying merchandise across the borders as a source of livelihood, the majority at Busia were reported to depend on well-wishers, sympathizers and relatives.

Other livelihood activities that were reported included sale of wood works, firewood and charcoal by both men and women. At Mirama and Mpondwe border posts, FGD data revealed that wood works, firewood and charcoal are highly demanded in Rwanda and DRC as one male FGD participant mentioned that: *"In Uganda, a bundle of firewood goes for 1500= but when you take to Rwanda you can sell it at 1700/= or even 2000/=,"* [Male FGD participant, Mirama Hills Border post].

It was further reported that Rwanda has a strict policy on cutting down trees and therefore timber there is scarce. One FGD participant who also doubled as a local carpenter indeed echoed that: *"I have many customers from Rwanda, they like to buy chairs, coffins and stools and they also buy at high price. Currently there is a lot of deforestation and local leaders have been stopping people from cutting down trees which has affected women who derive their livelihood from forest products mainly firewood and charcoal."* [FGD participant, Mirama border post]

Figure 4.1 Livelihood activities for different categories of people at border posts



Source: FGD Data

4.2 Contribution of ICBT to livelihood improvement

The survey also investigated the contribution of ICBT to the improvement of well being of the community members (men and women) at household and community levels. This was further intended to find out which categories of people have benefited more than the others in ICBT. Survey results indicated that 81 percent were engaged in retail business, and 14 percent were in wholesale, while five percent were engaged in both retail and wholesale as indicated in table 4.1.

Table 4.1: Main category of trade of business households

Business category	Frequency	Percent
Wholesale	75	13.7
Retail	444	81.3
Both	27	5.0
Total	546	100.0

Furthermore, the findings indicate that 95 percent of the respondents re-invested their income from ICBT. Meanwhile 75 percent and 68 percent of the households reportedly spend their income on buying food for the household and paying rent respectively as indicated in table 4.2. While a few households had managed to build houses..

Table 4.2: Management and utilization of ICBT income at household level

Utilization of income	Percent
Re-invest	95.4
Buy food for the home	75.1
Buy personal effects	57.4
Pay rent	68.4
Pay school fees for children	56.6
Pay for health care (for self, children or relatives)	36.4
Build a house	6.9

FGD and KII data indicated that the contribution of ICBT to the well being was linked to increase in household income earnings. Although both men and women engaged in ICBT do benefit, men benefit more as they own most of the businesses at border posts.

However FGD at Busia border, revealed that women have benefited more than men as they have been able to build for themselves houses, educated their children and their family members' welfare. This was linked to the fact that women at Busia border had mobilized themselves in small cash round groups like 'Babiri Bandu Women's Group, Kamu-Kamu gwe Muganda Women's Group and these have helped them to access loans from FINCA and BRAC micro-finance institutions. On the other hand, most men at Busia border were reported to use their profits/business capital to marrying more women as well as drinking.

ICBT was also reported to have created employment opportunities especially for men who offer services such as transportation as well as money changing. Key informant data from the district level staff across all the border posts involved in the study revealed that ICBT has created employment, improvement in household income as well as livelihood and family relationship.

Furthermore, ICBT activities were reported to have led to increased interaction and socialization of border communities thereby improving social, economic and political relationship amongst the neighbours. Transect walks as well as observation across the border posts under study revealed noticeable infrastructural development along the border towns. These included improvement in housing conditions, roads, financial institutions, communication networks, water, schools, health facilities as well as government offices. On the other hand, community members were reported to have acquired household assets such as, plots of land, radios, television sets, motorcycles, bicycles and mobile phones which have eased transport and communication in the trade.

The interaction with some of the ICBT practitioners generated case studies documented below.

- Ms. Kabugho Joseline, has lived at the at Mpondwe border post since 2003. She is engaged in buying and selling of coffee and ground nuts from DRC. She said that her involvement in ICBT has improved her well being to the extent that she can now afford feeding her family of 10 members; an obligation that she could hardly do before. She boasts of the two pieces of land that she bought for farming, constructed two houses one residential and the other commercial and she is able to pay school fees for her children in some of the expensive schools in Kampala.
- Mr. Ntidantide is a businessman at Mirama border post. He said that he managed to build a house worth 4 million in his village at Kabuyanda, rent a nice house to accommodate his family at the border and is able pay school fees for his children of about 650,000/= every term in boarding schools.

ICBT was also reported to have benefited people in the service industry such as hotels, lodges and restaurants. However, the magnitude of the benefit depends on the size and

location of the business. For instance, businesses along the informal routes grow faster than those located far away. A noticeable example was observed at Mutukula border post, where those who own big shops in the Central zone were reported to have benefited more than those who own small retail shops in the Kololo zone which has less informal routes and access roads were poorly developed.

4.3 Access to, control and ownership over resources

The survey also investigated whether men and women at border post have equal access to, control and ownership over productive resources and how these would facilitate or hinder engagement in trade. Productive resources considered important by community members across all border posts, included items such as land, bicycles and houses both commercial and residential.

FGD data revealed that both women and men had access to productive resources ranging from plots of land to residential and commercial houses. It was noted that men have control over family land while most women who engage in the trade control resources in the homes. One middle aged business woman had this to say: *“For me I have a say on whatever is at home in fact my husband cannot sell anything without consulting me”*, [Middle aged woman, Mirama border post].

However, this was different for the young men who get married to women / widows who have accumulated their riches from trade. Community members revealed that these young men neither access nor control their partners' resources.

4.4 Conflict over resources

Occasionally, conflicts over productive resources were mainly registered on household land. These cases were reported to be resolved by community leaders. For instance, a man selling off land to marry another woman instead of investing the proceeds. In such cases, the man would be blocked by the wife and this could cause conflict in the home. However, FGD data from Busia border post did not report any conflict over family productive resources as one young man married by a woman mentioned: *“When you are married by a woman, you are under her control and whatever she says you just have to submit and say yes so that you continue enjoying the comfort and peace in the home.”* [Young man married to a rich woman, Busia FGD]

4.5 Livelihood challenges

Among the livelihood challenges faced by the people at the border posts were; inadequate capital, and many forms of taxes; trading license, ground rent and property tax. Community member complained of unfair bribes and high taxes in form of trading license which are imposed indiscriminately regardless of the size of the business. One business woman observed that: *“Many people lose money to customs officials and police in form of bribes”* [Female FGD participant, Busia]

Inadequate capital was also reported to be a major challenge. Community members reported that sometimes the demand can be overwhelming and yet they do not have enough stock, they end up losing customers to others in the same business.

Transport costs were also mentioned to stifle livelihood activities. FGD data revealed that those who provide transport services such as the boda-boda cyclists charge exorbitantly to transport goods across the border yet they are the ones who know very well how to maneuver through the informal routes. However, the high charges in the transport costs could be attributed to the high parking fees imposed on them by the authorities and the high risks involved. One male FGD participant who operates transport services revealed that: *“You can get a customer going far but every stage you stop at, there is someone asking you for the parking fee,”* Male FGD participant, Mpondwe]. *“You can get a bank loan and purchase a motorcycle but because of all these license and special permits you cannot save enough*

money for yourself and family to the extent that even the loans you got cannot be paid back,”
[Male FGD participant, Mpondwe]

Community members across the border posts reported that family demands, such as food, medical bills, school fees impact negatively on their savings. This was reported to be worsened by the fact that most men and youths at the borders take on many women impacts negatively on the profits from their ICBT businesses as one elderly woman observed: *“Once these men and boys get money, they begin misbehaving defiling girls, drinking, playing cards, going to discos and prostitution so they cannot benefit a lot”* [Elderly woman, Busia border post].

A case study conducted through an interview with Mr. Saturday at Mpondwe border post revealed that ICBT traders face many challenges as they struggle for livelihood as he had this to say;

Mr. Saturday deals in buying and selling of coffee in Democratic Republic of Congo and Uganda. He is involved in this activity not because coffee is not taxed like other goods from DRC. His involvement in ICBT has improved his well being in a way that he put up a permanent house where he resides with his family. He however, faces challenges related to price fluctuation which affects profit margins, lack of coffee processing factory at the border since he does it manually resulting into poor quality coffee thus fetching low prices. He further complained of limited capital for expansion of his business, harassment by URA officials, high costs of maintaining his large family in terms of education, medical bills and feeding.

CHAPTER FIVE: FOOD SECURITY

5.1 Introduction

Uganda has been and is projected to continue to be a significant food basket for millions of people within East Africa. Traditionally, Uganda has been the most dependable source of food in the region for particularly maize and beans to Kenya, Rwanda, and Democratic Republic of Congo, Southern Sudan and Tanzania. However, pockets of food insecurity still exist at household level in the northern and most of the northeastern parts of the country. Given the nature of ICBT activities mainly in agricultural products from Uganda to the rest of her neighbours, the survey investigated the issue of food security amongst the business households at the border points visited. The survey results indicate that over 90 percent of the business households at the border posts experienced food shortages throughout the four quarters of the year although with no significant differences except in the second quarter of the year as shown in table 5.1 below.

Table 5.1: Periods of food shortage at Border Posts

Periods of food Shortage	Frequency	Percent
First Quarter of the year	140	27.7
Second Quarter of the year	86	17.0
Third Quarter of the year	145	28.7
Fourth Quarter of the year	134	26.5
Total	505	100.0

At Busia border post, community members noted that the area was food insecure because of the draught conditions experienced during some months of the year in addition to the poor soils. FGD participants interviewed pointed out that most of the food in the area was not locally produced but bought from other districts of Soroti, Mbale, Tororo, Kumi, and Kapchorwa. One elderly woman had this to say: *“People are lazy as far as practicing agriculture is concerned and would rather involve themselves in trade which they find more profitable.”* [Elderly female FGD participant, Busia]

The FGD data further revealed that it was not only the poor soils that discourage community members from practicing agriculture but they are also frustrated by the thieves during the harvest season, which they end up sharing with. On the other hand, the food consumed at Mutukula border post was reported to be produced from countryside villages of Kooki and Kyesinga within Rakai district. FGD data revealed that increased regional demand for food had driven up the local food prices particularly for maize and beans at the border.

Furthermore, FGD data on agriculture revealed that Busia and Mutukula borders experience two seasons in the year. In Busia, it was reported that the first rains come in February to July, while the second rains start in August to January. The farming calendar revealed that during the first rains, people in Busia grow soya beans, maize, cassava, tomatoes, guinea peas, and millet; while maize, beans, sorghum and potatoes are grown during the second season. The calendar further revealed that fewer crops are grown in the first season because there is drought and crops are grown at river banks only. They mainly grow maize and this explains why there is maize in Busia throughout the year. The seasonal calendar revealed that drought is mainly experienced in the months of November and December, January and February. On the other hand, the seasonal calendar at Mutukula revealed that the first season starts in March to July where communities plant food crops like beans, maize, ground nuts and Irish potatoes while the second season starts in September to November.

5.2 Most preferred foods by the business households

Although community members revealed that most of the food consumed at the border posts was not locally grown in the border districts, the survey results indicated diversity in food preferences by the traders at household level as shown in table 5.2 below. Generally, most of the business households preferred bananas (51 percent) followed by rice (29 percent), posho and sweet potatoes both with a share of 22 percent. The other preferred foods included cassava, millet, Irish and yams. At Busia and Mpondwe border posts, rice and posho were the most preferred, compared to those at Mirama and Mutukula where posho and bananas, and sweet potatoes and posho were preferred respectively.

Table 5.2: Most Preferred foods in Business Households

Type of food	Frequency	Percent
Bananas	279	51.1
Rice	156	28.94
Posho	114	22.09
Sweet Potatoes	96	21.57

As for the sauces, survey data indicated that there was diversity in preference across the border posts. Survey results indicated that fish and meat were the most favoured sauces with each taking 27 percent of the business households. These were followed by groundnuts (19 percent) and beans (11 percent) as shown in table 5.3 below. The other preferred sauces mentioned were vegetables, cowpeas and chicken. While fish and meat were mainly preferred at Busia and Mpondwe border post, ground nuts and beans were preferred at Mirama and Mutukula borders owing to cultural diversity at border posts.

Table 5.3: Most Preferred Sauces by Business Households

Type of food	Frequency	Percent
Fish	145	26.6
Meat	145	26.6
Groundnuts	98	19.0
Beans	47	10.6

5.3 Number of meals consumed per day

The number of meals consumed per day is an indicator of food security at household level. Survey results, revealed that 50 percent of the business households had two meals while 46.8 percent had at least three meals in a day as shown in table 5.4 below. However, a small proportion of business households (3 percent) had one meal a day and this has implications on the survival strategies for households during different seasons of the year.

Table 5.4: Number of meals consumed at household level

Number of meals	Frequency	Percent
1 Meal	17	3.1
2 Meals	273	50.1
3 Meals	244	44.8
4 Meals	12	2.0
Total	546	100.0

With use of a participatory food calendar community members at Busia noted that food is in plentiful during the first season of the year and most household members eat at least three meals a day including breakfast, lunch and supper. This was represented on the food calendar with eight stones during the FGDs. In the second season most households were

reported to eat one or two meals while others totally have nothing to eat. This was represented with two stones on the food calendar. One male FGD participant indeed echoed that; *“During this season, it is money which speaks because we depend on food brought in markets from Mbale, and Soroti. Thus the meals have to be served at strategic times such as porridge for children in the morning while adults have lunch at 4.00 pm to double as lunch and supper.”* [Male FGD participant, Busia]

On the other hand, the participatory food calendar for Mutukula, revealed that that every household had an average of two meals in a day during the months of January, February, June, July and August. The calendar further indicated that most of the snacks are eaten during the first season at breakfast and between meals. They include mainly roasted maize, cassava chips, doughnuts and pancakes. FGD data further echoed that snacks were common during this first season because they are part of the harvests from the main food crops. Community members placed one stone to explain the few snacks eaten in March because food is available but in little quantities since seeds are reserved for planting.

At Busia border post, it was reported that food was mainly sold during the second season when it was in plenty especially during the months of August and September. It was reported that food stuffs are sold to get school fees for their children. A female FGD participant observed that: *“Since there are no other cash crops, some people are money hungry and just sell off the food for money to support children at school. This practice is mostly done by men”*, [Female FGD participant, Busia]

FGD data further revealed that that some people sell off the harvested food due to lack of storage facilities. One middle aged female FGD participant pointed out that: *“Some of the people farming hire only one room and after harvest they have to sell it off due to lack of storage space and facility. Besides, some people are business minded such that even if they plant these food crops, they know that they have to take the produce to Kenya immediately after harvest”* [Female participant, Food security FGD, Busia].

In Busia, FGD participants allocated 9 stones to demonstrate the seriousness of selling food during the abundance season by community members while the first season was allocated two stones because there were little or no food sales. The buying of food was mainly reported to take place in the first season. The food bought was reported to mainly come from the neighbouring districts of Kapchorwa, Soroti, and Mbale. The main food items bought included matooke, Irish potatoes, rice, beans, maize and cassava.

The intensity of buying food during the third quarter of the year was given 8 stones on the food calendar. The FGD participants allocated 3 stones to buying of food during the second season on the food calendar to illustrate that less food is bought. This was attributed to the fact that most people have food harvests from their fields. One male FGD participant had this to say: *“If you want to sell food during this season, you may find buyers from Kenya because nobody will buy your produce from Uganda.”* [Male participant, Food security FGD, Busia]

5.4 Coping strategies during times of food shortage

The different patterns of food consumption in the different seasons across the year demonstrate that business households at the border posts experience food shortages at different times of the year. Thus they adopt different strategies to cope with food shortages. Survey results indicated that 80 percent of the business households rely on less preferred and less expensive foods, 51 percent of the business households limit the food portion given to family members, 30 percent resort to skipping meals, 13 percent do maternal buffering by limiting the mothers' intake to ensure the child has food while 11 percent borrow food or money to buy food as shown in the table 5.5 below.

Table 5.5: Coping strategies for times of food shortage

Strategy	Frequency	Percent
Relying on less preferred and less expensive foods	438	80.4
Limiting the portion/ration served	280	51.4
Borrowing food or money to buy food	60	11.0
Maternal buffering (mother limits her intake to ensure the child has food)	68	12.5
Skiping meals	162	29.7
Skiping day (whole day without food)	7	1.3

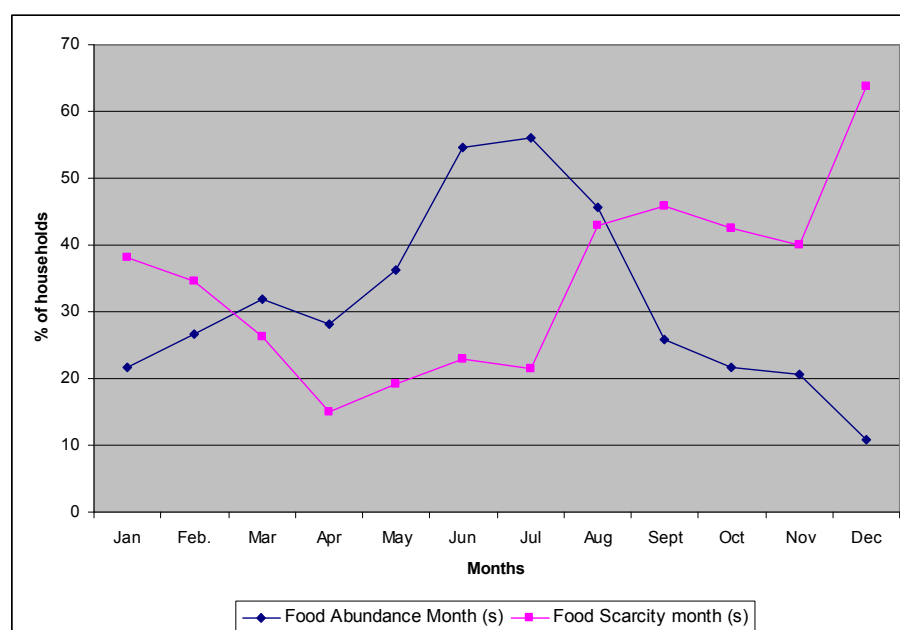
At Busia, border post, FGD data revealed that men resort to snacks, eating in restaurants and workplaces to avoid the responsibility of buying food at home. On the other hand the women were said to resort to prostitution as one elderly woman remarked. *“My neighbour is a ‘sinalya’ (woman who deals in sex trade/prostitution). I used to wonder why a mother could do such a thing but I later came to understand that she has to provide food on the table for herself and children.”* [Elderly woman, food security FGD, Busia]

At Mutukula border post, it was reported that both men and women engage in livestock keeping and bricklaying, which help them to generate money to buy food. The women also make mats which they sell off to buy food.

At Mirama hills, community members indicated that during periods of food scarcity they cut on the number of meals eaten per day to prolong the consumption of stored foods. Besides, they look for employment to earn some money to buy food as one male FGD participant remarked: *“In this community we are not equal; some people have money while others do not. In such an instance I can go to a rich person and ask for casual work like digging so that am paid some little money to buy a kilo of beans and posho to feed my family.”* [Male participant, Food Security FGD, Mirama Hills]

The survey results further indicated that food abundance months across the border posts were, May June, July and August while food scarcity occurred during the months of September, October, November and December as shown in the figure 5.1 below.

Figure 5.1: Food Abundance and Scarcity at border posts during the Year



The preceding figure clearly demonstrates that there are some households that are net food sellers only during and after harvest time, thereafter; they are left with no option other than

buying food until the next harvest season. Furthermore, it was reported that many households are 'forced' to sell food immediately after harvest, to meet their immediate cash needs, and buy food as soon as their reserves run out before the next harvest which leads to high food prices as alluded to during some FGDs.

However, at Mirama Hills where the seasonal /food calendar indicated that two seasons are experienced, FGD data indicated that food prices are low in the first season (harvest season) and most people can afford to have 3 meals a day as shown in figure 5.2 below. It was reported that during this season, women sell off some food produce; people manage to pay their children's school fees, buy clothes and other personal effects. Although most households were reported to have 2 meals during the second season, FGD data revealed that even if the prices of most food crops especially beans rise, the rich will still have 3 meals in a day. One middle aged male who participated in the food security FGD had this to say about the food situation during the second season: *"In the second season, many people use snacks for meals. Even small items such as chapattis and pancakes are on high demand and can't be found in the evenings because of the starvation during this time."* [Middle aged man, Food security FGD, Mirama Border]

It was further reported that the second season also comes with a lot of rain which leads to rotting of crops in the gardens especially beans which even sets back the demand prices.

Figure 5.2: Food calendar for Mirama Hills border community

	1 st seasons						2 nd season					
Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Food crops	Beans, maize, matooke, cassava, sorghum, tomatoes, cabbage, Irish. potatoes, groundnuts, Soya beans, cassava						Sorghum, millet, beans, matooke, cassava, sweet potatoes, groundnuts, tomatoes, Irish. Potatoes, bitter tomatoes.					
	Number of stones given						Number of stones given					
Number of meals	○ ○ ○						○ ○					
Snacks	○ ○ ○						○ ○ ○ ○ ○ ○ ○					
Buying	○ ○ ○ ○ ○						○ ○ ○ ○ ○ ○ ○ ○					
Selling	○ ○ ○ ○ ○ ○ ○						○ ○ ○ ○ ○					

From the survey results, 55 percent of the business households reported that ICBT had an impact on food availability at the at the border posts. They cited food scarcity (63 percent), improved availability (15 percent), price fluctuation of food stuffs (13 percent) and increased food variety (3 percent) as shown in table 5.6 below.

Table 5.6: Impact of ICBT on food availability

Impact	Frequency	Percent
Improved food availability	43	14.5
Increased food variety	10	3.4
Caused food scarcity	186	62.6
Price fluctuation on food stuffs	38	12.8
Others	20	6.7
Total	297	100.0

5.5 Causes of food scarcity

Among the reported causes of food scarcity at the borders was the cross border trade between Uganda and her neighbours. At Busia border post, community members remarked that Kenyans do not dig and are always in Busia to look for food. Therefore, most of the food is got from the Ugandan side leading to the sale of all the harvested food stuffs.

At Mpondwe border post in Kasese, the community members were reported to be food insecure because of high population pressure which leads to land fragmentation thereby leaving less land for food production. Besides, FGD data revealed that the area receives little rain making it difficult for people with small gardens to have meaningful harvests. The food security situation was reported to be further compounded by the high food prices.

At Mirama Hills, it was reported that Rwanda had experienced an influx of the Rwandese nationals who had been expelled from Tanzania thereby causing pressure on land for agricultural production and consequentially food scarcity. Thus food items from Uganda were reported to be on high demand. One key security stakeholder reported that: *“Uganda largely supplies most of the food items consumed in Rwanda through the sale by some parents so as to send their children to school. There have been cases of people from Rwanda drowning in the river while attempting to cross to Uganda in search of food”* [KII O/C Police, Mirama Hills Border Post]. Besides, the land terrain at Mirama Hills leads to washing away of crops like beans to the river whenever it rains heavily thereby resulting into poor harvest and hence little income.

5.6 Trends in food availability

With the help of a timeline analysis of the food situation at the borders, it was revealed that 1997 was the worst year as far as food scarcity at Busia border post was concerned. A male participant in the food security FGD remarked that: *“I will never forget the year 1997 when we had to spend two days without a proper meal at home.”* [Male participant, Food Security FGD, Busia]

At Busia border post, community members revealed that the year 1999 experienced a lot of rain hence a lot of food was grown while in 2000 little food was grown due to drought. Most people at the border were reported to have largely depended on their incomes because most of the food was got from the neighbouring districts. In 2002 the community reported that they had experienced food scarcity and people had to do a lot of casual labour in order to get the little food to eat. One elderly man had this to say: *“Due to food scarcity I went to one rich man for casual labour and he gave me just 1 kg of posho for digging a portion of the garden as long as 100metres. It was unfair but at that time he was doing me a very big favour”*, [Elderly male, Food Security FGD, Busia]

Community members revealed that they did not experience food shortages during the years 2004, 2006 and 2007, because of the rainy and dry periods which enabled them to grow food crops. However it was reported that, poor farming practices and neglect for fields sometimes lead to lower crop yields, reduction in farmers' and informal cross border traders' income, increased food shortages and eventually famine which drag the rural population into deeper poverty resulting in more deaths and more human misery. This in turn could result in exodus of villagers to border areas or elsewhere in search for food, and odd jobs. It would not be surprising if such factors eventually lead to a higher rate of crimes and civil unrest.

5.7 Community members most affected by food insecurity

Because of differences in climatic and erratic conditions, access to productive resources, income differentials, social position in the household, as well as population pressure on the productive resources, different border communities are affected differently by food insecurity. Situations of food shortages were reported to mainly affect children because their fathers do not leave food or monetary equivalent for food at home. Some children were reported to end up eating in dustbins, early prostitution for girls, and pushing wheel chairs of the PWDs for survival.

Women were also reported to be affected since they are left with the children at home forcing them to look for some start-up capital to sustain their households. FGD data revealed that they secure business loans which are diverted to feeding their starving children. One female FGD participant noted that: *“At times, women get loans but they are touched to see their*

children starving. They end up diverting the loan funds to feeding. Hence failing to service their loans."[Female participant, Food security FGD, Busia] On the other hand, the men were reported to be rarely affected because when there is no food at home, they go to restaurants for meals or buy snacks for themselves.

CHAPTER SIX: ACCESS TO SOCIAL SERVICES

6.0 Introduction

The study collected information on availability and access to social services at the various border posts such as education, health, water and sanitation, roads, telecommunications, energy, market structures and recreation centers.

6.1 Available social services

6.1.1 Education

Busia border post has both government aided and private primary and secondary schools. Most people however, preferred private schools because they offer better quality education. The government schools on the other hand had no teachers, furniture, and education is not totally free as parents have to pay for security, electricity and food. One parent of three children in a private primary school had this to say: *“What is free there when I have to pay for electricity and food for my school going children? I would rather take my children to a private school other than being blindfolded that there is free education.”* [Male parent, Social services FGD, Busia]

Most people were reported to take their children to study in other districts like Kampala, Mbale, and Jinja because the schools around the border were said to offer poor education. One male FGD participant remarked that: *“This border post is wasted as far as education is concerned .If you want your children to have quality education, you have to part with money and take them to Kampala or Mbale.”* [Male participant, social services FGD, Busia]

At Mpondwe border post, the few schools in the area were reported to have had a great impact on development .FGD data revealed that children have to travel long distance to go to school because the nearest government primary and secondary schools are in Bwera Town which is about 7 km from the border. This was reported not to have only affected children's performance in class, but was also driving them to participate in informal cross border trade. Furthermore, it was echoed that the long distance is risky for girls as some have been raped and was making children to begin school late so as to cope with the distance to school. One male FGD participant remarked that: *“Those who can afford take their children to Kasese schools. There is need for government to set up schools in the area”* [Male participant, social services FGD, Mpondwe]

Although Mutukula border post was reported to have five primary schools, only one is government aided and was reported to be of relatively good academic standard but with a high pupil teacher ratio. However, the extra charge of 5,000 shillings in the government aided school to cater for lunch and building fees was a constraint to accessing education services. Besides, the teachers were reported to be inadequate and the available few report late at school most of the time as noted by one female FGD participant: *“It is the pupils who get the teachers late!”* [Female participant, Social services FGD, Mutukula]

At Mirama Hills, it was reported that Ugandan children share UPE schools with those from Rwanda and Tanzania and with such interactions trade through the children was inevitable.

6.1.3 Health services

As for health facilities are concerned, Busia border post has one Health Center (HCIV) as well as several clinics and drug shops. However, the services provided in these centres were lacking and members reported that there was need to improve on the health facilities in the existing government centers. The community members pointed out that the Health Center

does not have medicine most of the time. One female FGD participant at Busia border post noted that: *"I don't want to call that even a government health facility because at times you go there and you do not get even a panadol. Of what use is it to us? In this Busia of ours, if you do not have money and want to rely on free treatment, you will die!"*

The community members narrated that they would rather incur transport costs and go to Kenya or Tororo for medical treatment other than going to the Busia Health Center because of poor services one male FGD participant pointed out.

At Mpondwe, a key informant revealed that the border was underserved in terms of medical services because of the population from Uganda and Democratic Republic of Congo. One key district stakeholder indeed mentioned that: *"There are no medical facilities also at Mpondwe border post. Although there are there are many clinics and drug shops, Ugandans run short of medicine because most Congolese come to seek services on immunization days. Other social services are accessed in either Bwera or Kasese town or for emergencies in Congo for the case of health services"* [Key district stakeholder, Kasese]

At Mutukula, community members noted that the Health Centre (HCII) that previously had adequate staff and drugs was reported to be in sorry state more so with no drugs of recent. One male community member had this to say: *"Some time back, our health centre had enough drugs and it was very useful to the community members. But these days when one goes to there he/she is only given a prescription form to buy medicine from a drug shop."* [Male participant, Social services FGD]

At Mirama border post, transect walks through the border area revealed existence of drug shops although the researchers' guide indicated that that they have unqualified attendants. Besides, observation revealed that there was one private clinic. At Mirama hills, key informant data revealed that Rwandese and Tanzanian nationals also seek health services from the same health facilities in Uganda as one of the key informants observed: *"Many Rwandese and Tanzanian nationals come to Itojo health centre IV where they access medical and immunization services. As a result they end up buying some of the Ugandan produce and products as they cross back,"* [Key informant, Ntungamo district]

Generally, informal cross border traders have limited access to healthcare services, including limited HIV and AIDS interventions. At Busia border post, most community members go to Kenya or Tororo for public healthcare services. There are a few HIV and AIDS interventions for cross border traders, partially due to difficulties in targeting people who are constantly on the move. Informal Traders are often preoccupied with survival needs, and may not be receptive to HIV and AIDS education and prevention messages.

6.1.4 Water services

With regard to water, the community members reported that although Busia border had a number of water sources such as water tanks, boreholes, and protected springs, the water was said not to be safe. Water and sanitation were reported to be poor because most people do not have latrines. FGD data further revealed that the pit latrines have been constructed near water sources and this causes contamination through spillage and contamination of the water table. One community member was over heard saying that: *"I cannot imagine being charged 100 for the toilet facilities because we do not have a latrine at home! I would rather wait for night time and ease myself wherever I want or use a polythene bag and I throw it wherever I can find."* [Silent voice, social services FGD, Busia]

Meanwhile for Mpondwe, key informant data revealed that the area has piped water from Bwera Town and some communal taps had been established to ensure community access to safe water. However, the border communities on the border side of Democratic Republic of Congo were reported to lack safe water as reported by one district technocrat. *"There is hardly any safe water source especially for people in Democratic Republic of Congo. Besides, the market lacks protected water source or safe water supply and public toilet and this often results into outbreaks of epidemics such as cholera "* [District Technocrat, Kasese]

At Mutukula border post, it was reported to have only two functional boreholes both of which were constructed near pit latrines. FGD data further indicated that while one bore hole is government owned the other is privately owned.

Mirama border post was reported to be served with a gravity flow scheme water system which has established three water taps from where the community members collect water. The transect walk revealed that some community members collect water from River Muvumba and River Kyambu in the event that they cannot afford 50/=per jerry can for the tap water from the gravity flow scheme.

6.1.5 Energy

At Busia border, electricity was reported the main source of energy but it is regarded to be for the rich and the educated because not everybody can afford it. FGD data indicated that most households prefer using candles and lamps to paying for heavy electricity bills because they can afford daily paraffin. However, there were mixed feelings about electricity as silent voices of some community members expressed that: *“Electricity use does not favour us the poor. It would be better if at least government could connect power to our houses and then we can pay the monthly bills.”* Another community member contended that: *“I fear connecting electricity because I am not learned and do not have skills of using electricity. I do not want to get shocked and die at only 36 years.”* [Silent participants’ voices, Social services FGD]

At Mpondwe, transect walks revealed existence of fuel stations, although fuel is bought from Democratic republic of Congo. It should be noted however, that out of the four borders where that survey was carried out, it is only Mirama without electricity but some business households use generators and solar power.

6.1.6 Telecommunications Services

Telecommunications services at Busia and Mutukula border post were perceived to be good because of their reliable network. They reported existence of companies such as MTN, Zain, Warid, and Uganda Telecom. However, community members expressed mixed feelings about these telecommunications services. Some community members echoed that telecommunications companies had greatly boosted their businesses. One male FGD participant who transacts business with Kenyan counterparts mentioned that: *“I just have to load airtime and call my customers who also do the same when they need me and business moves. Actually between Kenya and Uganda, business is in the air and it is just a phone call away.”* [Male participant, Social services FGD, Mutukula]

On the other hand, some community members indicated that the services cause financial drain because one has to load airtime almost every time you have to communicate. One middle aged female FGD participant noted that: *“Phones have become like babies because they need too much money for airtime.”* [Middle aged female participant, Social services FGD, Busia]

At Mpondwe, FGD data indicated that there is one public phone in the market and many community members have mobile phones although they reported that the network is not stable and strong. At Mirama border telecommunication services are available but with weak signals for all networks.

6.1.7 Markets

Busia border post is served with many markets which include main market, Naguru, Toninyira, Mawero, Sofia and Arubaine. The markets were appreciated to be the biggest social service in the communities. The markets were greatly commended as one of the FGD

participants observed that: *“the markets are actually business premises because no market no business; and that is where some of us are found.”*

At Mpondwe border, community members commended the role played by markets in facilitating ICBT for all categories of people who come from Congo, Kasese, Bwera and Mpondwe to market their items especially on markets days of Tuesday and Fridays. However, FGD data revealed that the current market has semi permanent structures and needed construction because whenever it rains they suffer and business comes to standstill. On the other hand, the timber market was reported to have no physical structures.

Through observation and transect walk, it was established that Mutukula border post has one permanent structure of temporary stalls made of poles and grass thatched roofs. It was reported that some traders sell their merchandise by the roadside during mobile market days. A transect walk at Mirama border revealed that there is only one market with lock-ups surrounding an open area. However, FGD data indicated that there is also another weekly mobile market on every Fridays.

At Busia border, it was reported that a few warehouses exist but community members indicated that they did not like using them due to the high charges. One business female FGD participant remarked that: *“How do I spend 5000/=weekly for just keeping my merchandise? I would rather take them home and we share the one bed roomed house that I rent so that I save that money.”* [Business female, Social services FGD]

6.1.8 Road Services

The government roads at Busia border post were reported to be good and well maintained but the community members complained of restrictions related to transportation of charcoal and timber as one community member had this to say: *“The roads are good but I don’t like the fact that some of us who deal in charcoal and timber are not allowed to transport our commodities on them.”* [FGD participant, Social services FGD, Busia]

Through observation and transect walk/drive, it was established that there is only one road from Bwera to Mpondwe which is maintained by the central government. However, key informant data revealed that the roads especially on the border side of Democratic Republic of Congo were in a very poor state hence hindering trade.

Similarly, Mutukula border was found to have only one main tarmac road from Kyotera connecting Uganda to Tanzania. FGD data revealed that there were also several access murram roads which connect to the informal routes. However, the access roads were reported to be full of pot holes and without drainage channels and impassable for vehicles transporting goods during the rainy season.

At Mirama Hills, the poor road network was reported to have hindered provision of social services and this had negatively affected ICBT. FGD data further revealed that when the road was good many trucks used to go to Rwanda through Mirama and business was booming. Trailers no longer use this route and business was reported to have slackened. It was further echoed that the time it takes to travel to Ntungamo had increased from 30 minutes to 1 ½hrs because of the bad road. The fares were reported to be very high. FGD data further indicated that women were more affected by the bad roads because they cannot manage rough conditions during informal trade transactions using informal routes. One female district key informant indeed noted that: *“When the road was good there was a lot of traffic along the border and we would get many customers. When the Kabale-Katuna route was affected by landslides due to heavy rains, there was a lot of trade through Mirama which is not the case now. Currently the traffic through Mirama border post has greatly reduced as few trucks use this route,”* [Female District stakeholder, Ntungamo].

6.1.9 Recreational Services

At Busia border, community members reported the existence of private recreational facilities that have boosted ICBT. These include lodges, video halls bars, and restaurants where people interact and transact business on either sides of the country. However, they expressed mixed feelings about the recreation services because of the perception that bars and lodges had promoted immorality especially for the girls who engage in prostitution.

At Mpondwe, community members reported existence of two recreation centers and video halls where the youth especially socialize. Similarly, recreation services where community members interact and transact business at Mirama border were reported to be privately owned. Like for other border posts, these were also reported to be drivers for ICBT as one district technocrat reported: *"The existence of recreational facilities has boosted ICBT at Mirama. These include video halls and bars where people interact and as a result purchase certain items on either side of the country"* [District technocrat, Ntungamo]

6.1.10 Forex Services

Across all the border posts involved in the study, transect walks together with observation revealed existence of private money changers who offer foreign exchange to the business people and other travelers. These were seen to comprise of uniformed men and women who wear uniforms for easy identification and were strategically placed at the border. However, the males outnumber the females because of the need for vigilance to manage forex business. The money changers were reported to be useful although they give business people low exchange rates as compared to ruling market rates.

6.1.11 Agricultural Services

Across all border posts, community members engaged in agriculture complained of adequate knowledge about existence extension staff as one elderly man had this to say: *"Here we have many farmers in the village who are involved in cultivation of various crops. We hear that there are experts who come and teach farmers on how to improve their crop production. We are told that these people come from Kampala and stop in Ntungamo but they do not reach us who are in villages yet we are very many"* [Elderly man, social services FGD, Ntungamo]. A transect walks across the borders revealed that NAADS services targeted only community farmers with large pieces of land.

6.2 Importance of Social Services in ICBT

Community members noted that both the formal and informal roads were crucial in facilitating ICBT because they ease movement. FGD data revealed that roads are used by pedestrians, boda-boda bicycles, motorcycles, cars, trucks transporting goods and people. One female FGD participant observed that: *"I don't think there is any part of Uganda where people use roads like in Busia. Our roads do not rest day and night, how would I be transporting my waragi if there were no roads?"* [Female participant, social services FGD]

In addition, there are informal routes which serve as shortcuts/panya by traders trying to evade taxes and other levies by the town council. These were considered to be important because they are used to minimize delays for perishable products such as vegetables, bananas; potatoes and fish as well as reducing congestion of loaded bicycles at busy customs points.

The markets were considered crucial because they employ many community members; they are meeting places for the sellers and the buyers. One elderly lady referred to as "Professor" of Sofia remarked that: *"Markets facilitate buying and selling of goods by men, women and children. It is where they take their commodities for sale, get market information and interact*

with fellow traders. Through the markets we get to know whether our produce like maize and beans are demanded in Kenya and at what rate."

Telecommunications services were also noted to be of much importance in facilitating trade because they help in making contacts with clients across the countries. These services were reported to help community members in timely transaction of business deals with distant clients and on time. One female FGD participant noted that: *"With a phone call one can just talk to clients regarding quantities of waragi, bags of maize, beans, charcoal etc needed and the deal will be sealed on phone. My customers are just a phone call away because hotels to which I supply charcoal just call me whenever they need it and I either deliver it or they collect it. The situation is even better with the MTN tariff plan of up to 99 percent which enables talking for long hours at a cheaper rate."* [Female participant, social Services FGD].

6.3 Constraints to Accessing Social Services

At Busia border post, community members noted that local road levies which are charged for maintaining roads were a constraint to accessing the services. On the other hand, at Mutukula border post the access roads were reported to be very narrow and inaccessible during the rainy season besides being risky hiding grounds for thieves.

As for telecommunications, the high cost of airtime and tariffs were reported to be draining the pockets of the business community. Also temporary interferences in the network some time cause people to lose out on some business transactions. One female FGD participant mentioned that: *"One day my regular customer of 'changa' a local brew came looking for me for business but my phone was off due to network interference. I lost that deal because she had to go elsewhere."* [Female participant, social Services FGD, Busia].

Lack of money was a major constraint to accessing some of the services such as health and education across the study sites. In Busia, accessing education was regarded to be for the rich because even the government schools were asking parents to pay for food and security fees. This had discouraged many parents who could not afford the fees and their children were resorting to ICBT.

Some of the social services were reported be limited, non existent or of poor quality and community members have to move long distances for them. They include warehouses, health and quality education.

CHAPTER SEVEN: FINANCIAL AND MARKETING SERVICES

7.1 Introduction

This chapter presents views on how people finance ICBT activities, constraints to accessing financial services and how they market their goods across borders. Access and utilization of financial and marketing services serve as key drivers to business survival. The survey investigated the available financial services and marketing strategies adopted by the border business communities.

7.2 Financial Services

7.2.1 Available financial services at border posts

Formal financial services were observed at two border posts of Busia and Mutukula; where commercial banks, microfinance institutions and formal SACCOs were reported. A forex bureau exists in only Busia among the border posts studied. Financial services offered included; inter-bank services, loans, banking services and to a small extent business skill orientations especially for new borrowers. Business skills orientation was more characteristic of microfinance institutions than commercial banks.

Micro finance loans are accessed in smaller groups of 5 – 6 members who act as guarantees to each other. The different micro finances offer different repayment schedules. For example, for FINCA microfinance payment is done weekly with interest of 28 percent for a period of four months. A group loan program that requires clients to essentially guarantee the repayment of a group member. In case one borrower misses payment, others will not be able to borrow, hence motivating fellow members to pressurize and supports each other. However, it was reported that even with this arrangement in place, many clients fail to service their loans.

It was also reported that available lending microfinance institutions mostly target women groups for example FINCA, BRAC and Finance Trust. For men, the lending arrangement within these institutions differs from those of women. For example, it was reported that men are considered as bad debtors and therefore are required to have a higher minimum balance as surety for the loan. “

Although, it was reported that there is a forex bureau at Busia border post, its services were mainly utilized by traders who exchange big sums of money. One male participant had this to say; *“For us small business people we have alternative mobile foreign exchange money changers we cannot go to a forex bureau”*. [Male participant, Financial services FGD, Busia]

Transect walk and FGD data revealed that there are no formal financial institutions at Mpondwe and Mirama border posts. Traders in Mpondwe seek financial services in Bwera and Kasese town, while those in Mirama go to Ntungamo town. On the other hand, at all border posts, the informal financial sector constitutes the most significant source of financial intermediation for small borrowers. The informal financial institutions exists which include inter alia; money changers, cash round groups, and individual money lenders. One middle aged female explained that: *“A group of about ten members sits every week and makes a standard contribution of 10,000 shillings each, which is collected and given to one member who is randomly chosen.*

One key informant from Tweyambe Group at Mirama border post revealed that: *“Any one who is not a member of the group can get a loan as long as he/she comes with a guarantor or has security. In this case an agreement is written specifying the amount taken and duration of repayment terms.”* [Male KII, Financial services KII, Mirama Hills]

The currency conversion popularly known as money changing was reported to be done by males. They offer loans for a short time usually a day with very high interest rate of 10 percent or more. The speed and ease of access to these sources are cited as the reason for dealing with them despite higher interest rates. The lack of forex bureaus, flexibility and ease of

access to money lenders were cited as the main reasons for dealing with them despite higher interest rates. However, where the currency of either side of the border is accepted, as it the case for Mpondwe border post, the money chargers do not play a big role in offering financial services to traders.

7.2.2 Financial services required in ICBT

Financial and business skills sensitization was reported to be of utmost importance in ICBT. Community members indicated that this would help them acquire the business skills and knowledge on how to manage the loans meaningfully. One middle aged male indeed noted that: *"We need to be sensitized on the available financial services and how to start and manage micro enterprises using resources acquired through loans"* [Middle aged male, Financial services FGD, Busia]

In addition, banks, microfinance institutions, forex bureaus and SACCOs are needed are needed at the border posts to facilitate ICBT because they help people to access loans which they use to improve their businesses.

7.2.3 Financing ICBT activities

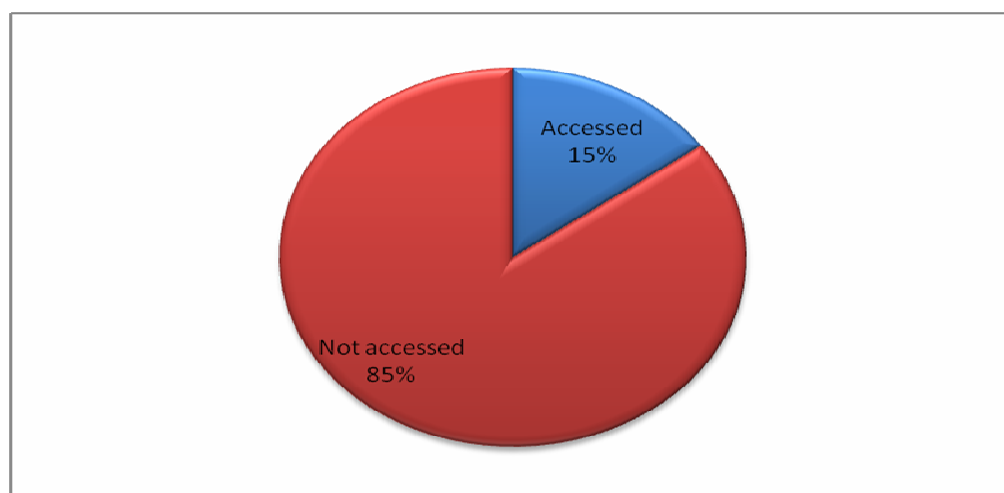
Generally, similar strategies for financing ICBT activities were reported by both men and women across all study sites. FGD data revealed that most ICBT activities are financed through personal savings. Capital is raised through sell off assets, such as livestock and agricultural produce. One female FGD participant, Mirama border post remarked: *"I sold off my hen and started my small retail business which fetches small profits and through savings I have accumulated the working capital."* [Female participant, Financial services FGD, Mirama Hills]

The other common financing strategy reported for ICBT activities was through acquisition of goods on credit. It was reported that some traders obtain goods on credit and clear after sales. However this was reported to have its own problems as some customers take goods on credit and do not pay thereby leaving traders and suppliers in conflict as well as loss of property in settling debts.

Borrowing money from friends, fellow traders or customers was also reported as one of the strategies for financing ICBT activities. However this system was reported to have resulted into domestic violence where some women lend money to their spouses and they fail to pay back. Women also reported operating cash rounds to maintain their businesses rather than borrowing on high interest rates with limited repayment period and yet they lack security.

The findings revealed that only 15 percent of the business household accessed credit facilities while 85 percent had either accessed any formal credit from either the banks or microfinance institutions in the last 12 months preceding the survey as shown in figure 7.1 below.

Figure 7.1: Access to credit facilities by business household in the last 12 months



7.2.4 Constraints to accessing financial services by informal traders

Generally, traders reported that they face difficulties in accessing financial services so as to boost their businesses. FGD data indicated that traders involved in ICBT lack access to formal lending institutions that can offer short-term loans to meet their working capital needs. Besides, most traders reported lack collaterals in form of land, houses or a physical address for the business therefore it was not easy to secure the loans. Also reported was lack of financial discipline on the part of borrowers where some people who took the loans ended up using them for unintended purposes such as buying household items, paying school fees and therefore not generating profit to facilitate repayment.

Although many traders preferred using groups because of low interests on borrowed capital compared to banks and money changers, the groups were reported to attract more customers than they can serve. Besides, it was reported that when some group members' access money, they relocate from the community and settle elsewhere and yet the group guarantees are not in position to service the loan on the absentee members' behalf.

In addition the minimum balance needed by the bank before accessing a loan was reported to be unaffordable by most people engaged in ICBT. For example a male FGD participant explained that: *"Most small scale traders have small businesses with a very low working capital of about UGX 50,000 but the bank wants a minimum balance of UGX 20,000 excluding other charges, hence leaving us with no money to use"*. [Male participant, Financial services FGD, Busia]

Another female silent voice mentioned that the protocol for accessing the loans take a lot of time. *"You get your little capital and open an account with the thinking that you will secure a loan in a short time but you have to wait for long until people from the bank visit you for assessment. In order to access credit without an account one has to borrow through a colleague who has an account and at a small cost"*. [Female participant, Financial services FGD, Busia].

High interest rates on money from microfinance as well as money changers were reported to be unfavorable for small traders. Consequently, the possibility of losing property to settle the loans was high. Besides there were reported to be so many levies at border crossing points which are not even receipted. These discourage many smaller traders from taking loans because they are not certain of paying back. On the other hand, the untrustworthy customers who take goods on credit and fail to pay back were making it hard for the traders to access financial services.

Dealing with counterfeit and cheating of traders was reported among the money changers. Some take advantage of the traders' ignorance of the exchange rates to cheat them in the process of changing their money since most of them are illiterate.

7.3 Marketing

This section discusses how people involved in ICBT market their commodities, access marketing information, guide pricing and costing of ICBT commodities. The section also examines which commodities traded under ICBT which are considered difficult or easy to market.

7.3.1 Marketing strategies

Generally, marketing strategies employed by both men and women in ICBT were found to be similar. This was attributed to the fact that in most cases both men and women deal in homogeneous ICBT goods and services. Marketing was reported to be carried out on individual basis as there are no organized trading groups or cooperative that market ICBT goods and services. Community members reported lack of information about how groups or co-operatives operate and their importance to trade. Although women indicated operation of cash round groups, they are not involved in marketing of their members' commodities.

Marketing through open mobile markets, mobile phones and friends were reported to be the most employed strategies. FGD data also revealed existence of open and mobile markets on either side of the borders, which are significant to ICBT transactions. Besides, middlemen were also mentioned to be used in marketing ICBT commodities although they were reported to be exploitative by offering low prices to the traders.

Some traders also reported having used relatives from the neighbouring countries to market their products. On one hand, men were reported to market their goods through leisure venues like bars, restaurants and playgrounds, while women on the other hand were using the strategy of informing their customers the commodities they would have on the next market day. Marketing through hawking was seen to be mainly conducted by children because they were reported not to be disturbed at the borders like adults. Items marketed by children mainly included second hand clothes, electronics, jewellery, fish and shoes.

7.3.2 Access to market information

According to the findings, 51 percent of the business households reported to have accessed market information mainly through friends/neighbours/informers, 48 percent physically visit the market while 48 percent contact fellow business persons/traders as shown in table 7.1 below.

Table 7.1 Mode of accessing market information

Mode	Percent
Markets physical visit	48.2
Business persons/traders	47.7
Radio	21.6
Friends/neighbours/informers	51.2

Interaction with community members through Focus Group Discussions revealed others sources of market information, which included; socialization in bars and market places and middlemen. Those organized in groups inform other members about the available markets opportunities and prices. However, members remarked that in some instances it's common for fellow traders to conceal market and price information from others.

7.3.3 Pricing and costing

The pricing and costing of ICBT goods and services was reported to be guided by the forces of demand and supply play a big role in the pricing and costing of CBT commodities. However in case of agricultural products, seasonality is a very important factor because prices vary before, during and after harvest seasons.

It was observed that some services are priced depending on the ease and legal acceptance of goods being transacted. For example it was reported that when a boda-boda man is transporting goods which are not allowed in Rwanda such as milk, charcoal, and firewood, the charges were reported to be higher than for the other goods and this had bearing on the pricing and costing of goods.

7.3.4 Constraints to marketing ICBT commodities

Survey results showed that 51 percent of the business households were constrained by low prices when marketing ICBT goods and services in ICBT. This was followed by lack of transport with 49 percent, high taxes and levies on goods and services with 39 percent, insecurity which arises from frequent arrests by custom officials and police (37 percent) and cheating from traders as well as inadequate markets which accounted for 28 percent each. Other constraints included long distances to markets, revenue enforcement, high cross border fares, language barrier, and lack of packaging materials as well as in access to accurate information.

Table 6.2: Problems encountered in marketing

Problem	Percent
Lack of transport	48.5
Low Prices	50.9
Long distances to markets	17.7
Insecurity	37.0
High taxes/ levies	38.8
Revenue enforcement	15.6
Inadequate markets	27.9
Language barrier	8.9
Inaccurate information	4.5
High cross border fare	15.0
Lack of packing materials	8.7
Cheating from traders	28.1

These problems were reported to work in combination to affect both men and women involved in ICBT. FGD data with community members further revealed lack of marketing groups and travel documents by the traders, hence the frequent arrests and imprisonment in case of any problem.

At Mirama and Mpondwe border posts it was reported that the telecommunication network is not clear and this affects business communication. Besides, lack of electricity to charge phones to ease communication for accessing market information (except for Busia border post), was reported to affect the marketing of goods and services.

Furthermore, the quality of agricultural produce was also reported to affect its marketing. This was linked to lack of storage facilities for perishable agricultural products. Therefore, traders end up selling their products at low prices. It was further reported that some women were not allowed by their spouses to go to market their products because the men think it would breed immorality and translate into lack of control at household level.

CHAPTER EIGHT: GENDER AND FAMILY RELATIONSHIPS

8.1 Introduction

The main objective of studying gender and family relationships was to investigate gender dimensions in ICBT activities for all categories of persons involved and how ICBT impact on gender roles and family relationship.

8.2 Gender roles in ICBT activities

Generally, feminine roles that affect ICBT activities were linked to time devoted to household chores, while for men, it was related to financial resources used to run the household. It was reported that women's household roles such taking care of the children, giving birth, doing household chores, like cleaning and cooking take a lot of women's time that could have been used for ICBT activities. On the other hand, most men were reported to have roles like buying food, buying clothes for the wife and children, paying rent or building houses, and paying fees for their children, of which all these tasks require financial resources which would have been invested in ICBT activities.

Thus, women were reported to spend more time on household chores than in ICBT. Women reported that they have limited time to engage in ICBT because they spend most of their time in the homes fulfilling their social obligations as mothers. Therefore, balancing household and ICBT demands in terms of time was a challenge to many women. For the men, money spent on household needs limits the expansion of the business and the little money earned from ICBT is spent and not re-invested as one male household head who doubles as a businessman whispered: *"I had a lot of money before marrying and producing children. But now I can neither save nor buy a shirt for myself because I have to take care of them"* ° Male participant, gender FGD, Mutukula]

FGD data further indicated that ICBT requires personal involvement to a greater extent. However, on the side of women, it was reported that a lot of valuable business time is lost during pregnancy and maternity, hence affecting the productivity of women in business.

Youths/children roles that affect ICBT activities were reported to include household chores like fetching water, washing clothes and utensils. These activities consume children's time that would have been utilized more productively by engaging in ICBT.

8.3 Time spent on informal trade activities

About 34 percent of the traders engaged in ICBT spend an hour daily on ICBT activities while 15 percent spend two hours on the same. From table 8.1 below, it could be further deduced that a majority of the traders (66 percent) spent more than two hours on ICBT activities daily. Further disaggregation of data revealed that, male and female traders spend on average 4.1 hours and 3.3 hours on ICBT activities daily.

Table 8.1: Hours spent on ICBT activities per day

Number of hours	Frequency	Percent
1	185	33.9
2	83	15.2
3	46	8.4
4	47	8.6
5	22	4.0
6	54	9.9
7	9	1.7
8	43	7.9
9	10	1.8
10	47	8.6
Total	546	100.0

Similarly FGD data revealed that there are instances where men spend most of their time and efforts on ICBT at the expense of household obligations. This was reported to result into family neglect thereby leading to complaints, and domestic violence. It was further reported that men who spend a lot of time on ICBT do not participate in developmental and community activities in society such, cultural events, sports, burial, social gatherings and local council meetings.

On the other hand women, who spend a lot of time and labour in ICBT, were reported to neglect their household roles and this had led to mistrust by their husbands. This was often translating into quarrels among spouses although they are able to meet some household needs and paying school fees. The man whose wife is engaged in ICBT remarked: *“A married woman who is engaged in business tends to delegate most of her household chores and is always too busy to attend to the children and husband.”* [Male participant, Gender FGD, Mirama hill border post.]

Similarly, it was reported that women who spend a lot of time on ICBT negate community activities and socialization and this impact negatively on their social and cultural life. Such women who earn a lot of money from ICBT were reported to distance themselves from the social realities because they consider themselves to be a class apart.

At Mpondwe border post, FGD data revealed that most women had maintained their cultural roles by participating in rituals, burial activities like fetching water, cooking and gathering firewood. Across all sites, community members indicated that women who engage in ICBT are able to form small groups which help them to pool their resources as business women thus leading to improvement in their livelihoods.

It was further reported that the engagement of children in ICBT had negatively impacted on household chores and labour, though it was acknowledged that some children had contribute to household income and necessities like buying food.

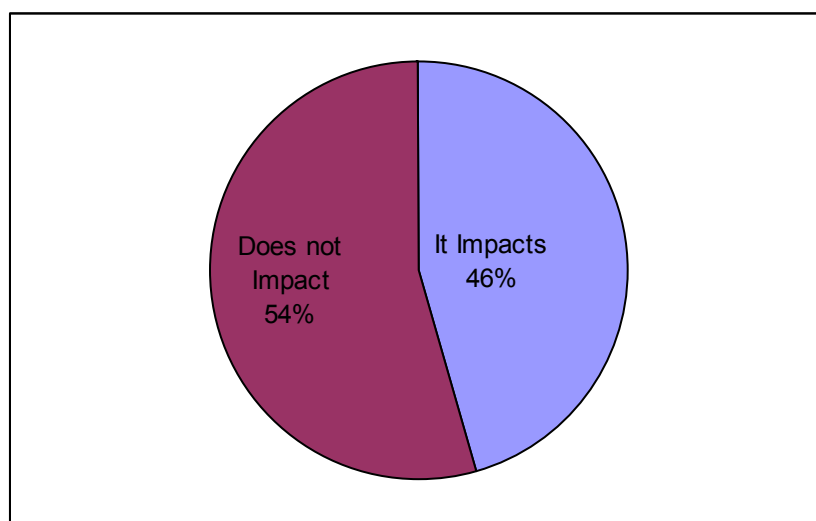
8.4 Impact of ICBT on family relations

Generally, the impact of ICBT on family relationships was reported to be positive. Regardless of whether men had benefited most, the returns from ICBT are shared by all household members through meeting basic necessities.

There was also reported to be competition for accumulation of wealth and property among men and women. Many women were reported to have built houses, own shops and land like the male counterparts meaning that ICBT had promoted gender equality and boosted economic strength. It was further reported that the sharing of household roles (buying household items, school fees, food, and clothing) between husband and wife engaged in ICBT had nurtured good bonding between parents and children.

Survey results indicated that 46 percent of the business households reported ICBT had impacted on their domestic/family relations, as shown in figure 8.1 below.

Figure 8.1: Impact of ICBT on family relations



Those who indicated that ICBT had impacted on their domestic/family relations mentioned that it has increased domestic violence, divorce and separation, family roles neglect, mistrust and suspicion.

The results further revealed that neglect for family roles and responsibilities emerged as the highest impact with 15 percent, followed by divorce and separation (14 percent) while domestic violence was for accounted by 13 percent as shown in table 8.2 below. ICBT was to have bred mistrust among married couples especially were both husband and wife were involved.

Women were reported to have been accused by their husbands as prostitutes wondering what they would be doing for long and late hours out of the home. Some women reported that their husbands had refused them to engage in ICBT for fear of engaging in promiscuity. Children who participate and dedicate more time to ICBT were reported to have become indiscipline, uncontrollable, and had dropped out of school because of the little moneys they earn from ICBT. Other children were reported to have become drug addicts by involving in smoking and drinking alcohol, while others were involved in watching films because their income is not controlled. It was further reported that children having access to money early tends to impact negatively on their cultural values and this was manifested through disrespect, distortion, using abusive languages, running away from home, moral degeneration and juvenile delinquency. On the other hand the community members indicated that child engagement in ICBT was a sign of minimal support from parents.

Table 8.2 Ways in which ICBT affect domestic/family relationship

Impact	Frequency	percent
Domestic violence	32	12.6
Negligence of family roles and responsibilities	37	14.6
Divorce and separation	35	13.8
Mistrust and suspicion	25	9.8
Conflict between parents and children	12	4.7
Polygamy and inter marriages	8	3.2
Insecurity in the family	5	2.0
Disrespect among couples	10	3.9
Disagreements and misunderstandings in	14	5.5
Led to improved standards of living	27	10.6
Happiness, peace and harmony	12	4.7
Others	37	14.6
Total	254	100.0

FGD data across all sites concurred that men had left all the household responsibilities such as buying of food and meeting household expenses to women who are engaged in ICBT as one woman engaged in ICBT remarked: *“If a woman sells matooke the man will not buy food but orders the woman to get it from her business stock.”* [Female participant, gender FGD, Mirama Hills]. Thus women with accumulated wealth through ICBT had taken over the responsibility of their male counterparts by taking decisions at household level. One female FGD participant at Busia border had this to say; *“Women play more roles in the household such as paying school fees, providing for the family unlike in the past and in some cases women who engage in ICBT are the sole bread winners”*. [Female participant, Gender FGD, Busia]

At the border posts involved in the survey, men’s perceptions were that women should neither control nor own any business/ assets as they were reported to become unruly. Many domestic conflicts were reported to result from ICBT because some men no longer want to met their household obligations claiming that since their wives were working, they should take care of themselves as one male FGD participant remarked; *“Why can’t she pay for her children school fees as well as buy food for them if she is working?”* [Male participant gender FGD, Mpondwe border post].

Although ICBT was reported to have had a negative impact on the family relationship, survey results indicated that business households had registered some positive impact in that it had led to improved standard of living, happiness, peace and harmony as shown in table 8.2 above. FGD data revealed that some of the youth help their parents by addressing some of the domestic problems such as buying food for household members with the income from ICBT. More so, community members were further inspired by those who have acquired assets through working hard in ICBT, which has made it a popular activity along the borders.

CHAPTER NINE: SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

9.1 Summary

The study revealed that ICBT is a major source of livelihood for people living at border posts, while for government and other institutions such as URA and Police, ICBT as illegal activity/disguised smuggling and a source of unfair competition thus a loss of revenue.

ICBT is carried out by men and women of whom, 96 percent are Uganda national, and 88 percent are able to read and write. The study further observed that 84 percent of household businesses were operating from permanent structures. This present how well ICBT thrives and benefits traders, leading to structural development.

Several reasons were advanced for engaging in ICBT, including; it's away to earn income, employment thus a major source of livelihood for people's survival. The political stability and good relations existing between the Ugandans and her neighbours also facilitated ICBT. It was also reported that the lucrative markets offered by the counterparts in the bordering country promotes and attract people to engage in the trade. Besides it was mentioned that traders have a tendency to evade high taxes and other customs levies; bureaucratic licensing thus ICBT presents a viable alternative. ICBT is mainly dominated by women and the youth.

The study reported several ICBT activities; however, trading in agricultural and manufactured goods across the border was mentioned to be the major ICBT activity. Informal routes constituted the major crossing of goods. The majority of the agricultural and manufactured goods under ICBT are sourced from other districts other than the district where the border is located. This presupposes that there is less or no production of goods within the district where the border is located. It was also observed that seasonality was key determinant for the types and quantities of commodities traded under ICBT.

The study reported that transportation of goods was reportedly to be mainly by carts, bicycles, vehicles, and head and by hand. On how ICBT is organized, the survey found out that men and women mainly work on their own while others mobilize themselves to work in groups. The study also revealed that ICBT transactions are cash based as opposed to cheques.

Across all border posts, the major beneficiaries of ICBT were reported to be women. The study presented testimonies of improved household welfare as result of women engaging in ICBT. FGD data revealed that the more male PWDs, earn from ICBT, the greater their involvement in polygamous unions because of the expected daily earnings. One elderly man noted that: *"These lame men you see have married up to five women including those younger than them. This drains their businesses and financial resources. Some show off and are sometimes waylaid when they have a lot of money and are killed."* [Male FGD participant, Busia]

As for the youths, they have not sustained their ICBT because of their uncontrollable behaviour of extravagancy, overdrinking, promiscuity and sometimes defilement as well as being robbed due to movements in the late night.

The survey presents positive aspects of informal cross-border trade include availability of markets, food security, and income. However, ICBT was reported to impact negative mainly on food security. Besides, border communities have limited access to services such as education, health, agricultural extension, and finance and marketing.

Increased neglect of family responsibilities by men has left many women to fend for their families. The situation is made worse by some men who steal women's money if not kept secretly. The women informal cross border traders particularly face poor socio-economic conditions, particularly the factors of vulnerability, such as gender inequality, poor living and working conditions, separation from families, exploitation and discrimination, lack of access to health and other services.

Further, according to the survey results, the common problems encountered in transacting informal trade included; visa restrictions, duties and taxes, licensing, access to finance for trade, sexual harassment, and non-uniformity in customs and immigration regulations within EAC, which requires a multi-faceted approach to be employed in order to minimize these problems. There also exists an urgent need to increase gender awareness and sensitivity of institutions such as Revenue Authorities to conduct their work in a way that recognizes gender issues and other targeted beneficiaries based on clearly identified needs, which may vary according to gender.

It is not only ineffective but also counter-productive to continue to talk in generalities, without acknowledging the specific differences in the situations, capacities, needs and interests of women and men traders.

The following recommendations will go a long way in informing policy and decision making processes for improving the livelihood of border communities that are engaged in ICBT.

9.2 Recommendations

Sensitization of informal traders is important, as this would facilitate easy access to information. This would empower traders to promote business and make strategic investment decisions with the finances generated from ICBT. The traders require information on available market for their products, access to loans, value addition and the opportunities offered under EAC Customs Union. Lack of business management skills was linked to low literacy levels which was cited as a constraint to ICBT. One female participant observed that: *“Most people do not keep record of their transactions and there is need to sensitize them to develop a culture of saving money.”* [Female FGD participant, Busia]

9.2.1 Establishment of Information Centers

Information is very valuable in facilitating informal cross border trade. The governments of EAC should promote the establishment of information centers for people involved in informal cross border trade, to enable them access information on what is available, pricing systems, markets, where to access finance and so on. The policies must be reviewed within the framework of EAC policies. The information would be disseminated through some literature written in vernacular since most border areas use diversities of languages.

9.2.2 Operational constraints

The mobility experiences of women differ significantly from those of men. The current social norms and practices discriminate against women in all sorts of ways, limiting their life choices and restricting their physical mobility. Therefore at operational level there is need for gender specific strategies, programs and activities that recognize the different needs and capacities of men and women traders. These should focus on improving the operating environment, access to resources and opportunities for traders, especially female traders so as to improve the efficiency and effectiveness of informal cross border traders.

As confirmed by the quantitative survey results that are published by the Uganda Bureau of Statistics, many citizens from the East African States benefit from informal cross border trade by purchasing a variety of goods. However, few service agencies actually think about the quality of life led by this largely invisible population involved in ICBT. Therefore, there is need to provide the necessary service so as to facilitate the livelihoods of the Informal Traders across the various borders.

9.2.3 Access to trade finance

Informal cross border traders cited financial services as a critical problem. The shortage of ready finance hinders the expansion of ICBT activities. Therefore, it is necessary to explore alternative lending ways that are responsive to the unique demands of the informal cross border trade. Furthermore, experience from the Focus Group Discussions proved that micro-finance institutions are not reaching out to the neediest in this sector. Their interest rates are out of reach for the poor traders involved in informal cross border trade. More so, the demand for weekly payments prohibits their movements. Hence, the government should explore the viability of establishing a fund primarily to benefit the small-scale commodity producers, traders, exporters, artisans and artists engaged in their sustainable livelihood initiatives. The fund could also be envisaged for use in infrastructural development, such as in the improvement of feeder roads which would enhance marketing opportunities, promote small-scale manufacturing and processing ventures in the informal sector. In this way, Informal traders would tremendously contribute to the achievement of the Millennium Development Goals (MDGs)

9.2.4 Policy harmonization

At regional level, governments should harmonize their policies to ensure effective trade integration to support the work of informal cross border traders. It is important that policy formulation processes are facilitated and promoted, and that their implementation is closely monitored by the regional bodies of EAC Customs Union. Inclusion of informal cross border trade in the vision of policymakers will help to facilitate their individual economic empowerment as well as enhancing their role as a significant component of the regional trade activities.

9.2.5 EAC passport/trade permit

The movement of informal cross border traders remains a major issue of concern. The identification formalities at the various border points make it hard for the small-scale traders to operate effectively. These take a lot of time and delays business transactions. The introduction of the EAC passport and temporary business permits would come in handy to facilitate movement of people as well as trade. In addition, the Local authorities along the borders should collaborate more effectively within EAC and establish similar bye-laws to facilitate informal cross border traders as well as establish business districts to promote business development in the region.

9.1.6 Value addition

The EAC governments should encourage policies that promote processing for export markets by providing attractive incentives. Processed goods are more durable and fetch high prices. In addition, an initiative should be made by our government to provide incentives to the private sector to add value to their produce as well as stream line food distribution from food surplus areas to food deficit areas that are hard to reach across the country. This calls for sustained investment and maintenance of physical infrastructure such granaries, energy and roads especially in the rural areas.

9.1.7 Building silos

The agricultural commodities transacted under informal trade like maize, beans, rice, groundnuts, and tubers (cassava, Irish potatoes, and yams) have direct implications on the country's food security situation. Building silos and applying modern preservative methods on perishable commodities in bumper harvest period could ensure availability of such foodstuffs during scarcity times is highly recommended. This would lessen the burden of the

government to meet food demands during disasters when the country experiences food scarcity.

9.1.8 Creation of informal cross border traders database

EAC countries should commission studies to create a database of informal traders to guide policy to planning process for easy access of government resources and facilitation.

Lastly, government should enhance management of people's expectations through increased household awareness of alternative livelihood systems and pro-poor coping mechanisms to enhance their preparedness for any future food and nutrition insecurity. This would encourage households to take advantage of existing opportunities, programmes and projects aimed at improving their agricultural production, welfare and prosperity. The programmes among others would include access to domestic and regional markets, physical infrastructure especially rural roads through the already existing programs like the NAADS, UPE, USE, immunization as well as support to livestock and fish production.

9.2 Conclusion

The informal cross border trade is significant and contributes immensely to household welfare and the country's economic growth. Designing appropriate policies with adequate mobilization of informal traders could enhance government revenue and tap from the benefits of the informal trade sector. Specific policies that acknowledge and encourage formalization of ICBT activities could exploit the comparative and competitive advantage Uganda enjoys in the region. This could impact positively on the local food security situation, attract investments in agro-processing, development of market and transport infrastructure; reduction of price volatility and market imperfections. By recognizing the importance of ICBT rather than discouraging it, the government can greatly expand its revenues through customs and tax collection at borders and market towns, and improve the welfare of its citizens at the same time.

The participation of existing government institutions (e.g. Uganda National Bureau of Standards, URA, Uganda Export Promotion Board, MTTI etc) in the guidance, monitoring and organization of the informal trade sector players could impact immensely on the household incomes and the quality of goods exported. Sensitization of traders on sanitary and phyto-sanitary requirements, observance of standards and quality control is of paramount importance. Moreover informal traders need to know their rights in the process of transacting business within the EAC region.

Government and private sector (Civil societies, NGOs, partnership Faith institutions, cultural groups etc) involvement in providing appropriate information and financial services could spur informal trade to unprecedented levels. The informal trader's are in dire need of market information, financial services, and understanding their role in the EAC regional integration processes. Other initiatives pursued under COMESA, New Partnership for Africa Development (NEPAD) need to be demystified to encourage participation and input from the informal traders.

APPENDIX 1: LIST OF ICBT QUALITATIVE STUDY FIELDWORKERS

Name	Position
1. Mr. James Mubiru	Coordinator
2. Mr. M.M Ssewanyana	Coordinator
3. Mr. Johnson Kagugube	Coordinator
4. Mr. John Mayende	Coordinator
5. Mr. Emmanuel Mugole	Supervisor/Principal Investigator
6. Mr. Cephas Wandera	Supervisor/Principal Investigator
7. Mrs. Aliziki Kaudha Lubega	Supervisor
8. Mr. Koire Yunus	Supervisor
9. Ms. Josephin Nagujja	Team Leader
10. Ms. Rose Nakafu Kazibwe	Team Leader
11. Ms. Nassereka Faridah	Team Leader
12. Mr. Mangusho Francis Kamuron	Team Leader
13. Ms. Peace Byiringiro	Interviewer
14. Mr. Robert Musoke Kasasa	Interviewer
15. Mr. Mutuya Lugya	Interviewer
16. Mr. Julius Turyamwijuka	Interviewer
17. Mr. Yunus Magonda	Interviewer
18. Ms. Audrey Kemigisha	Interviewer
19. Ms. Irene Nakato	Interviewer
20. Ms. Fatia Namatovu	Interviewer
21. Mr. Patrick Kweyu	Interviewer
22. Ms. Eva Kasisa	Interviewer
23. Ms. Yvone Komugisha	Interviewer
24. Mr. Innocent Mwanje	Interviewer
25. Ms. Deborah Akiteng	Interviewer
26. Mr. Richard Buke Wagooli	Interviewer
27. Mr. Benjamin Kipsang	Interviewer
28. Ms. Ponsiano Kakiya	Interviewer