EFFECTS OF INFORMAL CROSS BORDER TRADE ON GROWTH OF WOMEN ENTREPRENEURIAL BUSINESSES AT THE BUSIA BORDER

BY

MUGA DORCAS GAKA

UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

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MUGA DORCAS GAKA

A Research Project Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution, or university other than the United States International University-Africa in Nairobi for academic credit.

Signed: ________________________               Date: _______________________

Muga Dorcas Gaka (ID: 650267)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________               Date: _______________________

Dr. Joseph Ngugi Kamau

Signed: ________________________               Date: _______________________

Dean, Chandaria School of Business
ABSTRACT
Informal Cross-Border Trade (ICBT) constitutes a major form of informal activity in most African countries. This study sought to assess the implications of ICBT on women entrepreneurs and develop policy advocacy recommendations on what needs to be done to enable traders to have beneficial co-existence to promote the desired goals of the regional development and integration of East Africa Community economies. This type of trade is estimated to provide up to 70% of employment in sub-Saharan Africa and brings significant socio-economic benefits for those engaged in such activity. Many governments tend to disapprove of informal activity as it results in revenue losses, and the difficulty of regulating such activities can often lead to negative effects on the overall economic growth of a country.

This study thus sought to provide answers to the following research questions: what are the characteristics of informal cross-border trade at Busia Border? What are the challenges affecting women in ICBT at Busia Border? And how does cross-border trade affect EAC regional trade integration? The study focused on the women informal cross border traders who operated on the Busia border of Kenya and Uganda. The researcher adopted descriptive statistics. All traders in Busia were inclusive in the target study. Stratified random sampling was done to achieve a desirable sample size. The study used primary data that was obtained by use of questionnaires. The study used a response rate of 88% to give 279 respondents. The demographic data was tabulated using mean and standard deviation. Regression analysis was computed to determine the effect of informal cross border trade on growth of women entrepreneurial businesses at Busia border.

The study indicated that cross border trade was their main source of respondents’ income. Majority of the respondent indicated that high rates of retrenchment in Urban centers caused more people to be involved in ICBT. The respondents indicated that most traders were women. The respondents agreed with a great extent that women suffered gender discrimination in the trade. Government policies were not effective to actual process. Women were accountable for most of the workers in ICBT. Women relied on informal trade to sustain their families. Majority of women managed small-scale trade to survive. Respondents agreed that business women were the most vulnerable to unfair trade. ICBT had improved the living standards of the stakeholders. Informal trade had boosted socio-economic activities in Busia. Respondents agreed
there was an increase of graduates joining trade. Respondents indicated that attracting a vast variety of people in the trade have sophisticated trade. Respondents agreed that GDP emerging from trade was grossly under-estimated.

The study concluded that unfair trade should be eradicated to eliminate poverty in households. Government policies should be effective in formulating its strategic policies. Associating ministries should have proper coordination for effective implementation off policies. Women should not entirely relay on informal trade to sustain their families instead they should different source of income. There should be enough credit facilities. Proper information available on market opportunities for competitive market edge. Bureaucratic regulations on imports and exports should be efficient. ICBT should have no difference from the pre-colonial times’ barter trade. The advancement off trade should be high. Ministries should implement low tax and limited trade regulations. There should be consist increase in prices. The number of employees in traders’ businesses should increase over the years. The market share of traders’ businesses should grow over the years. Traders should make more purchases order as time passes over.

The study recommends that cross border trader should not be the main source of income. High rates of retrenchment in urban centers should cause people to be involved in ICBT. ICBT should be attractive due to its dynamic nature to accommodate all possible interested parties. Women should manage small scale trade to survive. Market place should be sanitized. Women should not be vulnerable to unfair trade. There should be low high tax and limited trade regulations. Negative societal perceptions should not discourage women from working effectively and lack of capital should not hinder women from engaging in entrepreneurial businesses. Bureaucratic procedures should not be time consuming. Informal trade boosted social economic activities in Busia. ICBT has created employments to help sustain families. The GDP emerging from trade should be grossly estimated.
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>COMESA</td>
<td>Common Market for Eastern and Southern Africa</td>
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<td>EAC</td>
<td>East African Community</td>
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<td>Food and Agriculture Organization of the United Nations</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

There are many individuals engaged in informal trade across borders of different countries across the world. The trade is informal because traders are not registered and do not pay income taxes although they pay the import and export taxes involved. According to Doevespeck and Mwanabiningo (2012) the informal trade between countries has been seen as bringing adverse effects especially following the implementation of Structural Adjustment Programs (SAPs) and the negative effects of financial crises that have been experienced in different parties of the world. Research has shown the potential of cross-border trade to stimulate growth and reduce poverty. Informal Cross Border Trade (ICBT) has increasingly become globalized, with trading networks extending across continents. O’Neill (2015) interviewed the African continent and noted that particularly the South African and Nigerian traders in Hong Kong and China, where they come to order counterfeit goods and copies of brand-name products for delivery to Africa. The informal sector engages in both legitimate and illegitimate businesses with the aim of earning a living.

Cross-border trade is the buying and selling of goods and services between businesses in neighbouring countries, with the seller being in one country and the buyer in the other country (Golub, 2015). Informal trade is a market-based production of legal goods and services that are deliberately concealed from public authorities and escape detection in official Gross Domestic Product (GDP) (Akyüz, 2017). One of the most developed international trading networks involves the Mouride Muslim sect in Senegal, with traders traveling to Dubai, Asia, Europe and Africa, using a mix of traditional practices and modern technology (Mohamadain & Ati, 2015).

Governmental authorities’ role in ICBT around the globe is complex, varying from complicity to outright conflict. Mohamadain and Ati (2015) stated that the volume of ICBT is often estimated to be much larger than official cross-border trade, with large variations depending on the country, concepts of trade used (trade in domestically produced goods or re-exports), and methodology of estimation. Governments across the globe are therefore typically concerned about the negative aspects of ICBT, which
includes the fact that at times the informal imports present unfair competition to domestic industries — products traded informally are often counterfeit goods sold at lower prices, not subject to import taxes, and simply cheaper than locally manufactured equivalents. Informal trade represents a significant revenue loss for governments (Aluoch, 2014).

As there is consistent growth of cross-border trade between Britain and France, for example, a momentous proportion is conducted informally thus making it difficult to capture important data by national statistics to address the challenges faced by women. The majority of players, which are women-run survivalist enterprises, have immensely impacted on the economies of both countries. Various East African nations have neglected ICBT, and yet it remains a critical activity for rural economy and invisible regional integration, as shared by Dihel and Goswami, (2016).

Apart from the contribution of informal trade to employment in general, there’s an observed trend of a higher probability for low-skilled workers to work in the informal sector. Throughout the past three decades, informality rates for high-skilled people (post-secondary education degree) appear to have remained low and stable in Latin American countries as Xheneti, Smallbone and Welter (2013) discussed when noting the EU enlargement effects on cross-border informal entrepreneurial activities. Although statutory trade barriers have declined in many countries, actual implementation is highly variable and non-tariff barriers remain pervasive. Lengthy and costly procedures and demands for unofficial payments induce traders to avoid official border crossings (Afrika & Ajumbo, 2012). In cases where traders do pass through official border posts, payments are negotiated between traders and officials (Golub, 2015).

Women informal cross-border traders (WICBT) are the primary economic actors and the activities they engage in need to be regarded as an array of the formal sector since they contribute regional integration, reduce poverty, create employment and wealth and as well pay taxes (Xheneti, et al., 2013). Unfortunately, women informal cross-border traders are still suffering from poor work conditions, stigmatization, harassment, violence, invisibility and also lack recognition of their contribution to the economy. By ignoring trading activities of women, African nations are deserting an important proportion of their trade. There’s a grave need of addressing issues regarding
informalities in mainstream trade policy-making and to fortify the idea that WICBTs are also crucial trade clients and regional economic communities.

Nkoroi (2016) notes that most of the African countries registered a period of growth immediately after independence. After this initial period of growth, however many of the economies in the region faltered then went into decline. Africa then witnessed a decade of consistent falling per capita incomes, increasing hunger, and accelerating ecological degradation. In Africa, the trend shows that those with tertiary professional or semi-professional training including university degrees are getting into ICBT; their share has remained between 9 and 11% of individuals employed in the informal trade (Njiwa, 2013). According to Aluoch (2014) in spite of efforts made to promote trade integration among EAC Partner States and specifically Uganda and Kenya, formal trade links are still facing several constraints. Some of these restrictions push traders to ICBT but there are also exclusive incentives or advantages that promote existence of ICBT that need to be explored.

Although the regional and continental level efforts towards establishing a Pan-African Free Trade Area (PFTA) continues to formalise trade within Africa, a common spectre of Africa’s cross-border trade is the sight of women crossing the borders with their heads and backs laden and arms overloaded with goods for sale (Ogalo, 2010). However, it is imperative to note that this informal trade is not illegal. This business is informal only in as much as it is disorganised and not recorded by the customs offices (Doevenspeck & Mwanabiningo, 2015).

A study on the challenges facing women entrepreneurs in Botswana by Ama, Mangadi and Ama (2014) noted that women in Botswana have little or no access to credit hence the reason why many of the women engage in ICBT which requires very little start-up capital. This type of entrepreneurial activity is an important cash-earning endeavour. Common Market for Eastern and Southern Africa (COMESA) defines informal cross-border trade (ICBT) as a form of trade that is unrecorded in official statistics and is carried out by small businesses in the region (Njiwa, 2013). The study further states that ICBT characteristically involves bypassing border posts, concealment of goods, under-reporting, false classification, under-invoicing and other similar tricks. In addition to seeking to evade taxes or fees imposed by governments, traders also try to avoid administrative formalities in areas such as health, agriculture, security and
immigration, which are perceived as costly, complex and time consuming (Afrika & Ajumbo, 2012).

The contribution of women in ICBT to economic growth can be assessed through a prism that combines self-employment, the employment of extra labour, contribution to value addition in trade; government revenue in form of taxes and duties, and production of goods and services traded by the country. In this regard, an ILO 2004 study showed that trade was the most important source of employment among self-employed women of Sub-Saharan Africa providing 60% of non-agricultural self-employment. The study further showed that the contribution of women informal traders to national GDP amounted to 64% of value added in trade in Benin; 46% in Mali and 41% in Chad (Dihel & Goswami, 2016).

CBT is an avenue for economic empowerment and poverty eradication in East African Community states. Within the East African countries, most of the entrepreneurs are women who run small-scale business; survivalist forms of business activities in ICBT, operate exclusively outside of the formal economy (Ogalo, 2014). The magnitude of ICBT is suspected to be significantly large in Africa. In some African countries, the flows through ICBT do account for 90% of official trade flows (UNECA, Report on the Magnitude of and Tools for Measuring Informal Cross Border Trade in Africa's Regional Economic Communities. Eighth Session of the Committee on Trade, Regional Cooperation and Integration., 2013). Also, ICBT has also been estimated to provide employment to 20 to 75% of populations in most African countries (UNECA, 2010).

Kenya and Uganda are important trading partners, but formal trade links between them have been hindered by various dynamic factors which have given rise to the growth of informal trade (Magara, 2015). Apparently, women constitute larger proportion of small scale Informal Cross Border Trade (ICBT). ICBT provides 60 per cent of non-agricultural self-employment to women in sub-Saharan Africa, with women constituting the largest proportion of informal traders, representing between 70 and 80 per cent in Southern and West Africa as revealed by Ama, Mangadi and Ama (2014) while investigating on the characterization of informal cross-border traders across selected Botswana borders.
According to Magara (2015) on cross border trade in East African Community (EAC) is primarily informal which directly or indirectly escape from the regulatory framework and often go unrecorded or incorrectly recorded into official national statistics of the trading countries. Informal Cross Border Trade (ICBT) is at approximately 40% of the GDP in Africa countries. Thus, a significant proportion of cross border trade between Uganda, Tanzania and Kenya is in the form of ICBT. Kenya is among Sub-Saharan countries that have witnessed a decade of ecological degradation, increasing hunger and falling per capita income because of failure to harness the cross-border trade and support women activities. Furthermore, Kenya and Uganda majorly depend on agricultural products for trade (Aluoch, 2014). This has been caused mainly by informal cross border trade. Currently, the debt burden in Kenya, poor export performance, unstable political environment, a decline in industrial output and weak agricultural growth due to drought impose a significant challenge to women traders in Busia. Services and resources for women’s trading activities have remained weak as evinced by the limited access to credit facilities by women traders. Weak trading activities in cross-border markets have also been attributed to poor access to information on market opportunities, trade protocols and rules and foreign currency exchange.

Since the commencement of the EAC Customs Union in 2005, several official efforts are being put in place to increase formal trade links among Partner States (Lesser & Moisé-Leeman, 2009). Despite the policy pronouncements to promote trade integration among EAC Partner States, formal trade links is still facing several constraints. Consequently, some of the constraints push traders into engaging in informal trade as there are also exclusive incentives that pull traders to remain in ICBT. Yet, the coexistence of ICBT with formal trade integration has not been officially recognised.

According to Berhanu 2016) there are no official purposive efforts to put in place an appropriate environment to streamline the activities of informal cross-border traders. Incidentally, some of the studies reviewed in this paper tend to suggest that it is the informal contacts that do strengthen regional integration networks and relationships more than formal links. While it may be relatively easy to eliminate constraints to formal trading, the same may not provide better incentives for traders already in the informal sector to shift or formalise their trading practices. According to Sunga (2017) there had been a long history of existing customs union between Kenya and Uganda.
since 1917 with Tanzania joining later in 1927. This kind of history between the two nations signifies a deeper understanding that increase in informal cross-border trade at Busia leads to high expenses of official border crossing due to high taxation levels which makes women make fewer profits (Sunga, 2017). The informal business is also encouraged by high corruption levels in Uganda and Kenya which extort bribes from women entrepreneurs.

1.2 Statement of the Problem

It is believed that and has also been proved globally that women are very instrumental in a country’s socio-economic development and thus have a critical role in the alleviation of poverty. Informal cross-border trade in Busia involves a significant number of female entrepreneurs from Uganda and Kenya as compared to men (Masinjila, 2009). Most traders have no education and raise capital from their own resources or through loans from friends and relatives. Traders are generally not bankable nor do they have assets that Banks would accept as collateral (Afrika & Ajumbo, 2012). It consequently has the substantial contribution in empowering and promoting women towards the development of the community in various parts of Africa. The informal cross-border trades not only the source of income for women to meet their daily household needs and but also the main source of their employment. Jawando, Adeyemi and Laguda (2012) notes that the push to earn incomes and sustain families due to poor formal employment opportunities are the main economic reasons for a majority of women’s employment in informal cross border trade.

Therefore, ICBT is not only a means of survival as the formal sector jobs seem to shrink, but it is a source of income and employment, which plays a crucial role in household poverty reduction thus complementing the development objectives of African states (Ogalo, 2017). A majority of women seek employment in ICBT as the main source of income and they tend to use the income earned from ICBT mainly to meet the basic needs of their households, particularly food for household, rent, school fees for children and healthcare services. In Busia, the ICBT appears to be primarily operated by women and seems to be bigger, dominated by an increasing number of young women operators between 10-40 years and mostly found in the hotels/restaurants/trade subsectors.
Furthermore, ICBT has greatly contributed to the growth of both countries. Some women take the cross-border trade as the main source of employment; thus, a means of poverty alleviation. In the realization of the significance of this contribution, various efforts have been made to provide support to ICBT women entrepreneurs in sub-Saharan Africa to arrive at the best baseline programs. Some of the programs that have been implemented to support entrepreneurs include; supporting organizations and coalition women’s ICBT; ensuring visibility of the contribution of women to wealth and employment creation focused on poverty reduction; enhancing accountability, commitment and leadership; and disseminating best practices to fight violence and stigmatization and also to support women.

This study hopes to contribute to the subtle body of literature of providing evidence on the emerging trends of formalisation of informal trade and to also provide an analysis of socio-economic impacts of the cross-border trade among the women entrepreneurs. It is believed that and has also been proved globally that women are very instrumental in a country’s socio-economic development and thus have a critical role in the alleviation of poverty. Informal cross-border trade in Busia involves a significant number of female entrepreneurs from Uganda and Kenya as compared to men (Sunga, 2017). Most traders have no education and raise capital from their own resources or through loans from friends and relatives. Traders are generally not bankable nor do they have assets that Banks would accept as collateral (Afrika & Ajumbo, 2012).

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Therefore, ICBT is not only a means of survival as the formal sector jobs seem to shrink, but it is a source of income and employment, which plays a crucial role in household poverty reduction thus complementing the development objectives of African states (Magara, 2015). A majority of women seek employment in ICBT as the main source
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1.3 Purpose of the Study
The purpose of the study was to assess the effects on informal cross border trade on the growth of women entrepreneurial businesses at the Busia border of Kenya.

1.4 Research Questions
The study sought to provide answers to the following research questions:
1.4.1 What are the characteristics of informal cross-border trade at Busia Border?
1.4.2 What are the challenges affecting women in ICBT at Busia Border?
1.4.3 How does cross-border trade affect EAC regional trade integration?

1.5 Significance of the Study
The study offers to some extent the degree of unrecorded trade between Kenya and Uganda and aims at improving the coverage of external trade data. It also chronicles
the challenges women entrepreneurs operating in Busia are experiencing in order to provide a framework for improving the trade environment. Moreover, the study assists in reviewing the performance of a country’s exports based on the product basket, a growth of major informal export goods and the regional demand dynamics for the informal export products. Also, the study assists to explain the implications of regional integration initiatives under COMESA and EAC. Lastly, this study aims to contribute to the scarce literature available on women informal cross border traders operating in East Africa. It hopes to have a beneficial impact to the following:

1.5.1 Researchers and Academicians
This study aimed to contribute to the literature on informal cross border trade and women entrepreneurship. The paper would provide viable recommendations and suggestions on the knowledge gap identified in the women informal cross border traders’ gap.

1.5.2 Business Practitioners
This study would provide a deep insight on the real practices currently happening in the cross-border trade. It would highlight some of the best practices and lessons learnt in Africa and around the world on how formalisation of trade could be better mainstreamed to maximize benefits and minimize constraints to informal entrepreneurs and workers.

1.5.3 The Government and Financial Policy Regulators
The government and financial policy regulators would gain insight from this study thus enabling them to enhance their policies regarding cross border trading and provide favourable regulations to promote this trade in a legal manner. Also, this study aims to develop practical policy advocacy recommendations on inclusive trade formalisation targeted at high-level policy makers.

1.6 Scope of the Study
The study focused on the women informal cross border traders who operate on the Busia border of Kenya and Uganda. It assessed the challenges women entrepreneurs face in trade and barriers to formalization that is based on the national economic policy
framework of Uganda and Kenya including fiscal and monetary policies and their relationship with enterprise development. Data was obtained from reliable sources such as World Bank reports, African Development Bank reports, Kenya Institute of Public Policy Research and Analysis, Kenya Bureau of Statistics and other relevant books and journals. The data collection period was from January 2018 to March 2018.

1.7 Definition of Terms

1.7.1 Informal Cross Border Trade

The study used the term ICBT to refer to traders who both import and export goods from/to retail and wholesale outlets in the neighbouring country to trade without paying due duties or registering those goods with the customs. Although a majority of actors in ICBT are unregistered small traders, some studies have found that agents from formal businesses also do engage in ICBT and that they have the ability to bring in bigger volumes of goods than the unregistered small businesses involved (Ogalo, 2010).

1.7.2 Legal Framework

In this study, this term was used to describe the procedural steps, established through precedent international law, through which judgments could be determined in a given legal case (Posner, 1998).

1.7.3 Trading Tradition

This term was used to describe the exposure of an economy to exogenous shocks, arising out of economic openness, due to informal illegal trade across borders (Helpman, Melitz, & Rubinstein, 2008).

1.7.4 Trade Laws

Trade laws was used to refer to the body of rules and regulations that governs the relationships of nation states for regulating their domestic markets in relation to international trade across borders (Ndulo, 1993).

1.8 Chapter Summary

Trade between Kenya and Uganda is substantial and vital to both countries. The overall objective of this study is to investigate the informal cross border trade between Kenya
and Uganda, and in particular the women micro enterprises operating along the border. The shortage of ready finance hinders the expansion of ICBT activities. Inclusion of informal cross border trade in the vision of policymakers would help to facilitate their individual economic empowerment as well as enhancing their role as a significant component of the regional trade activities. The next chapter two looks at literature review as fashioned by other researchers. Chapter three discusses the research methodology that the study applied in obtaining the study population and sample size, instruments and data collection and analysis of this study. Chapter four covers the results from the analysis presented in tables and discussion of the findings while the last chapter which is chapter five covers the findings discussion, the conclusions made and the recommendation to the study sector and future researchers.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter reviews the various concepts and studies that exist on the Effects of ICBT on growth of women entrepreneurial Businesses at the Busia Border. They are; the characteristics of informal cross-border trade, the challenges affecting women in involved in ICBT, and the impact of ICBT on the East African community. They are discussed below.

2.2 Characteristics of Informal Cross-Border Trade
The Sub-Saharan region has seen a significant growth in the informal trade sector due to successive years of; downward economic performance, increasing unemployment rates and retrenchments. Informal cross border trade is a highly dynamic and fluid sector in the region. It is a sector in which many people in the region are being drawn due to the changing socio-economic environment (Ogalo, 2010). Opportunities for formal employment are shrinking and as a result, to sustain themselves, people have begun looking for alternatives. The majority of traders in this sector are women and issues of Gender Inequality aggravate the situation. It therefore contributes to the poverty problem as the greater part of poor households is headed by women (who cannot fully exercise their rights).

2.2.1 Policy and Legal Framework
Within the legal framework are key issues that impact negatively on informal trade and these are such as; Political will (where the governmental articulation and policy instruments have been put in place but gaps emerge with respect to implementation), the fragmented and disparate manner in which policy formulation occurs and the seemingly absence of coordination between the various Ministries of government, (considering policy formulation and how implementation inhibits effectiveness), and the absence of time bound and resource implementation or action plans that relate to the attainment of the strategies (Doevespeck & Morisho, 2012). Other issues include; action which seems to take place in an ad hoc manner without necessarily following any particular plan and the lack of clarity as to what extent monitoring occurs at the macro-development level.
At the national level, there is a lack of specific government sector policy that gives a clear picture of how set goals will be achieved. ICBT contributes between 30-40% of total intra-SADC trade. Some studies estimate that average value of informal cross border trade in the Southern African Development Community (SADC) region stands at an impressive $17.6 billion per year (Hall, 2013). Items traded mainly include foodstuff such as maize, rice and beans although additional products such as handicrafts and minerals are also commonly traded in the region.

Policy articulation seems to tend towards creating an enabling and empowering environment. However, in practice it seems to be perceived more as a threat needing control, rather than genuine economic activity that requires strengthening (Benjamin, Golub & Mbaye, 2013). Absence of an informal trade-friendly environment (issues such as registration requirements, access to finance and credit as well as the necessity for compliance with business-related taxes are also impediments) form part of the pattern of this trade. Moreover, the limited knowledge of procedures which includes customs and related charges and taxes is particularly relevant for importing the goods on which informal traders rely. Where knowledge does exist, the procedures are cumbersome and hence ignored.

There is also increased vulnerability of traders to corruption by customs officials. They may take advantage of their lack of knowledge of certain customs procedures and harass them with the aim of extorting money from them. This creates general negative perception of informal trade, despite the recognition of this type of trade. The legal framework is also determined by information management systems (Morris & Polese, 2013). In particular data collection and the limited availability of gender and sex desegregated data. The implications are that there is an inaccurate picture represented through the data – the data does not reflect the gender dynamics in a particular sector. Hence, the design of programmes may mean that certain important factors are not taken into cognizance. As a result, they fall into the cracks and are not considered. Therefore, programmes do not adequately respond to the reality on the ground.

2.2.2 Economic Vulnerability

The ILO (International Labor Organization) pointed to the poverty vulnerability nexus showing that informal work emerged as a result of economic vulnerability. According to Bensassi, Jarreau and Mitaritonna (2016), economic vulnerability is a result of the
marginal jobs poor people tend to have and as a decrease in income due to crisis or structural adjustment policies. These conditions force people to engage in informal work as survival strategies. Limited employment opportunities and lack of social security benefits also encourage people to participate in informal work (Golub, 2015). Most of them are engaged in the manufacturing industry, trade and personal services. In the 1980s, informal activities were seen in relation to livelihood strategies.

They insisted that informal work is a series of activities based on a specific reason, namely to meet basic daily needs. Thus, the purpose of informal work differs from the one of formal work with the latter being intended to accumulate capital. In addition, Bensassi, Jarreau and Mitaritonna (2016) argue that excess regulation, taxation and demanding bureaucracy contributed to the growth of informal work. The role of education and the lack of it in determining one’s decision to engage in informal work is still being debated but evident across societies globally. Although the relationship between the level of education and informal work in urban areas has been very clear, but this relationship becomes unclear in rural areas (World Bank, 2012).

Hall (2013) interviewed 275 individuals of working age in Coolidge County, Vermont, and pointed out that the education level is a poor indicator to assess the individual involvement in informal work. It implies that individuals across all levels of education participate in informal work and for the case of Vermont it cannot be argued that it is only the uneducated that have to resort to informal activities. Contrary to this, the World Bank 2011 report underlined that education levels affect one’s decision to engage in informal work. According to them, about 70% of the informal workers in Latin American countries, such as Paraguay and El Salvador, are composed of lowly educated workers. In line with this finding, the number of illiterate informal workers in Quito and Guayaquil (Ecuador) is about one-third of the total number of workers (Benjamin et al., 2013).

Regional factor differences also play an important role in individual’s decision to conduct informal work. Differing socio-economic conditions in urban and rural areas encourage people to engage in informal work. According to studies by World Bank (2012) report, the informal work in urban areas is deliberately raised by the capitalists to reduce the cost of production. Meanwhile, in rural areas, informal work appears as a response to the limitations of formal employment. Informal work is a last resort for
people to ensure that their families make ends meet. In line with this, Doevespeck and Morisho (2012) pointed out that “the more the formal income, the less the participation in the use of such tactics by necessity”.

2.2.3 Patterns of Informal Cross-border Trade

From Kanbur’s (2009) perspective it is clear that several key features of the informal sector identified in recent literature are prominent in ICBT; first, informality is a continuum rather than a dichotomy; second, the informal sector is quite heterogeneous; third, ethnic and religious networks play a large role in organizing the informal sector, and are particularly important in ICBT given that their populations often straddle national borders and finally, although informal, ICBT is highly organized, with elaborate practical norms and division of labour (Rogerson, 2014).

Numerous specialized semi-official intermediaries are involved, such as customs clearance agents and government officials (Moore, Payne, Bell & Davis, 2015). Therefore, no single definition can be worked out to cover all these dimensions to distinctively define what informal cross-border trade is. It is a complex and multidimensional concept. However, this study uses the concept informal cross-border trade’ to refer to trade in legitimately produced goods and services, which escape the regulatory framework set by the government, as such avoiding certain tax and regulatory burdens. In addition, the term refers to goods traded by formal and informal firms that are unrecorded on official government records and that fully or partly evade payment of duties and charges.

According to Rogerson (2014) the government only gives privileges to large-scale businessmen providing them with flexible regulations and short bureaucratic processes. In contrast, small and medium entrepreneurs are confronted with various government regulations that impede their production process or business operation. Inevitably, the divergence in institutional behavior spurs the small or medium entrepreneurs to take an illegal route to expedite their business. According to this view, informality is the popular response that successfully breaks down the legal barrier. In the other words, informal activity is no longer seen as a marginal job for the poorest people, but as a powerful way to survive under the pressure of government regulations. Thus, informality can only be reduced by reducing government regulations, employing fair tax systems and reducing the bureaucratic burden that formal entrepreneurs face.
2.3 Challenges Affecting Women in ICBT

The major players in informal trade are women, who either carry their merchandise on bicycles or cross on foot (Wrigley-Asante, 2013). According to Wrigley-Asante (2013), majority of women traders in the East African region are small-scale traders who depend on the modest profits generated from their trade to make ends meet. Commodities, this study revealed, majorly agricultural products, were carried in small quantities sometimes as low as 5 kg. However, since this is done repeatedly, the quantities exported end up being significant. It is important to note that informal trade is not only conducted using side-roads. In fact, a significant outflow of commodities through the informal channel is said to be occurring at the official crossing points.

Around 70 to 80 percent of informal cross-border traders (ICBT) in the southern Africa region are women. Although cross-border trade helps many women become economically empowered, it can also make them extremely vulnerable to harassment and gender-based violence from corrupt border agents. These women also experience high taxation and trade regulations, unsanitary working conditions, and limited access to credit facilities and information on market opportunities. The women traders face specific difficulties from having the lowest levels of start-up capital to they generally trade goods which generate the lowest levels of profit, and they face harassment at the border, as well as a negative social perception of their activities. Furthermore, their commercial activities do not free them from their family responsibilities (Moore et al., 2015). Usually they return home late in the evening from their work and then must complete their household chores.

2.3.1 Ignorance on Trade Laws

Lacking the knowledge of trade regulations, procedures and their rights is a major problem facing women in ICBT. Based on the low level of literacy among women traders, they face problems in reading custom forms and understanding the procedures. Even if there are some systems and structures in place that support their small-scale transactions, e.g. in the SADC region (STP SADC Trade Protocol) or the Simplified Trade regime in the COMESA, women traders lack information about policies promoting small scale trade and they usually pay a high number of undue ‘informal’ taxes. It is common practice of custom officials to take advantage of the women’s ignorance and exploit them in various ways (Walther, 2015).
There is a massive lack of adequate services. According to Morris and Polese (2013), these women traders face limited market information. Since most traders operate outside formal business circles, market information on prices, demand and supply, also information on policies, regulations, agreements and protocols for the facilitation of cross-border trade is difficult to obtain. Most women traders face limited access to financial resources. Their transactions are mainly cash based or bartered, they lack working capital and tangible business assets and therefore it is difficult for them to get financing for their business or banking services tailored to their needs.

In West Africa, informal cross-border trade is rooted in antiquity. For instance, in the precolonial period peoples of sub-region related and traded without the need for formal registration and without delineated borders. Colonization led to institutionalization of borders as symbols of state sovereignty (Awang, Sulehan, Bakar, Abdullah & Liu, 2013). The Eurocentric structure categorized informal cross-border trade as illegal in tandem with West-centric economies. Tariffs and various non-tariff barriers were imposed, disrupting the natural trading activities of communities, especially those living along national borders.

2.3.2 Vulnerability

The illiterate and ignorant women face vulnerability during travels and at the borders. In general women need more time to cross the borders than men. They are often held back by custom officials, asking the women traders for personal favors. Many women report cases of sexual harassment and violence such as rape, imprisonment and confiscation of goods. At border areas there is no provision of infrastructure to support women specifically, such as storage facilities, accommodation, illuminated border areas, hygiene facilities and transport corridors for women traders would give women traders much more safety in their work (Rogerson, 2014).

Very often their engagement in informal trade gives them an entry point in selling their local produce. They would not be able to enter the formal sector due to various reasons, including difficulties in getting access to travelling documents or trading licenses, long waiting times at borders, overcharging by customs officials, and lack of knowledge of official procedures (Jääskeläinen & Maula, 2014). The study further revealed that due to the nature of this trade and the lack of an adequate legal framework, the informal
women traders are often faced with challenges such as corruption, where officials solicit bribes in order to smuggle goods, sexual abuse and confiscation of goods.

Invisibility of women traders and missing evidence is a major challenge towards success of women traders. Despite their substantive economic contribution, small scale trade women are invisible in trade statistics, policies and regulations and in the GDP of their countries. There is only scarce and reliable data about the ICBT because of this lack of recognition.

The vicious cycle of invisibility, informality and violation of rules and regulations would only be interrupted when more data become available and when governments, border police officers and agencies involved in trade recognize that women cross border traders create wealth, contribute to poverty reduction, employment creation and regional integration in a considerable way (Walther, 2015).

2.3.3 Trading Tradition

Jääskeläinen and Maula (2014) suggested that complex market arrangements and channels involving a wide range of participants have created a web of cross-border relations based on trade and clan affiliations. Thus, a close look at the nature of cross-border trade in East African Community aligns to the argument that many cross-border markets pre-date colonial and post-colonial state boundaries when there were no cross-border procedures to be followed. Hence, what continues today as informal cross-border trade could simply reflect the longstanding indigenous patterns of trade that make more sense than formal trade channels (Walther, 2015). The tendency to stick to informal cross-border trade should therefore be understood simply as an old practice that cannot be expected to die out easily.

In this perspective, informal cross-border trade is not significantly influenced by the high transaction costs or rigidity and bureaucratic customs procedures; rather, its entrenchment is simply a re-establishment of the extensive barter trade and migration of people that were a feature of economic and social life predating colonization in East African Community. Then, pre-colonial period, people traded freely across borders and many still prefer that old way (Ogalo, 2010).

The UNECA (2009) study analyzing the gender dimension of cross-border trade in EAC finds that the women involved in informal cross-border trade prefer to continue
trading, largely, the same way as they have done for many decades gone by; these traders show little evidence of knowledge of the EAC Customs Protocol. In actual fact, they are less motivated to know how the Protocol can benefit them and they perceive the opening up of trade under the evolving EAC Customs Union Protocol and promotion of formality as an interference and threat to their livelihoods (UNECA, 2009). For instance, cross-border livestock trade between Kenya and Ethiopia is a significant integrating mechanism through which vital connections between communities have been maintained some of which predate colonial period (Mahanty & Dressler, 2014).

While considering the nature of cross-border trade between India and Myanmar, Dressler (2014) cited that informal cross-border trade between Myanmar and its neighbouring countries, that is; China, Thailand, Bangladesh, India, have been going on for the past several decades. He emphasizes that the social, cultural, religious and the ethnic similarities among the human groups have encouraged stronger economic ties inform of border trade. It is further argued that history is full of such relations which are still continued despite formation of impermeable boundaries (Wrigley-Asante, 2013). Additionally, cross-border trade between Cambodia and Thailand in the 1960s was mainly carried out informally between people living side by side as neighbours and friends, rather than as residents of separate nations with an acute sense of national identity.

Awang et al., (2013) argues that informal cross-border trade simply reflects longstanding indigenous patterns of trade that makes more sense than formal trade channels. Informal cross-border trade is not necessarily incentivized by the constraints facing formal trading; rather, the tendency to stick to informal cross-border trade should be understood simply as an old practice that is difficult to leave and its entrenchment today is simply a re-establishment of the extensive barter trade and migration of people that were a feature of economic and social life before colonization (Ogalo, 2010).

According to Meagher, (Wrigley-Asante, 2013), the recent rise of the informal sector, and growth of informal cross-border trade, is mainly a structural backfire to the market liberalization policies of the 1980s and 1990s. In their view, it is an indictment on the Structural Adjustment Programmes (SAPs) policies which prematurely exposed EAC economies to unfair external competition and also reduced the government
interventionist policy spaces and as thus ended up creating more poverty and unemployment than they were meant to create them. There is no need to explain the fact that poverty and unemployment would inevitably push people to the search for alternative sources of income, and ICBT is one such alternative. Therefore, this study delves into explaining one significant factor that contributes, alongside documentation procedure, to the growth of informal cross-border trade patterns (Morris & Polese, 2013).

2.4 Effects of Cross-Border Trade on Regional Trade Integration

The growth of ICBT generally represents a normal market response to overly cumbersome, rigid, time-consuming and inefficient bureaucratic export/import procedures and regulations, which are seen as significantly increasing the cost of both joining the formal economy and operating within it. But, it is also established that ICBT markets in EAC pre-dates colonial and post-colonial state boundaries. For this reason, what we see continues today as ICBT is simply a longstanding indigenous pattern of trade that makes more sense than formal trade channels (Awang et al., 2013).

In this perspective, ICBT is not significantly influenced by the factors mentioned above; rather, its entrenchment is simply a re-establishment of the extensive barter trade and migration of people that were a feature of economic and social life predating colonisation in EAC. The dynamism of women who undertake cross border trade in the ECOWAS sub-region trade a significant volume of trade that passes across the border on a daily basis. The trade revolves around formal or informal systems of control as noted by Yusuff (2014) when assessing the gender dimensions of informal cross border trade in West-African sub-region (ECOWAS) borders. The study shares that informal trade is an integral, but unrecognized component of ECOWAS economic activities. Over sixty percent of women are into informal trading across ECOWAS sub region due to different motivations and coping mechanisms they have developed to curb the trade operation challenges.

The findings reveal that there are several insecurities posed by informalities of women trading practices. These insecurities are associated with activities of law- enforcement agents and touts coupled with the facts that women traders are not knowledgeable about
the procedures that guide international trade. Despite several challenges posed by informal cross border trade, women traders had devised coping strategies to negotiate these challenges. Majority of women utilized income generated to support themselves, their spouses and children and above all, it had enabled them to live above poverty level, which is one of millennium goals.

2.4.1 Positive Implications

ICBT contributes to the economies of the East African Community (EAC) countries in numerous ways from enabling enables small-scale entrepreneurs to escape poverty and to meet the education to housing and other basic needs (Golub, 2015). ICBT traders employ people in their home countries and in the countries where they source their goods; and, it is also a supplementary source of family income to people who are underemployed and a source of employment to some people who were retrenched following economic restructuring that was occasioned by Structural Adjustment Programmes (SAPs).

Judging from the monthly values of income that traders realise from ICBT, it is apparent that the majority of ICBT participants survive on more than $2 (United States Dollar) a day which some of them would never have achieved under formal employment, especially considering the shrinking economies of EAC. According to Yusuff (2014) women who engage in cross border trade have obtained both formal and informal trading avenues that earn them an income, which they use to support their families, educating their children and taking care of medical needs. The cross-border business has elevated them from the poverty line. Similarly, Ama et al. (2014) on characterization of informal cross-border traders across some selected borders in Botswana, shares that majority of the women had little to no education, were unemployed and single with families to support thus engaging in the trading business. The women traded mainly in agricultural products and industrial goods and gained an income that they used to raise their families. The study further noted that women solely went into business to earn an income for their families and escape poverty. As the years progressed, the experienced women’s profits increased and they lived a good life as ICBT was shown to be highly profitable for the women entrepreneurs, with gross profit margin on imported goods at 59.5 per cent.
The number of people indulging in ICBT having degree-level education is rising as revealed by Dihel and Goswami (2016) who looked at the potential that trade services plays in the African continent. The study noted that one major contributing factor is that it creates employment opportunities for both the educated and uneducated people. It also shares that on the one hand, this is a pointer that that cross-border trade is increasingly becoming more sophisticated, requiring better education for one to be able to interact and trade smoothly across the borders; however, it also confirms that most university graduates these days are without jobs or starting capital to pursue formal business. Thus, an increasing number of them resort to informal businesses including ICBT as a form of employment and means of income generation.

A majority of the ICBT participants are between the age of 30 and 40 years (Wrigley-Asante, 2013). This is the age at which many people in EAC have married and have more responsibilities to take care of, but lack of formal sources income pushes them to look for other informal ways, including engaging in ICBT, in order to meet their family responsibilities, given the realities of our shrinking economies. From a consumer’s perspective, ICBT brings the benefit of lower prices of the informally imported products since they evade a lot of transaction costs. Some of the ICBT traders have establishments in the cities (in Nairobi, for example, they can be located in Eastleigh residential estate) where they sell their products at more competitive prices compared to same products purchased through formal channels and sold in supermarkets. The low prices they offer have sometimes increased competitive pressure on firms operating in the formal sector; in some cases, this has promoted price efficiency, especially, where the formal sector was initially raking in supernormal profits (Sturgeon, 2013). In any case, the informal trade operations create jobs for millions of young women and men.

Brenton, Gamberoni and Sear (2013) investigation on realising the potential of women in the African trade, stated that if Africa is to achieve its great potential and grow, then each individual country must trade more with others and its bordering neighbours. The role of women in trade should be facilitated and they need to be empowered through trainings and entrepreneurial skills. The positive implication of facilitating women traders and their trade potential will contribute to better food security, vital job creation, and poverty reduction.
2.4.2 Negative Implications

The fact that such important data as on ICBT misses from national statistics implies what has always been stated as GDP of EAC economies is often grossly underestimated. The consequences might actually be wrong perception about the real trade balances of these economies with each other, the trade benefits accruing to them from regional integration, and it might continue to give a wrong impression about the extent of the performance and direction of growth of regional trade in EAC since only formal trade statistics are used to make such judgments. Furthermore, women suffer more while conducting cross-border trade, Brenton, et al. (2013) shares that women traders working in the informal sector are often subject to harassment and extortion at the border. Women are more readily denied access to key trader networks than men. Time-consuming trade procedures and documentary requirements impinge more heavily on women, given the time they need for their household duties. And women working to produce exportable goods and services are typically less able than men to get the inputs and materials that would raise their productivity and allow them to compete better in overseas markets.

It is possible that as a result of the missing data on ICBT, EAC has been engaging in wrong policy prescriptions which might have led to some unintended negative impacts or unnecessary diversion of resources away from other important projects, thus impacting negatively the regional trade integration and development of EAC (Sturgeon, 2013). By looking at a number of different commodities and how they are traded, this article shows how informal cross-border trade in West Nile and Panyimur, Uganda, is governed by a locally negotiated system of hybrid governance, in which neither state nor nonstate actors have a regulatory monopoly. Titeca and Flynn (2014) further share that questions on legality and illegality of the business, play secondary to these traders and the governing system. Thus, lack of a single register means products are not easy to know their sources of country of origin, which also questions the quality and safety of these products.

Contrary to the perceived benefits/advantages of ICBT, it is also true that formal firms are more productive than informal ones, due to scale and scope economies, access to capital and technology and more advanced methods of production and distribution. This suggests that significant productivity gains would be achieved in our economies by
transferring production from low-productivity informal firms to more productive formal firms or by facilitating the formalisation of informal firms (Sturgeon, 2013). In Tanzania, Mramba (2015) on the income poverty reduction through the concept of street vending business, such that attention to street vending business is almost always negative such that usage of public spaces, creating health and safety risks, evasion of taxes, congestion on busy streets and town centres and fear that these traders’ sale shoddy and underqualified products. The street traders in Tanzania are usually concerned with confrontation with local authorities, and at the end they lose their products and money, making them wallow in poverty. As such, the traders do not gain from the business meaning they remain below the poverty line.

In that case, thus, the unfair competition from ICBT players may have the long-run effect of reducing competition and as such may prevent the more productive formal firms from entering or expanding in the market. Therefore, because of the benefits associated with formalisation of businesses, formal firms may offer even lower prices in the long run if informality in business was eliminated. Thus, when assessing the benefits or harm to competition from ICBT, competition authorities should consider whether to focus their analysis on short-run or long-run competition concerns of ICBT (Golub, 2015).

In exploring the challenges that women entrepreneurs face which conducting cross-border trade in Botswana, Ama et al. (2014) shares that some of the major constraints faced by these women traders were delays at the borders, long hours of travel, time away from their homes and stiff Social implications. Socially, informal cross-border denies the government of the day internal taxes that they would have collected from importation of goods from across the border. It is also difficult to ascertain the quality of the products as they enter the country through illegal means, such that some may not be submitted for inspection.

2.5 Chapter Summary
Chapter two has examined various aspects of the study objectives including the characteristics of informal cross-border trade, the challenges affecting women in ICBT and the effects of cross border trade on regional integration. Perspectives of various
scholars and researchers have been presented so as to establish what had already been done that was relevant for the study. Chapter three provide research methodology which outlines the methods that was used to collect data, research design and how data was analysed.
CHAPTER THREE

3.0. RESEARCH METHODOLOGY

3.1 Introduction
This section presents the methodology that was applied in answering the research questions. It covers: research design, target population, data collection instruments, data collection procedures and finally data analysis.

3.2 Research Design
This research problem was studied through descriptive research design. A descriptive study is generally based on making findings concerning questions of; who, what, where, when, or how much. Descriptive studies are always handled with hypothesis which is clearly defined, or investigative questions and they serve a number of objectives in the study (Cooper & Schindler, 2011). The researcher found it appropriate to use a descriptive research design for this study since the study was concerned with assessing the effects of informal cross border trade in Busia, Kenya.

3.3 Population and Sampling Design
3.3.1 Population
The study population refers to the total collection of elements which one would like to study or make inferences (Cooper & Schindler, 2011). It represents the total collection of elements with common observable characteristics about which some inferences can be made (Cooper & Schindler, 2011). The population of this study was 1860 traders at the Busia border of Kenya, according to the ministry of trade and industrialization, Busia County.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Specialization</th>
<th>Frequency</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perishable goods</td>
<td>360</td>
<td>32%</td>
</tr>
<tr>
<td>Electronics</td>
<td>410</td>
<td>20%</td>
</tr>
<tr>
<td>Clothes and shoes</td>
<td>370</td>
<td>32%</td>
</tr>
<tr>
<td>Drugs</td>
<td>370</td>
<td>6%</td>
</tr>
<tr>
<td>Others</td>
<td>350</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1860</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Trade and Industrialization, Busia County (2018)
3.3.2 Sampling Frame

A sample frame is a list of all the elements closely related to the target population and from which the sample for the study was drawn from (Cooper & Schindler, 2011). For this study, women traders at the border town were ideal to form the sample frame. According to Kothari (2004) sampling frame includes all the elements that have necessary information to respond to the research questions. Thus, the sampling frame was drawn from the female traders at the town of Busia in Kenya.

3.3.2.1 Sampling Technique

A study sampling technique is a method that researchers use to select an appropriate list of respondents from the entire study population (Cooper & Schindler, 2011). To come up with an appropriate study sample, the study utilized both the simple random sampling and stratified sampling technique. The process must be handled carefully so as to draw a sample that would give relevant, accurate and valid information that would aid in the study. This study adopted a stratified sampling technique where the traders were categorized into their areas of market specialization for the trade. In each specialization which shall form strata, simple random sampling technique were used because it gives each member of the population equal chance of inclusion in the study.

3.3.3 Sample Size

The sample size is a smaller set of the larger population (Cooper and Schindler, 2011). Determining sample size is a very important issue for collecting an accurate result within a quantitative survey design. According to Hussey and Hussey (1997) no survey can ever be deemed to be free from error or provide 100% surety thus error limits of less than 5% and confidence levels of higher than 95% is regarded as acceptable. A sample of 318 respondents were selected as shown in the Table 3.2 below. A sample population of 318 respondents was arrived at using the below formula taken from Kothari (2004).

\[ n = \frac{z^2 \cdot N \cdot \hat{p}^2}{(N - 1) \cdot e^2 + z^2 \cdot \hat{p}^2} \]
Where; \( n \) = Size of the sample,
\[ N = \text{Size of the population and given as } 1860, \]
\[ e = \text{Acceptable error and given as } 0.05, \]
\[ \tilde{p} = \text{The standard deviation of the population and given as } 0.5 \text{ where not known}, \]
\[ Z = \text{Standard variate at a confidence level given as } 1.96 \text{ at } 95\% \text{ confidence level.} \]

Therefore;

\[
n = \frac{1.96^2 \times 1860 \times 0.5^2}{(1860-1) \times 0.05^2 + 1.96^2 \times 0.5^2} \\
= 1786.344 \\
= 318 \text{ Respondents} \\
\]

<table>
<thead>
<tr>
<th>Specialization</th>
<th>Frequency</th>
<th>Sample Proportion</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perishable goods</td>
<td>360</td>
<td>20%</td>
<td>72</td>
</tr>
<tr>
<td>Electronics</td>
<td>410</td>
<td>20%</td>
<td>82</td>
</tr>
<tr>
<td>Clothes and shoes</td>
<td>370</td>
<td>20%</td>
<td>74</td>
</tr>
<tr>
<td>Drugs</td>
<td>370</td>
<td>20%</td>
<td>74</td>
</tr>
<tr>
<td>Others</td>
<td>350</td>
<td>5%</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1860</strong></td>
<td></td>
<td><strong>318</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The study collected primary data from the respondents by the use of structured questionnaires. The questionnaire had four sections namely the demographic section and the three study objectives as well as the anchor questions. The research data was collected from the respondents with the field assistants guiding the respondents through the questions in the questionnaire. This focused on using primary data which was collected from the target sample. A structured questionnaire was used to collect the data. The data collection instrument for the study was developed based on literature from various scholars. The questionnaires used a Likert scale where 1 = No Extent, 2 = Little Extent, 3 = Moderate Extent, 4 = Great Extent and 5 = Very Great Extent; to show the extent of agreement to which respondents have while examining the entrepreneurial orientation among the women in Busia town.
3.5 Research Procedures
The researcher administered the questionnaires containing the closed ended questions to the women entrepreneurs who the sample respondents with the help of a research assistant are who understands the behaviour of the target respondents. This is done so as to ensure a higher response rate, by giving the respondents confidence as the information is collected by a person they know. All the respondents were expected to fill the same questionnaire.

3.5.1 Permission
Permission to conduct this research was granted in at least three stages. The first stage was comprised of permission from the research supervisor and then the second stage involved permission from the Dean, Chandaria School of Business. Once the two stages of permission were granted, then the respondents’ consent was sought before the data collection process began, they were informed of the purpose of the study. The researcher assured them of the confidentiality of their responses and that the information would be used for academic purposes only.

3.5.2 Pilot Study
The questionnaire ware pretested before its administration to ensure validity and reliability of the data to be collected. After development of the draft questionnaire, a pilot test was carried out with sample colleagues who work in women projects to test for any inconsistencies, ambiguity and incomprehension. According to Kothari (2004), the purpose of pre-testing the data instrument is to ensure that the items in the instrument are stated clearly and have the same meaning to all respondents. It is only during pre-testing that the researcher is able to assess the ease of use of the instrument. Any sensitive, confusing or biased items were identified and modified or omitted.

Pretesting permits refinement before the final test (Cooper & Schindler, 2011). It is also useful in order to assess the clarity of the questions and establish the average length of time it would take to administer the questionnaire. This helped the researcher to prepare and plan for the actual data collection process. The pre-test participants did not participate in the actual survey to avoid pre-emption of the study at the actual area. In the process of piloting, the study ensured the rectification of any errors of ambiguity existing in the research instrument.
3.5.3 Reliability of the Instruments
Reliability refers to the consistence, stability, or dependability of the data. Whenever a researcher measures a variable, he or she wants to be sure that the measurement provides dependable and consistent results (Cooper & Schindler, 2011). To measure the reliability of the data collection instruments, an internal consistency technique is applied to the gathered data (Mugenda & Mugenda, 2003). A reliable measurement is one that if repeated a second time would give the same results as it did the first time. If the results are different, then the measurement is unreliable (Mugenda & Mugenda, 2003). The researcher selected a pilot group of 6 women entrepreneurs and 4 male entrepreneurs engaged in ICBT to test the reliability of the research instrument. The aim was to correct inconsistencies arising from the instruments, which helped ensure that they measure what is intended.

3.5.4 Validity of the Instruments
According to Bollen (2005), content validity refers to a qualitative type of validity where the domain is made clear and the analyst judges whether the measures fully represent the domain. Further, according to Drost (2012) there are basically two ways of assessing content validity. The content of validity of the data collection instruments was determined through discussing the stated questions in the instruments with informal trade entrepreneurs selected for the pre-test. The women were expected to respond to the questionnaires which helped to establish their challenges in responding so that the same can be rectified before the final data collection (Orodho, 2003). The study used both face and content validity to ascertain the validity of the questionnaires. Face validity is actually validity at face value. As a check on face validity, test/survey items are sent to the pilot group to obtain suggestions for modification (Lacity & Jansen, 1994). Content validity draws an inference from test scores to a large domain of items similar to those on the test content. Validity is concerned with sample-population representativeness covered by the test items that is to be a representative to the larger domain of knowledge and skills.

3.6 Data Analysis Methods
Data analysis refers to analysing what has been collected and making deductions, and interferences. It is extracting significant variables, detecting anomalies, and testing any assumptions (Kombo & Tromo, 2009). Data processing entails editing, classification
and tabulation of data collected so that they are amenable to analysts (Kothari, 2009). The questionnaires shall be checked for completeness and consistency; any gaps shall be edited and filled. The collected data shall be coded and entered into Statistical Package for Social Science (SPSS) version 23.0 program. The researcher used inferential statistics (regression analysis) to establish relationship between the variables.

The regression model to be adopted is presented under:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Whereby

- \( Y \) = Growth of Women Enterprises
- \( X_1 \) = Characteristics of informal cross-border trade
- \( X_2 \) = Challenges affecting women in ICBT
- \( X_3 \) = Effects of ICBT
- \( \varepsilon \) = Error Term

### 3.7 Chapter Summary

Chapter three enumerated the research methodology and design. It gave a detailed analysis of the population and the sampling process that was used in collecting the research data. Simple Random sampling technique was used, and the population was 1860 entrepreneurs. The chapter has also presented data collection instruments, piloting, data analysis and presentation. The next chapter presents findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study based on the analyzed data. The chapter was guided by the questionnaire that gives answers to the following: Characteristics of informal cross-border trade at Busia Border, Challenges affecting women in ICBT at Busia Border, how cross-border trade affect EAC regional trade integration and the measures of Growth of Women Entrepreneurial businesses. The collected data was coded into SPSS Version 23.0 for analysis and presentations. The findings are indicated in subsequent sections.

4.1.1 Response Rate

The researcher distributed 318 questionnaires to traders in Busia county. From collected questionnaires, only 279 questionnaires were completed and used in the study. This gave a response rate of 87.7%. This percentage was above required threshold hence gave reliable data. According to Mugenda (2008), a response rate of 50% is adequate for analysis and reporting, a rate of 60% is generally good while a response rate of above 70% is excellent. Therefore, the response rate in the current study was sufficient for analysis and reporting of the findings.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>279</td>
<td>88%</td>
</tr>
<tr>
<td>Non-Response</td>
<td>39</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>318</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.1.2 Reliability Results

The researcher used a Cronbach Alpha test to determine reliability of the research instruments. A Cronbach alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability (Tavakol & Dennick, 2011). A Cronbach Alpha of 0.7 and above is usually indicator of reliable scale. Table 4.2 shows that the effect of informal cross-border trade on growth of women entrepreneurial businesses at the Busia border had a Cronbach alpha
of 0.815, challenges on growth of women had 0.827 and EAC regional trade integration had 0.759. Since all the values of Cronbach alpha coefficients were over 0.7, this indicates that the questionnaires were reliable in conducting the study.

**Table 4.2: Reliability Rate**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal Cross-Border Trade</td>
<td>13</td>
<td>0.815</td>
</tr>
<tr>
<td>Challenges</td>
<td>11</td>
<td>0.827</td>
</tr>
<tr>
<td>EAC Regional Trade Integration</td>
<td>8</td>
<td>0.759</td>
</tr>
</tbody>
</table>

### 4.2 Demographic Characteristics

#### 4.2.1 Gender of the Respondents

The researcher identified the age of respondent. The findings are indicated in the Figure 4.1. From the findings, the study established that majority of the respondents were women with 84% and 16% were male. This indicates that most of the traders in Busia county were women.

![Figure 4.1: Gender](image)

From the findings, the study established that majority of the respondents were women with 84% and 16% were male. This indicates that most of the traders in Busia county were women.
4.2.2 Age of the Respondents

The researcher sought to identify the age of the respondents. From the findings, majority of the respondents 35.5% were 35-40 years, 34.1% were 30-35 year, 16.1% were 25-30 years and 14.3% of the respondent were above 40 years. This indicate that most traders were aged 30 years and above hence mature and skilled therefore gave reliable information.

![Figure 4.2: Age](image)

4.2.3 Nationality of the Respondents

The researcher identified the nationality of the respondents. The findings are indicated on Figure 4.3. Figure 4.3 shows that 72% of the respondents were Kenyan while 28% were Ugandan. This indicates that majority of Busia traders’ nationality are Kenyans.

![Figure 4.3: Nationality](image)
4.2.4  Country of Residence

The researcher sought to identify the distribution of the respondents in accordance with their country of residence. The findings are indicated in the Figure 4.4. From the figure 4.4, majority of the respondent’s country of residence is Kenya with 88% and 12% of the respondents’ country of residents is Uganda. Therefore, most of the respondents preferred living near trading market.

![Country of Residence Pie Chart]

**Figure 4.4: Country of Residence**

4.2.5  Education of the Respondents

The study sought to determine the highest level of education of the respondents. The findings are indicated in the Figure 4.5. Figure 4.5 shows that 42.7% of the respondents’ highest level of education was secondary school, 24.0% level of education was primary school, 19.4% level of education was college/university and 14.0% level of education was none. This indicates that most of the respondents’ highest level of education was secondary school certificate and above, therefore, the respondents interpreted the questionnaires and reliable data was sought.
4.2.6 Marital Status

The researcher identified the distribution of respondents in accordance to marital status. The findings are indicated in Figure 4.6. From the findings in Figure 4.6 above, 47.7% of the respondent were widowed/divorced, 34.4% of the respondents were married and 17.9% of the respondents were single. This indicates that most traders were family persons and had responsibilities which drove them to engage in businesses.

Figure 4.5: Education

Figure 4.6: Marital Status
4.3 Characteristics of Informal Cross-Border Trade

Several statements on how characteristic of informal Cross-Border Trade influences growth of women entrepreneurial businesses at the Busia border of Kenya, were carefully identified by the researcher. Respondents were then requested to indicate the extent of their agreements on each statement. A Likert scale of 1-5 where; 1= not at all, 2 = low extent, 3 = moderate extent, 4 = great extent and 5 = very great extent was used. The findings are indicated in the Table 4.3

From the findings, the respondents concurred to a great extent that cross border trade is their main source of income with a mean of 4.07 with standard deviation of 0.873. Majority of the respondents agreed that high rates of retrenchment in Urban centers cause more people to be involved in ICBT as shown by a mean of 4.15 with standard deviation of 0.762.

Regarding ICBT being attractive due to its dynamic to accommodate all possible interested parties, the respondents were in agreement with a mean of 4.15 with standard deviation of 0.762. Due to low chances for formal employment, many youths have opted or ICBT hence leading to its growth as supported by a mean of 4.15 with standard deviation of 0.807. The study established that most traders were women as shown by a mean of 4.60 with standard deviation of 0.504. The respondents agreed with a great extent that women suffer gender discrimination in the trade as shown by a mean of 4.08 with standard deviation of 0.887. Respondents disagreed with low extent that poverty abounds in households due to unfair trade as shown by a mean of 2.49 with standard deviation of 0.781.

Regarding government policies not being effective to actual process, the respondents disagreed as supported by mean of 2.95 with standard deviation of 0.750. On lack of coordination among associating ministries hindering proper implementation of policies, the respondents disagreed as shown by a mean of 2.33 and standard deviation of 0.978. Respondents indicated that there was poor clarity in definition of laws and regulations as shown by a mean of 2.80 with standard deviation of 1.01.

The respondents agreed that lack of confidence in social security benefits encouraged new recruits to the trading business as supported by a mean of 3.65 with standard deviation of 0.717. Respondents disagreed that illiteracy influenced more people to engage in ICBT as indicated by a mean of 2.24 and standard deviation of 0.770. The
respondents agreed to a great extent that the culture of a region plays a major role in determining the growth of ICBT in a border-line community with a mean of 4.22 and standard deviation of 0.730.

Table 4.3: Characteristics of Informal Cross-Border Trade

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is Cross Border Trade your main source of income?</td>
<td>4.07</td>
<td>.873</td>
</tr>
<tr>
<td>High rates of retrenchment in Urban centers causes more people to be involved in ICBT</td>
<td>4.15</td>
<td>.762</td>
</tr>
<tr>
<td>ICBT is attractive because it is dynamic to accommodate all possible interested parties</td>
<td>4.15</td>
<td>.762</td>
</tr>
<tr>
<td>Low chances for formal employment leads to the growth of ICBT</td>
<td>4.15</td>
<td>.807</td>
</tr>
<tr>
<td>Most traders are women</td>
<td>4.60</td>
<td>.504</td>
</tr>
<tr>
<td>Women suffer gender discrimination in the trade</td>
<td>4.08</td>
<td>.887</td>
</tr>
<tr>
<td>Poverty abounds in households due to unfair trade</td>
<td>2.49</td>
<td>.781</td>
</tr>
<tr>
<td>Government policies are not effective to actual process</td>
<td>2.95</td>
<td>.750</td>
</tr>
<tr>
<td>Lack of coordination among associating ministries hinders proper implementation of policies</td>
<td>2.33</td>
<td>.978</td>
</tr>
<tr>
<td>There is poor clarity in definition of laws and regulations</td>
<td>2.80</td>
<td>1.01</td>
</tr>
<tr>
<td>Lack of confidence in social security benefits encourage recruits to the trade</td>
<td>3.65</td>
<td>.717</td>
</tr>
<tr>
<td>Illiteracy influences more people to engage in ICBT</td>
<td>2.24</td>
<td>.770</td>
</tr>
<tr>
<td>The culture of a region plays a major role in determining the growth of ICBT in a border-line community</td>
<td>4.22</td>
<td>.730</td>
</tr>
</tbody>
</table>

4.3.1 Influence of Characteristics of Informal Cross-Border Trade

The study assessed the extent to which characteristic of informal cross border trade affected the growth of women entrepreneurial businesses at the Busia border. From the responses in Table 4.4, most of the respondents 51% indicated that characteristic of informal cross border trade greatly influenced the growth of women entrepreneurial businesses in Busia border, 20% indicated very great extent, 12% said moderate, 9% indicated little while 8% said no extent. Therefore, the characteristic of informal cross border trade influenced the growth of women entrepreneurial businesses at the Busia border.
Table 4.4: Influence of Characteristics of Informal Cross-Border Trade

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No extent</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Little extent</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>Great extent</td>
<td>143</td>
<td>51</td>
</tr>
<tr>
<td>Very great extent</td>
<td>57</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.4 Challenges Affecting Women in ICBT

The study assessed how the challenges affecting women in ICBT affected growth of women entrepreneurial businesses at Busia border. From Table 4.5, the respondents agreed with a great extent that women were accountable for most of the workers in ICBT as supported by a mean of 4.12 with standard deviation of 0.716. Respondent indicated that women relied on informal trade to sustain their families as indicated by a mean of 3.27 with standard deviation of 1.01. Respondent agreed that majority of women managed small-scale trade to survive with a mean of 4.59 with standard deviation of 0.519.

The respondents disagreed that individual women earned meager benefits from the huge trade cumulatively with a mean of 2.47 with standard deviation of 0.708. On whether gender discrimination occurred on women in Busia, respondents indicated that most women were victims of gender discrimination in the trade as supported by a mean of 3.04 with standard deviation of 0.776. Respondents agreed that most of the informal trade occurred via the official crossing channels managed by national security personnel as supported by a mean of 3.27 with a standard deviation of 0.950.

Regarding poor working conditions, respondents agreed that they worked at unsanitary markets as supported by a mean of 3.97 with standard deviation of 0.901. The respondents’ agreed that business women were the most vulnerable to unfair trade with a mean of 3.99 with standard deviation of 0.968. Respondents indicated that there was extremely high tax and limited trade regulations as indicated by a mean of 3.75 with standard deviation of 0.774.

Respondents disagreed with a little extent that there was limited access to credit facilities as supported by a mean of 2.27 with standard deviation of 0.904. Respondents indicated that there was poor information available on market
opportunities for competitive market edge as indicated with a mean of 2.40 with standard deviation of 1.00. The respondents disagreed that lack of capital was the main problem hindering the establishment of businesses with a mean of 2.89 with standard deviation of 2.30. Respondents disagreed that negative societal perceptions discouraged women from working effectively with a mean of 2.18 and standard deviation of 1.00.

Table 4.5: Challenges Affecting Women in ICBT

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women account for most of the workers in ICBT</td>
<td>4.12</td>
<td>.716</td>
</tr>
<tr>
<td>Women rely on informal trade to sustain their families</td>
<td>3.27</td>
<td>1.01</td>
</tr>
<tr>
<td>Majority of women manage small-scale trade to survive</td>
<td>4.59</td>
<td>.519</td>
</tr>
<tr>
<td>Individual women earn meager benefits from the huge trade cumulatively</td>
<td>2.47</td>
<td>.708</td>
</tr>
<tr>
<td>Most women are victims of gender discrimination in the trade</td>
<td>3.04</td>
<td>.776</td>
</tr>
<tr>
<td>Most of the informal trade occurs via the official crossing channels managed by national security personnel</td>
<td>3.27</td>
<td>.950</td>
</tr>
<tr>
<td>There are poor working conditions such unsanitary markets</td>
<td>3.97</td>
<td>.901</td>
</tr>
<tr>
<td>Business women are the most vulnerable to unfair trade</td>
<td>3.99</td>
<td>.968</td>
</tr>
<tr>
<td>There is extremely high tax and limited trade regulations</td>
<td>3.75</td>
<td>.774</td>
</tr>
<tr>
<td>There is limited Access to credit facilities</td>
<td>2.27</td>
<td>.904</td>
</tr>
<tr>
<td>There is poor information available on market opportunities for competitive market edge</td>
<td>2.40</td>
<td>1.00</td>
</tr>
<tr>
<td>Lack of capital is the main problem hindering the establishment of businesses</td>
<td>2.89</td>
<td>2.30</td>
</tr>
<tr>
<td>Negative societal perceptions discourage women from working effectively</td>
<td>2.18</td>
<td>1.00</td>
</tr>
</tbody>
</table>

4.4.1 Influence of Challenges

The study examined the extent to which challenges women face affected the growth of women entrepreneurial businesses at the Busia border. From the responses, majority of the respondents 55% noted that the challenges women faced in ICBT affected growth of women entrepreneurial at Busia border to a great extent, 28% said very great extent, 8% indicated moderate, 5% said little while 4% said no extent. This indicates that the challenges encountered by women had an influence on growth of women entrepreneurial businesses at the Busia border.
### Table 4.6: Influence of Challenges

<table>
<thead>
<tr>
<th>Extent of Influence</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No extent</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Little extent</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Great extent</td>
<td>153</td>
<td>55</td>
</tr>
<tr>
<td>Very great extent</td>
<td>79</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

#### 4.5 Effects of Cross-Border Trade on Regional Trade Integration

Several statements on how Cross-Border Trade on regional trade integration influences growth of women entrepreneurial businesses at the Busia border of Kenya, were carefully identified by the researcher. Respondents were then requested to indicate the extent of their agreements on each statement. A Likert scale of 1-5 where; 1= not at all, 2 = low extent, 3 = moderate extent, 4 = great extent and 5 = very great extent was used. The findings are indicated in the Table 4.7.

Table 4.7 indicates that respondents agreed that bureaucratic procedures were time consuming as supported by a mean of 3.88 with standard deviation of 0.815. The respondent disagreed that bureaucratic regulations on imports and exports were inefficient as indicated by a mean of 2.21 with standard deviation of 0.875. The respondents indicated that improper rules and regulations raised the cost of joining the economy as indicated by a mean of 3.15 with standard deviation of 0.790. Regarding ICBT having little difference from the pre-colonial times’ barter trade, the respondents disagreed with a little extent as supported by a mean of 1.89 with standard deviation with 0.786. The respondents disagreed with a low extent that advancement of the trade was slow with a mean of 2.36 with standard deviation of 0.938. The respondents agreed that ICBT had improved the living standards of the stakeholders as indicated by a mean of 3.90 with standard deviation of 0.922.

The respondents indicated that informal trade had boosted socio-economic activities in Busia as shown with a mean of 3.78 with standard deviation of 0.815. On whether creation of employment which have helped sustain family incomes, the respondents agreed with a great extent supported by a mean of 4.19 with standard deviation of 0.701. The respondents disagreed that extremely high tax and limited trade regulations affected the growth of women entrepreneurial businesses with a mean of 2.82 with standard deviation of 0.826.
Regarding increase of graduates being jobless, respondents agreed there was an increase of graduates joining trade as supported by a mean of 3.06 with standard deviation of 1.04. Respondents indicated that attracting a vast variety of people in the trade have sophisticated it as shown by a mean of 3.64 with standard deviation of 0.738. Respondents disagreed that consistent lowering in prices was due to tax evasion with a mean of 2.73 with standard deviation of 1.04 and the study indicated that the respondents agreed that GDP emerging from trade was grossly under-estimated with a mean of 3.80 with standard deviation of 0.905.

Table 4.7: Effects of Cross-Border Trade on Regional Trade Integration

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureaucratic procedures are time consuming</td>
<td>3.88</td>
<td>.815</td>
</tr>
<tr>
<td>Bureaucratic regulations on imports and exports are inefficient</td>
<td>2.21</td>
<td>.875</td>
</tr>
<tr>
<td>Improper rules and regulations rise the cost of joining the economy</td>
<td>3.15</td>
<td>.790</td>
</tr>
<tr>
<td>ICBT has little difference from the pre-colonial times’ barter trade</td>
<td>1.89</td>
<td>.786</td>
</tr>
<tr>
<td>The advancement of the trade is slow</td>
<td>2.36</td>
<td>.938</td>
</tr>
<tr>
<td>ICBT has improved the living standards of the stakeholders</td>
<td>3.90</td>
<td>.922</td>
</tr>
<tr>
<td>The informal trade has boosted socio-economic activities in Busia</td>
<td>3.78</td>
<td>.815</td>
</tr>
<tr>
<td>Creation of employment has helped to sustain family incomes</td>
<td>4.19</td>
<td>.701</td>
</tr>
<tr>
<td>There is extremely high tax and limited trade regulations</td>
<td>2.82</td>
<td>.826</td>
</tr>
<tr>
<td>There is an increase of graduates joining the trade</td>
<td>3.06</td>
<td>1.04</td>
</tr>
<tr>
<td>Attracting a vast variety of people in the trade has sophisticated it</td>
<td>3.64</td>
<td>.738</td>
</tr>
<tr>
<td>There is consistent lowering in prices due to tax evasion</td>
<td>2.73</td>
<td>1.04</td>
</tr>
<tr>
<td>The GDP emerging from this trade is grossly under-estimated</td>
<td>3.80</td>
<td>.905</td>
</tr>
</tbody>
</table>

4.5.1 Influence of Cross-Border Trade on Regional Trade Integration

The study indicated the extent to which influence of cross-border trade on regional trade integration affect the growth of women entrepreneurial businesses at the Busia border. From the responses, most of the respondents 57% indicated that cross border trade greatly influenced the growth of women entrepreneurial businesses at Busia border, 30% indicated very large extent, 7% said moderate, 4% indicated little while 2% indicated no extent. Therefore, cross border trade influenced regional trade integration that affected the growth of women entrepreneurial businesses at the Busia border. The findings are shown in Table 4.8 below.
### Table 4.8: Influence of Cross-Border Trade on Regional Trade Integration

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No extent</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Little extent</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Great extent</td>
<td>159</td>
<td>57</td>
</tr>
<tr>
<td>Very great extent</td>
<td>83</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>279</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

### 4.6 Growth of Women Entrepreneurial Businesses

Several statements on growth of women entrepreneurial businesses at Busia border of Kenya, were carefully identified by the researcher. Respondents were then requested to indicate the extent of their agreements on each statement. A Likert scale of 1-5 where; 1= not at all, 2 = low extent, 3 = moderate extent, 4 = great extent and 5 = very great extent was used. The findings are indicated in the Table 4.9.

From the findings, the respondents agreed that the number of employees in their business had increased over the past five years with a mean of 3.39 with standard deviation off 1.16. The respondents indicated that the sales from their business had grown over the last five years as supported by a mean of 3.78 with standard deviation of 0.676. The respondents indicated that the value of assets owned by the respondents had grown over the last five years as supported by a mean of 3.60 with standard deviation of 0.814. The researcher indicated that the market share for respondents’ business had grown over the last five years with a mean of 3.07 with standard deviation of 0.718. The respondents agreed that the profits from their businesses have been increasing over the last five years as indicate by the mean of 3.68 with standard deviation of 0.768. The respondents disagreed that they had made more purchases orders as time passes over the last five years with a mean of 2.62 with standard deviation of 0.928.
Table 4.9: Growth of Women Entrepreneurial Businesses

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of employees in my business has increased over the</td>
<td>3.39</td>
<td>1.16</td>
</tr>
<tr>
<td>past five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The sales from my business has grown over the last five years</td>
<td>3.78</td>
<td>.676</td>
</tr>
<tr>
<td>The value of assets owned by my business have grown over the</td>
<td>3.60</td>
<td>.814</td>
</tr>
<tr>
<td>last five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The market share for my business has grown over the last</td>
<td>3.07</td>
<td>.718</td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The profits from my business have been increasing over the</td>
<td>3.68</td>
<td>.763</td>
</tr>
<tr>
<td>last five years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have made more purchase orders as time passes over the last</td>
<td>2.62</td>
<td>.928</td>
</tr>
<tr>
<td>five years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.7 Regression Analysis

The researcher conducted regression analysis in order to assess the implications of ICBT on growth of women entrepreneurial businesses at Busia border of Kenya. The findings of the Model Summary, ANOVA and Regression coefficients are indicated in subsequent sections.

4.7.1 Model Summary

The coefficient of correlation R and coefficient of determination R\(^2\). From the Table 4.10, the coefficient of correlation R is 0.819 an indication of strong positive correlation between cross border trade and growth of women entrepreneurial business at Busia border. The coefficient of determination R square is 0.671, which imply that 67.1% change in growth of women entrepreneurial businesses at Busia border is explained by informal cross border trade. In other words, the three independent variables of the study (characteristics of informal cross-border trade, challenges affecting women in ICBT and effects of cross-border trade on regional trade integration) explain 67.1% change in growth of women entrepreneurial business at Busia border. This further imply that there are other factors (not covered in this study) that explain the remaining 32.9% change in growth of women owned entrepreneurial business at Busia border.

Table 4.10: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.819(^a)</td>
<td>.671</td>
<td>.667</td>
<td>1.80975</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), EAC, Challenges, Informal
4.7.2 ANOVA

An ANOVA was carried out at 5% level of significance. A comparison between $F_{\text{Calculated}}$ and $F_{\text{Critical}}$ was carried out. From Table 4.11, $F_{\text{Calculated}}$ was 186.899 and $F_{\text{Critical}}$ was 2.63742. This shows that the value of $F_{\text{Calculated}}$ is greater than $F_{\text{Critical}}$, therefore, the overall regression model was significant in establishing the effects of informal cross border trade on growth of women entrepreneurial businesses at Busia border. The p value was 0.000<0.05, an indication that at least one variable was significant in establishing the effects of informal cross border trade on growth of women entrepreneurial businesses at Busia border.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1836.401</td>
<td>3</td>
<td>612.134</td>
<td>186.899</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>900.682</td>
<td>275</td>
<td>3.275</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2737.082</td>
<td>278</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.11: ANOVA

a. Dependent Variable: Growth
b. Predictors: (Constant), EAC, Challenges, Informal

4.7.3 Regression Coefficient

In order to determine the individual factor, influence of growth of women entrepreneurial businesses at Busia border, the study conducted regression analysis. The following coefficients of regression were generated.

The resultant equation becomes:

$$Y = 0.139 + 0.173X_1 + 0.185X_2 + 0.093X_3$$

Where: $Y =$ Growth of Women Entrepreneurial Businesses

$X_1 =$ Characteristics of Informal Cross-Border Trade

$X_2 =$ Challenges Affecting Women in ICBT

$X_3 =$ Effects of Cross-Border Trade on Regional Trade Integration

Therefore, when all the variables were held constant, growth of women entrepreneurial businesses would be at 0.139. A unit increase in characteristics of informal cross border trade would result to 0.173 increase in growth of women. A unit increase in challenges affecting women in ICBT would result to 0.185 increase in growth of women and a unit increase in effects of cross-border trade on regional trade integration would result to
0.093 increase in growth of women entrepreneurial business. All the probability values were less than 0.05 an indication that all the variables were significant in influencing the study.

**Table 4.12: Regression Coefficient**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.139</td>
<td>.933</td>
<td>.149</td>
<td>.882</td>
</tr>
<tr>
<td>Informal</td>
<td>.173</td>
<td>.038</td>
<td>.314</td>
<td>4.550</td>
</tr>
<tr>
<td>Challenges</td>
<td>.185</td>
<td>.030</td>
<td>.391</td>
<td>6.110</td>
</tr>
<tr>
<td>EAC</td>
<td>.093</td>
<td>.035</td>
<td>.170</td>
<td>2.703</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth

**4.8 Chapter Summary**

This chapter has presented the results that were obtained from data analysis. The findings are in form of tables and charts and arranged as per the study objectives. The chapter has shown the response rate, reliability of the instrument results and demographic characteristics of the respondents in addition to the study variables and the regression analysis. The next chapter presents discussions of the findings, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
In this chapter the researcher summarizes the findings of the study. Discussions are also presented by interacting with literature. Relevant conclusions are drawn from the key findings of the study. Recommendations with implications on theory, policy and practice are also drawn. Suggestions for further studies to increase the available knowledge base are also provided.

5.2 Summary
The study sought to assess the implications of ICBT on growth of women entrepreneurial businesses at the Busia border of Kenya. The study was guided by the following objectives; the characteristics of informal cross-border trade at Busia Border, the challenges affecting women in ICBT at Busia Border and cross-border trade affect EAC regional trade integration. The researcher adopted descriptive statistics. All traders in Busia were inclusive in the target study. Stratified random sampling was done to achieve a desirable sample size. The study used primary data that was obtained by use of questionnaires. The demographic data was tabulated using mean and standard deviation. Regression analysis was computed to determine the effect of informal cross border trade on growth of women entrepreneurial businesses at Busia border.

The study revealed that respondents agreed that cross border trade was their main source of income. Majority of the respondent indicated that high rates of retrenchment in Urban centers caused more people to be involved in ICBT. ICBT was attractive because its dynamic to accommodate all possible interested parties. Respondents agreed that due to low chances for formal employment, many youths have opted or ICBT hence leading to its growth. The respondents indicated that most traders were women. The respondents agreed with a great extent that women suffered gender discrimination in the trade. Government policies were not effective to actual process, lack of coordination among associating ministries hindered proper implementation of policies. Lack of confidence in social security benefits encouraged new recruits to the trading business and respondents agreed that the culture of a region plays a major role in determining the growth of ICBT in a border-line community.
The study indicated that respondents agreed with a great extent that women were accountable for most of the workers in ICBT. Women relied on informal trade to sustain their families. Majority of women managed small-scale trade to survive. Respondents indicated that most women were victims of gender discrimination in the. Informal trade occurred via the official crossing channels managed by national security personnel. Respondents indicated that they worked at unsanitary markets. Respondents agreed that business women were the most vulnerable to unfair trade. Respondents indicated that there was extremely high tax and limited trade regulations as indicated.

The study showed that respondents agreed that bureaucratic procedures were time consuming. Respondent indicated that bureaucratic regulations on imports and exports were inefficient. Respondents indicated that improper rules and regulations raised the cost of joining the economy. ICBT had improved the living standards of the stakeholders. Informal trade had boosted socio-economic activities in Busia. Respondents agreed there was an increase of graduates joining trade. Respondents indicated that attracting a vast variety of people in the trade have sophisticated trade. Respondents agreed that GDP emerging from trade was grossly under-estimated.

5.3 Discussion

5.3.1 Characteristics of Informal Cross-Border Trade

Cross border trade was the main source of income. Respondents agreed that majority of the traders relied on cross border trade as their main source of income. This provided them with income which they used in sustaining their lives. This is in agreement with Ogalo (2010) who stated that many people in Sub Sahara relied on informal sector as their main source of income. High rates of retrenchment in Urban centers caused more people to be involved in ICBT. Respondent agreed many traders joined the trade as a result of increasing population which created competition for the few formal jobs. In addition, the growing population provided a ready market for the traders’ wares. The respondents indicated that due lack of formal sector employment many people had opted to ICBT for income sustainability. This finding is supported by Ogalo (2010) who established that opportunities for formal employment are shrinking and as a result, to sustain themselves, people have begun looking for alternatives sources of income.
On ICBT being attractive due to its dynamic to accommodate all possible interested parties, the respondents were in agreement. This was largely because of the ease of entry and freedom of exit. The barrier to entry and exit were not stringent which means that individuals could join at their will and leave whenever they felt so. This was in agreement with Ogalo (2010) who stated that informal cross border trade was highly dynamic and fluid sector in the region. Due to low chances for formal employment, many youths had opted to ICBT hence leading to its growth. As youths graduated from higher institutions of learning and others discontinued their learning along the way, they all ventured into ICBT as a way of earning a living. Lack of formal sector employment have led to an increase of traders, this is consistent with the study by Ogalo (2010) which established that opportunities for formal employment had shrunk leaving job seeker to look for alternatives.

The study established that most traders were women. Majority of the respondents of the respondents were women traders. The respondents agreed with a great extent that women suffer gender discrimination in the trade. Women were gender biased in during trade. This was in agreement to the study carried out by Ogalo (2010) who stated that the majority of traders in informal sector were women and issues of Gender Inequality aggravated informal sector therefore, poverty was experienced as the greater part of poor households was headed by women. The respondents agreed with a great extent that women suffer gender discrimination in the trade.

Poverty abounds in households due to unfair trade. Respondents indicated that traders opted to informal sector to sustain their expenses so as to eradicate poverty. The study was in agreement with Bensassi, Jarreau and Mitaritonna (2016) who indicated that economic vulnerability was a result of the marginal jobs poor people tend to have and as a decrease in income due to crisis or structural adjustment policies. ILO (International Labor Organization) pointed to the poverty vulnerability nexus showing that informal work emerged as a result of economic vulnerability.

Government policies were not effective to actual process. Policies should be formulated by the government in order to benefit traders. This was with agreement with Doevespeck and Morisho (2012) who stated that legal framework is the key issue that impact negatively on informal trade such as; political will, the fragmented and disparate manner in which policy formulation occurs and the seemingly absence of coordination.
between the various Ministries of government and the absence of time bound and resource implementation or action plans that relate to the attainment of the strategies.

Lack of coordination among associating ministries have proper implementation of policies. Respondents indicated that government lacked coordination in implementing strategies hence impacted negatively in informal trade. This was similar with Doevespeck and Morisho (2012) who indicated that where the governmental articulation and policy instruments have been put in place but gaps emerge with respect to implementation. There was poor clarity in definition of laws and regulations. The study indicated that the ministry did not clarify laws and regulations to be implemented by the traders. Therefore, ministry should emphasize clarity on laws and regulation. This is similar to the study of Hall (2013) who stated that there was lack of specific government sector policy that gave a clear picture of how set goals would be achieved at national level. ICBT contributes between 30-40% of total intra-SADC trade. Some studies estimate that average value of informal cross border trade in the Southern African Development Community (SADC) region stands at an impressive $17.6 billion per year.

Lack of confidence in social security benefits encouraged new recruits to the trading business. Respondents indicated that majority of traders lacked confidence on benefits of social security. This is in agreement with Golub (2015) who stated that lack of social security benefits also encouraged people to participate in informal work. These conditions force people to engage in informal work as survival strategies. Due to limited employment opportunities respondents have engaged in trade industry and personal services. Illiteracy influenced more people to engage in ICBT. Respondents disagreed that education level impacted them to be traders. This is similar to the study of Hall (2013) who pointed out that the education level is a poor indicator to assess the individual involvement in informal work. It implied that individuals across all levels of education participate in informal work and for the case of Vermont it cannot be argued that it is only the uneducated that have to resort to informal activities.

Culture of a region plays a major role in determining the growth of ICBT in a border-line community. Respondents agreed to a great extent that society norm plays a major role in influencing growth of ICBT. This is in agreement with Jääskeläinen and Maula
(2014) who stated that respondents would not be able to enter the formal sector due to customs and lack of knowledge.

5.3.2 Challenges Affecting Women in ICBT

Women are accountable for most of the workers in ICBT. The study indicated that most of the traders in Busia are women as compared to male. This is in agreement with Wrigley-Asante (2013) who indicated that major players in informal trade are women, who either carried their merchandise on bicycles or cross on. Majority of women traders in the East African region were small-scale traders who depend on the modest profits generated from their trade to make ends meet. Women relied on informal trade to sustain their families. The study indicated that most respondents agreed that informal trade was their daily source of income to sustain their families. This is similar to the study done by Golub (2015) who stated that women engaged in informal work as survival strategies to sustain their families.

Women managed small-scale trade to survive and to earn their daily income. Respondents indicated that they relied on small scale trade with small generated profits in order to sustain their families. This is similar to the study of Masinjila (2009) and Unifem (2008) who stated that women constitute larger proportion of small scale Informal Cross Border Trade (ICBT). ICBT provides 60 per cent of non-agricultural self-employment to women in sub-Saharan Africa, with women constituting the largest proportion of informal traders, representing between 70 and 80 per cent in Southern and West Africa.

Individual women earned meager benefits from the huge trade cumulatively. Respondents disagreed that women earned great profits from their small-scale trading businesses. This is in agreement with Wrigley-Asante (2013) who indicated that majority of women traders in the East African region are small-scale traders who depend on the modest profits generated from their trade to make ends meet. Gender discrimination occurred on women in Busia, respondents indicated that most women were victims of gender discrimination in the trade. This is similar to the study done by Wrigley-Asante (2013) who stated that ICBT made women extremely vulnerable to harassment and gender-based violence from corrupt border agents. Women also experience high taxation and trade regulations, unsanitary working conditions, and limited access to credit facilities and information on market opportunities.
Informal trade occurred via the official crossing channels managed by national security personnel. Wrigley-Asante (2013) indicated that importation and exportation ids done frequently, the quantities exported end up being significant. It is important therefore to note that informal trade is not only conducted using side-roads but outflow of commodities through the informal channel was said to be occurring at the official crossing points. There were poor working conditions such unsanitary markets. The study indicated the respondent worked in poor unhygienic markets therefore, prone to diseases. This is similar to the study done by Wrigley-Asante (2013) who stated that majority of women traders in the East African region are small-scale traders who experienced unsanitary working conditions.

Business women were the most vulnerable to unfair trade. Most of the ignorant women face vulnerability during travels and at the borders hence increasing unfair trade. This is in agreement with Rogerson (2014) who indicated that many women reported cases of sexual harassment and violence such as rape, imprisonment and confiscation of goods. At border areas there was no provision of infrastructure to support women specifically, such as storage facilities, accommodation, illuminated border areas, hygiene facilities and transport corridors for women traders would give women traders much more safety in their work.

Extremely high tax and limited trade regulations conditions were experienced by women at the border during their trade. The study indicated that high tax influenced negatively on the growth of women entrepreneurial businesses. This finding is similar with Wrigley-Asante (2013) who indicated that majority of women traders in the East African region experienced high taxation and trade regulations. The study indicated that there was limited access to credit facilities. Respondents differed with the statement that there was limited access to credit facility. This was in agreement with Moore et al., (2015) who indicated that women traders face specific difficulties from having the lowest levels of start-up capital to they generally trade goods which generate the lowest levels of profit and there was limited access to credit facilities and information on market opportunities.

The study indicated that poor information available on market opportunities for competitive market edge negatively influenced growth of women entrepreneurial businesses. This is in agreement with Walther (2015) who indicated that women traders
lacked information about policies promoting small scale trade and they usually paid a high number of undue ‘informal’ taxes. It is common practice of custom officials to take advantage of the women’s ignorance and exploit them in various ways.

Lack of capital was the main problem hindering the establishment of businesses. Respondents indicated that availability of capital was essential in establishing a business. This was in agreement with Moore et al., (2015) indicated that women traders faced difficulties from having the lowest levels of start-up capital to establish trade thus generating lowest levels of profit.

5.3.3 Effects of Cross-Border Trade on Regional Trade Integration

Bureaucratic procedures were time consuming as supported. Bureaucratic is a system of government in which most of the important decisions are taken by state officials rather than by elected representatives. This is in agreement with Ogalo, (2010) who indicates that informal cross-border trade is significantly influenced by the high transaction costs or rigidity and bureaucratic customs procedures rather, its entrenchment is simply a re-establishment of the extensive barter trade and migration of people that were a feature of economic and social life predating colonization in East African Community.

The study indicated that bureaucratic regulations on imports and exports were inefficient. Respondents indicated that ministries did not implement their strategies hence experienced inefficient regulations. This is similar to the study done by Awang et al., (2013) who indicates that inefficient bureaucratic export/import procedures and regulations were significantly increasing the cost of both joining the formal economy. ICBT have little differences from the pre-colonial times’ barter trade, respondents indicated that informal trade sector had no difference with barter trade. This is similar to the study of Ogalo (2010) who indicated that informal cross-border trade entrenchment was simply a re-establishment of the extensive barter trade and migration of people that were a feature of economic and social life predating colonization in East African Community.

The respondents indicated that advancement of the trade was slow with a mean of 2.36 with standard deviation of 0.938. This is in agreement with Sturgeon (2013) who stated that EAC had engaged in wrong policy prescriptions which might have led to some
unintended negative impacts or unnecessary diversion of resources away from other important projects, thus impacting negatively the regional trade integration and development of EAC.

The respondents agreed that ICBT had improved the living standards of the stakeholders as indicated by a mean of 3.90 with standard deviation of 0.922. Informal trade sector has provided traders with daily income to sustain their needs hence eradicating poverty in Busia. This is similar to the study by Golub (2015) who indicated that ICBT contributes to the economies of the East African Community (EAC) countries in numerous ways from enabling small-scale entrepreneurs to escape poverty and to meet the education to housing and other basic needs.

Informal trade had boosted socio-economic activities in Busia. The respondents indicated that they could freely interact with people from diverse cultural background with different economic status. In turn, ICBT influenced growth of women entrepreneurial business hence economic growth. This in agreement with World Bank (2012) report which that stated that informal work in urban areas is deliberately raised by the capitalists to reduce the cost of production. Creation of employment had helped to sustain family incomes as indicated by respondents. They showed that informal sector helped them in sustaining their family by income generated. Through the cross-border trade, the traders were in apposition to earn a living and sustain their families. This is in agreement with Golub (2015) who stated that ICBT traders employ people in their home countries and in the countries where they source their goods; and, it is also a supplementary source of family income to people who are under-employed and a source of employment to some people who were retrenched following economic restructuring that was occasioned by Structural Adjustment Programmes (SAPs).

The respondents disagreed on whether extremely high tax and limited trade regulations affected the growth of women entrepreneurial businesses. This is in line with the arguments of Bensassi et al. (2016) that excess regulation, taxation and demanding bureaucracy contributed to the growth of informal work. Regulations ensure that there is order in the way business men interact with their customers. It also helps improve the level of competitiveness in the industry by eliminating unfair competition. Regarding increase of graduates being jobless, respondents agreed that there was an increase of graduates joining trade. Limited number of employment opportunities compared to the
total number of graduates from local universities seeking jobs has contributed to many graduates joining the informal trade. This is in agreement with Wrigley-Asante (2013) who indicates that the number of people indulging in ICBT having degree-level education is rising, it also states that majority of graduates are not employed and have inefficient fund to pursue formal business. Thus, an increasing number of them resort to informal businesses including ICBT as a form of employment and means of income generation.

Respondents indicated that attracting a vast variety of people in the trade have sophisticated it. Due to increased competitive pressure in the market place, respondents were in agreement that their businesses were being sophisticated. This is in agreement with Sturgeon (2013) who states that low prices increased competitive pressure on firms operating in the formal sector; in some cases, this has promoted price efficiency, especially, where the formal sector were initially raking in supernormal profits (Sturgeon, 2013).

Respondents indicated that consistent lowering in prices was due to tax evasion. This was similar to the study of Wrigley-Asante, (2013) ICBT brings the benefit of lower prices of the informally imported products since they evade a lot of transaction costs. Some of the ICBT traders have establishments in the cities (in Nairobi, for example, they can be located in Eastleigh residential estate) where they sell their products at more competitive prices compared to same products purchased through formal channels and sold in supermarkets. The study indicated that GDP emerging from trade was grossly under-estimated. This in agreement with Sturgeon (2013) who indicated that data on ICBT misses from national statistics implying that GDP of EAC economies was often grossly underestimated.

5.4 Conclusion
5.4.1 Characteristics of Informal Cross-Border Trade

The study concludes that unfair trade should be eradicated to eliminate poverty in households. Government policies should be effective in formulating its strategic policies. Associating ministries should have proper coordination for effective implementation off policies. Proper clarification in definition of laws and regulations should be implemented. New traders should have confidence in social security benefits.
Literate traders should engage in ICBT and cross border trade should not be the main source of traders’ income.

5.4.2 Challenges Affecting Women in ICBT

The study concludes that individual women should earn profits from their trading entrepreneurial businesses. Women should not entirely rely on informal trade to sustain their families instead they should concentrate on different source of income as well. Informal trade should occur via official crossing channels managed by national security personnel. There should be enough credit facilities. Proper information available on market opportunities for competitive market edge. There should be available capital for establishment of businesses. Societal perceptions should encourage women to working effectively.

5.4.3 Effects of Cross-Border Trade on Regional Trade Integration

The study concludes that bureaucratic regulations on imports and exports should be efficient. ICBT should have no difference from the pre-colonial times’ barter trade. The advancement off trade should be high. Ministries should implement low tax and and limited trade regulations. There should be consist increase in prices. The number of employees in traders’ businesses should increase over the years. The market share of traders’ businesses should grow over the years. Traders should make more purchases order as time passes over.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Characteristics of Informal Cross-Border Trade

The study recommends that high rates of retrenchment in urban centers should cause people to be involved in ICBT. ICBT should be attractive due to its dynamic nature to accommodate all possible interested parties. Low chances of employment should lead to the growth of ICBT. Women should engage in informal trade businesses. The culture of a religion should play a major role in determining the growth of ICBT in a border-line community.
5.5.1.2 Challenges Affecting Women in ICBT

The study further recommends that women should effectively manage their small-scale trades to survive. Market place should be sanitized. Women should not be vulnerable to unfair trade. There should be low taxes and limited trade regulations that encourage the growth of women entrepreneurial businesses in Kenya. Negative societal perceptions should not discourage women from working effectively and lack of capital should not hinder women from engaging in entrepreneurial businesses.

5.5.1.3 Cross-Border Trade on Regional Trade Integration

The study recommends that bureaucratic procedures should not be time consuming. ICBT has improved the living standards of the stakeholders. Informal trade boosted social economic activities in Busia. ICBT has created employments to help sustain families. The GDP emerging from trade should be grossly estimated. Sale from the business has grown from the past five years and value of asset owned by traders has grown and profits from traders’ business has increased over the last five years.

5.5.2 Recommendation for Further Studies

The study relied on primary data that was collected by use of structured questionnaires, future scholars should use both primary and secondary data for a more precise result. The current study coefficient of determination $R^2$ was 0.671. The residual of 32.9% can be attribute to other factors beyond the scope of the current study which future scholars should focus on. Current study limited itself on effects of informal cross border trade on growth of women entrepreneurial businesses at the Busia border, future scholars should carry out similar studies on different niches in Kenya.
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International Alert (2012), Marcher dans l’Obscurité : Le commerce informel transfrontalier dans la région des Grands Lacs, Londres.


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APPENDICES

APPENDIX I: QUESTIONNAIRE

Kindly take some time to fill this questionnaire on the effects of ICBT on growth of women entrepreneurial businesses at the Busia border of Kenya

SECTION A: DEMOGRAPHIC INFORMATION

1. What is your Gender?
   Male [ ]   Female [ ]

2. What is your age?
   20-25 Years [ ]   26-30 Years [ ]   31-35 Years [ ]
   Above 40 Years [ ]

3. How long have you worked as an entrepreneur at Busia Border?
   Less than 1 Year [ ]   1-2 Years [ ]   Above 2 Years [ ]

4. Indicate your area of Specialization in the market.
   Perishable goods [ ]   Electronics [ ]   Clothes and shoes [ ]
   Drugs [ ]   Others [ ]

SECTION B: CHARACTERISTICS OF INFORMAL CROSS-BORDER TRADE

5. Below are several statements on the extent to which characteristics of Informal Cross-Border Trade affects the growth of women entrepreneurial businesses at the Busia border of Kenya. Please indicate the extent to which you agree with each of the statement.

Use a scale of 1-5 where; 1= No Extent, 2= Little Extent, 3=Moderately Extent, 4= Great Extent, 5= Very Great Extent.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>High rates of retrenchment in Urban centres causes more people to be involved in ICBT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICBT is attractive because it is dynamic to accommodate all possible interested parties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. To what extent does the characteristic of the trade affects the growth of women entrepreneurial businesses at the Busia border?

<table>
<thead>
<tr>
<th>Extent of Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
</tr>
<tr>
<td>Great extent</td>
</tr>
<tr>
<td>Moderate extent</td>
</tr>
<tr>
<td>Little extent</td>
</tr>
<tr>
<td>No extent</td>
</tr>
</tbody>
</table>

**SECTION C: CHALLENGES AFFECTING WOMEN IN ICBT**

6. Below are several statements on the extent to which challenges women face affects their growth in entrepreneurial businesses at the Busia border of Kenya. Please indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= No Extent, 2= Little Extent, 3=Moderately Extent, 4= Great Extent, 5= Very Great Extent.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women account for most of the workers in ICBT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women rely on informal trade to sustain their families</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Majority of women manage small-scale trade to survive
Individual women earn meager benefits from the huge trade cumulatively
Most women are victims of gender discrimination in the trade
Most of the informal trade occurs via the official crossing channels managed by national security personnel
There is poor working conditions such unsanitary markets
Business women are the most vulnerable to unfair trade
There is extremely high tax and limited trade regulations
There is limited Access to credit facilities
There is poor information available on market opportunities for market edge
Lack of capital is the main problem hindering the establishment of businesses
Negative societal perceptions discourage women from working effectively

8. To what extent does the characteristic of the challenges women face affect the growth of women entrepreneurial businesses at the Busia border?

   Very great extent [ ]
   Great extent [ ]
   Moderate extent [ ]
   Little extent [ ]
   No extent [ ]

SECTION D: CROSS-BORDER TRADE AFFECTS EAC REGIONAL TRADE INTEGRATION

9. Below are several statements on the extent to which cross-border trade affects EAC regional trade integration in entrepreneurial businesses at the Busia border of Kenya. Please indicate the extent to which agree with each of the statement. Use a scale of 1-5 where; 1= No Extent, 2= Little Extent, 3=Moderately Extent, 4= Great Extent, 5= Very Great Extent.
Bureaucratic procedures are time consuming
Bureaucratic regulations on imports and exports are inefficient
Improper rules and regulations rise the cost of joining the economy
ICBT has little difference from the pre-colonial times’ barter trade
The advancement of the trade is slow
ICBT has improved the living standards of the stakeholders
The informal trade has boosted socio-economic activities in Busia
Creation of employment has helped to sustain family incomes
There is extremely high tax and limited trade regulations
There is an increase of graduates joining the trade
Attracting a vast variety of people in the trade has sophisticated it
There is consistent lowering in prices due to tax evasion
The GDP emerging from this trade is grossly under-estimated

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10. To what extent does the cross-border trade affect EAC regional trade integration in entrepreneurial businesses at the Busia border?

- Very great extent [ ]
- Great extent [ ]
- Moderate extent [ ]
- Little extent [ ]
- No extent [ ]

SECTION D: GROWTH OF WOMEN ENTREPRENEURIAL BUSINESSES

Below are several measures of growth of entrepreneurial businesses. Kindly indicate the way your business has performed on each of these fronts. Use a scale of 1-5 where; 1= No Extent, 2= Little Extent, 3=Moderately Extent, 4= Great Extent, 5= Very Great Extent.
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<td>The number of employees in my business has increased over the</td>
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<td>past five years</td>
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<td>The sales from my business has grown over the last five years</td>
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<td>The value of assets owned by my business have grown over the</td>
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<td>last five years</td>
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<td>The market share for my business has grown over the last five</td>
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<td>years</td>
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<td>The profits from my business have been increasing over the last</td>
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<td>five years</td>
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<td>I have made more purchase orders as time passes over the last</td>
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<td>five years</td>
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