

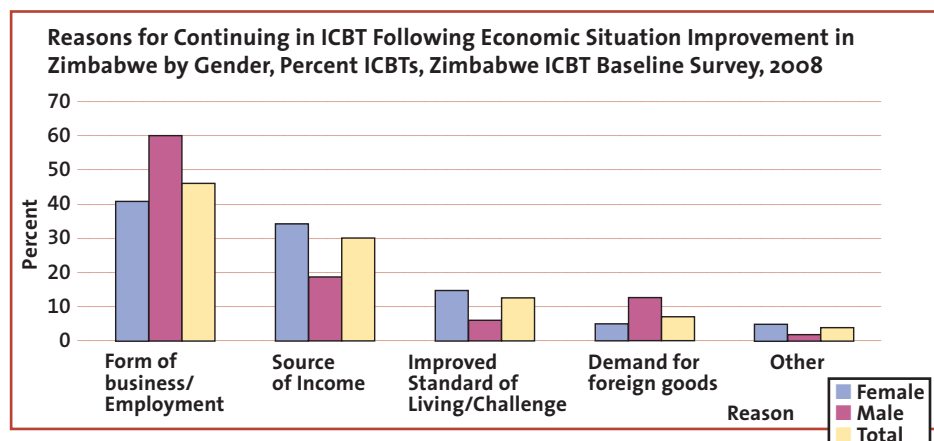
# ZIMBABWE

The baseline study on women in Informal Cross Border Trade (ICBT) in Zimbabwe was conducted in October 2008, and focused on the border posts of Beitbridge between Zimbabwe and South Africa, Plumtree between Zimbabwe and Botswana, and Forbes between Zimbabwe and Mozambique. Five research methodologies were used: a desk study; a sample survey administered to 457 traders (316 women and 141 men); focus group discussions involving individual traders and members of the Zimbabwe Cross Border Traders Association (ZCBTA); institutional survey of various ministries, regional economic communities (RECs), associations of informal cross border traders, microfinance institutions, private sector associations, and United Nations agencies; and in-depth case studies documenting the life stories of four individual traders. The context of the study is marked by economic hardships as a result of widespread poverty, high unemployment rates, increased vulnerability from HIV and Aids, natural resource degradation, food insecurity and challenges in social service provision. Within that context, ICBT is first and foremost a survival strategy with three quarters of the traders having started their activities during the economic crisis period of 2001 to 2008. At regional level, Zimbabwe is a member of the Common Market for East and Southern Africa (COMESA) and the Southern Africa Development Community (SADC) and has several bilateral trade agreements (about 40) with other countries.

## KEY FINDINGS

**REASONS FOR ENGAGING IN ICBT:** 85% of respondents participate in ICBT for income purposes, followed by food security (67%), employment (60%) and poverty (49%). Women have a higher proportion that participate in ICBT because of poverty and food security reasons. Before the economic recession, there were higher proportions of females who had started ICBT than males

confirming that whenever a lucrative activity was identified men eventually moved in to compete and sometimes displaced women. All stakeholders surveyed recognize the impact of ICBT in keeping the economy afloat during the recession. Even when the economic situation improved, most traders continued their activities.



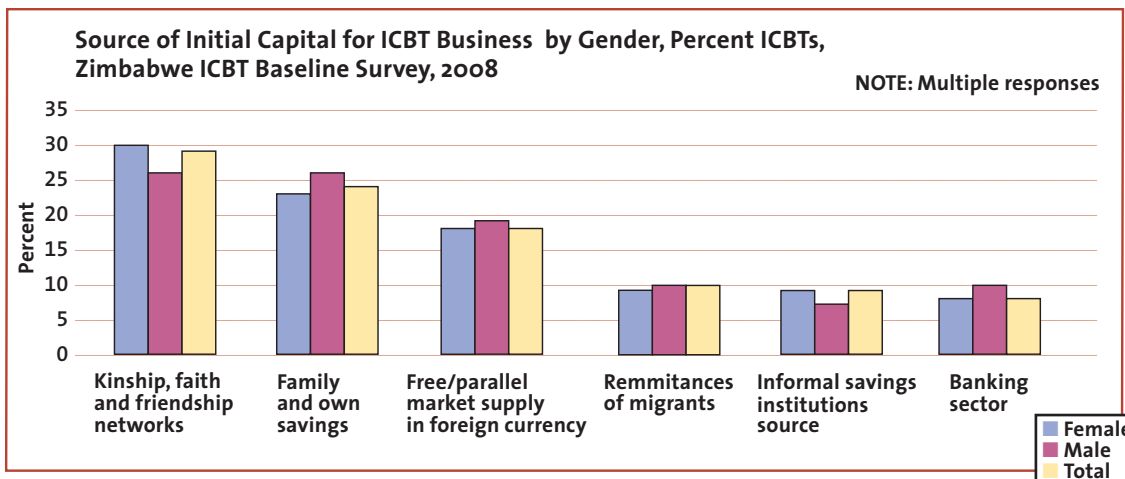
**GOODS AND SERVICES TRADED:** Exports from Zimbabwe to South Africa, Mozambique and Botswana generally include special groceries and cleaning gadgets, clothing and linen, crafts and agricultural produce. Imports from the three countries to Zimbabwe include standard manufactured groceries, furniture and equipment, clothing and linen, building materials and car accessories. In addition, services such as domestic work, hair dressing, building, and care work are

also exported to South Africa and Botswana. The goods traded change overtime as stated by 56% of female and 49% of male respondents for the following reason: response to market forces (70%), need for expansion and diversification of business (15%), harsh environment (8%) and unreliable supplies (8%).

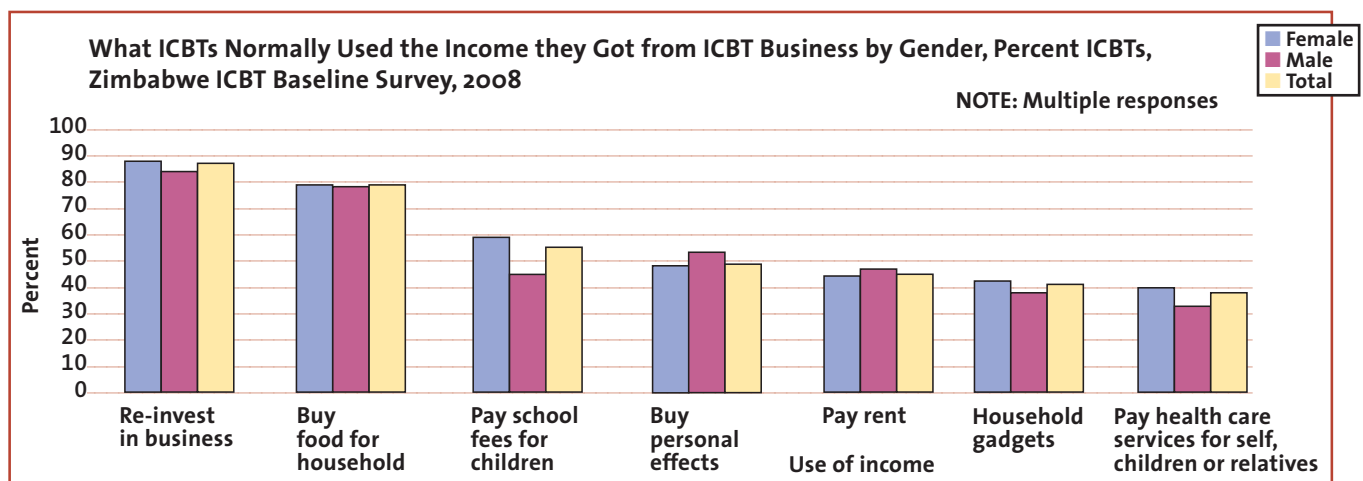
A higher proportion of females (93%) compared to males (87%) trade their goods in urban areas. 59% of women and 53% of men sell their goods in private homes, while 36% of women and 32% of men sell in unofficial markets. 33% of women and 32% of men trade in official designated market places, 16% of traders from both sex use retail shops and 13% sell to workmates. Some cases of extended trade were also observed. For instance a trader bought mealie-meal from Victoria Falls and exported it to Zambia where she bought soap which was sold back in Victoria Falls, to buy crafts which were then exported to South Africa for resale in Cape Town. According to the baseline survey, diamonds and gold are the goods which are mainly traded in an extended manner, followed by electric gadgets and cell phones, clothing/bedding/footwear, groceries and alcohol. Some traders use delivery agents known as malayitshas or “runners”. These agents notorious for their ability to deal with customs ferry the goods from places such as Johannesburg, clear them at Beitbridge Border Post and deliver them to destinations in Bulawayo and Harare. In other cases, the traders are hired by big businesses or influential members of the society to conduct ICBT.

**PROFITABILITY OF ICBT BUSINESSES:** Men earn higher incomes than women probably because they trade in higher value and profitable goods than women. The average highest income per month in the previous year is estimated at US\$ 859 (US\$ 818 for women and US\$ 949 for men). The average monthly profit in a generally good month after deduction of expenses for accommodation, transport and food, and expenditures on goods for sale is estimated at US\$ 341 for women and US\$ 463 for men. In general ICBT is perceived to be profitable: 29% of women and 34% of men found ICBT highly profitable, 53% of women and 54% of men found it averagely profitable, while only 1% of women and men stated that there was no profit. Capital features highest among the stated required resources for profitability (61% of women and 59% of men), followed by transport (13% for women and 15% of men), information (10% of women and 9% of men), trading places and accommodation (11% of women and 6% of men), travel

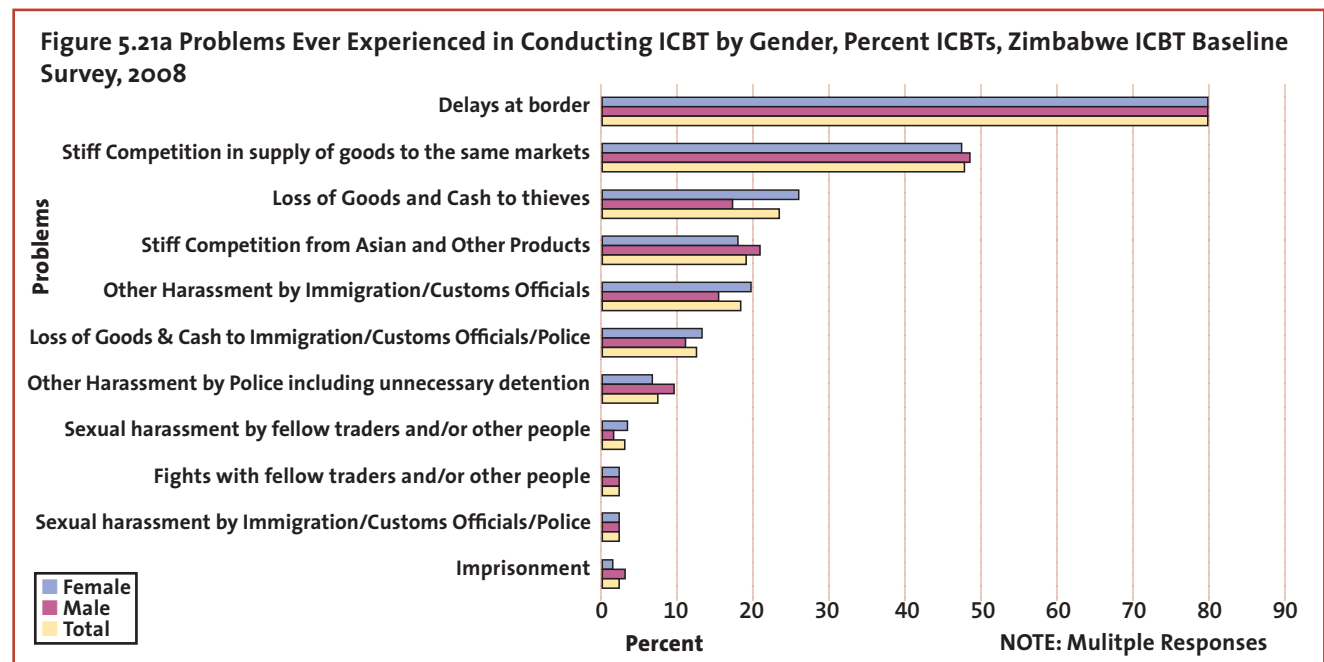
documents and visa (3% of women and 8% of men) and free trade (2% of women and 3% of men). However, very few traders obtain their initial capital to start their ICBT business from a bank or from informal credits and savings institutions.



**USE OF INCOME:** Traders mostly use their income to reinvest in business, buy food for the household or pay for school fees for children. Women are more likely than men to pay for child education, health care services or household items, while men spend more for buying personal effects and paying rent.

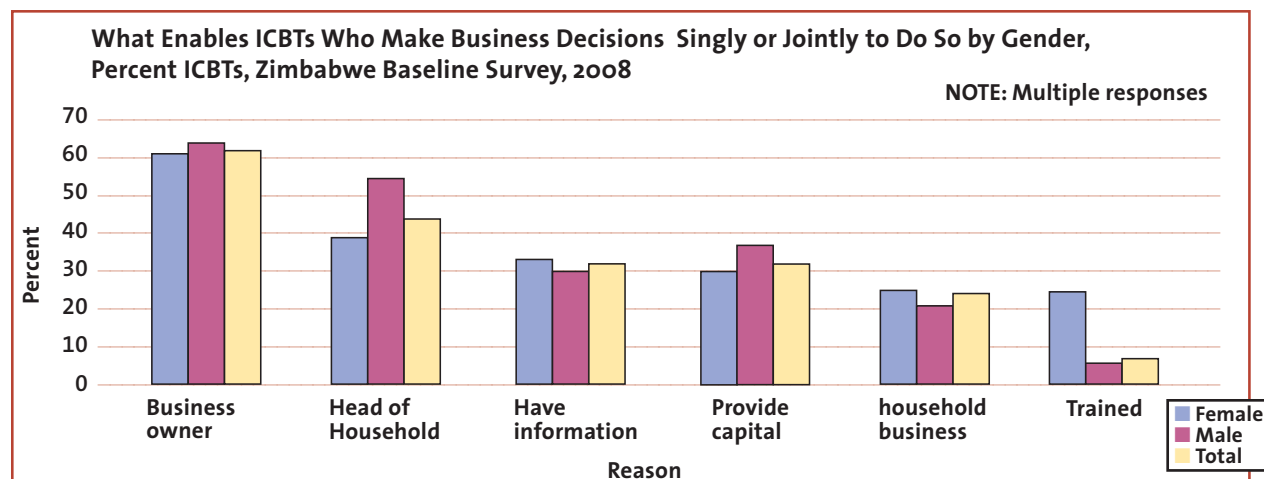


**PROBLEMS FACED BY INFORMAL CROSS BORDER TRADERS:** The main problems are the important delays at border posts and the stiff competition in supply of goods to the same market. Violence also disproportionately affects women traders, with 55% of respondents stating that men are the perpetrators of violence against female traders in general while 44% think the perpetrators are women.



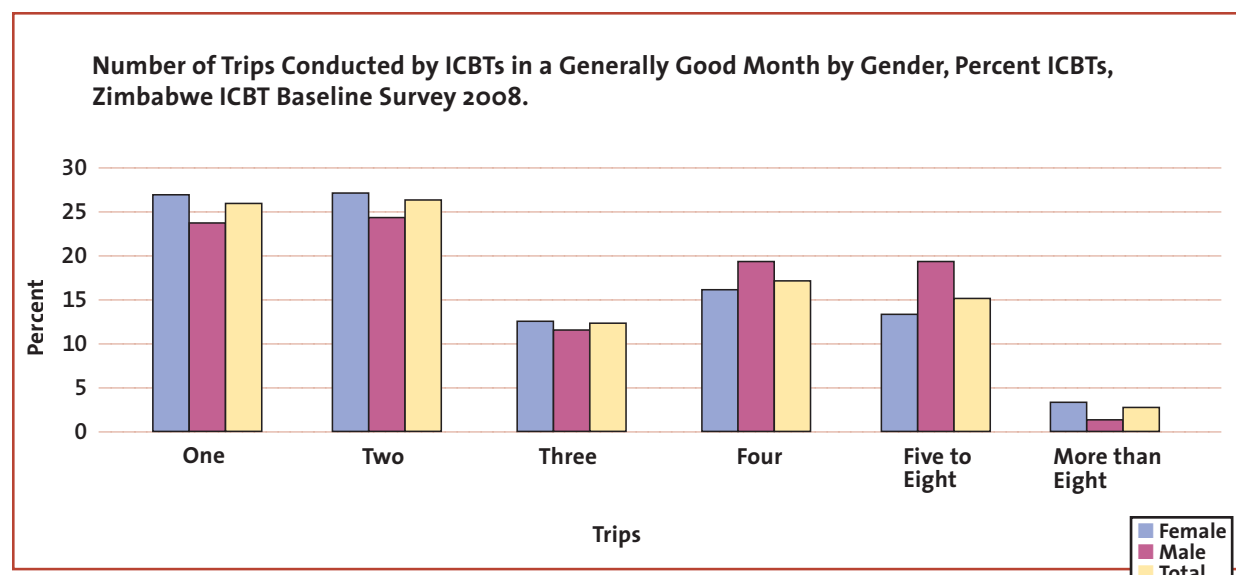
Higher proportions of females than males also cited the problem of harassment and violence in accessing resources. Transport problems include taking too long, high cost of transport and accidents. Other constraints expressed by traders are: the absence of clearly laid down policies and procedures for small scale traders; the unfair application of the rules of origin resulting in the poor paying duty where large corporates are exempted; xenophobia and harassment of traders by locals and officials in the country of destination; corruption and extortion at border posts and in municipality areas; and stringent duty free rebates rules.

**IMPACT OF ICBT ON DECISION MAKING:** A higher proportion of women traders make unilateral decisions on the way they conduct their ICBT business (74% of women and 72% of men) and the use of income (66% of women and 59% of men) while more men make unilateral decision to create their ICBT business (79% of men against 71% of women). Initially, female informal cross border traders were viewed from departing cultural housewife norm and this was interpreted as loose morals. However, as the economic hardships deepened and communities noticed the improved welfare of ICBT households, they had become the envy of their neighbourhoods. In some instances marital violence increased when a woman was successful and economically empowered in ICBT, as the spouse perceived this as pride on the part of the woman. The figure below shows the enabling factors for decision making.



Other stated benefits from ICBT are entrepreneurship development (62% of women and 60% of men), exposure to different socio-economic environments (45% of women and 49% of men) and empowerment through freedom of movement (44% of women and 37% of men).

**IMPACT OF ICBT ON TIME USE:** Traders make on average 3 trips in a generally good month, with most of them crossing the borders once or twice monthly. They prepare for a trip for 13 days and on average spend 7 days away from home per month.



## POLICY RECOMMENDATIONS

**Efficiently addressing the problems of the ICBT sector in Zimbabwe would require a multidimensional and multistakeholder approach involving:** various ministries (Industry and International Trade, Finance, Women’s Affairs, Gender & Community Development, Economic Development, Public Service, Labour and Social Welfare, Small and Medium Enterprise Development, Microfinance Institutions, Central Statistical Office, Reserve Bank of Zimbabwe, Zimbabwe Trading Cooperation, Zimbabwe Revenue Authority, and Zimbabwe Immigration Department); RECs (COMESA and SADC); Zimbabwe Association of Microfinance Institutions (ZAMFI) and Small Enterprise Development Corporation (SEDCO); Zimbabwe Cross Border Traders Association (ZCBTA) and Zimbabwe Chamber of Informal Economy Associations (ZCIEA); Confederation of Zimbabwe Industries (CZI); and development partners.

**Governments in Southern Africa should recognize ICBT and put in place supportive government policies and regulations in relation to this sector.** They should: facilitate access of traders to capital; improve trading places, accommodation and storage facilities, and other services; support the establishment of efficient ICBT associations as a way of semi-formalizing the sector; establish specific government offices and policies dealing with ICBT; recognize the contributions of ICBT to economic development and improve linkages between informal cross border traders and established companies; and eliminate violence and harassment against traders.

**The private sector, development partners and civil society organisations should grant financial assistance to informal cross border traders and invest in the sector** through: provision of affordable and reliable transport; facilitating the creation and/or strengthening of women cross border traders associations; empowering women in business skills through training; supporting the construction of adequate trading places and affordable accommodation; and promoting campaigns against violence and harassment of women traders, including the provision of counseling services to survivors of violence.

### FOR MORE INFORMATION, PLEASE CONTACT:

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