REPORT ON

The Impact Of The COVID-19 Pandemic On Women Cross-Border Traders In Malawi

January 2021
This study on the impact of the COVID-19 pandemic on women cross-border traders in Malawi uses both a desktop review of women cross-border trade and a semi-structured questionnaire. The study examined the impact of COVID-19 on the women cross-border traders in Malawi, and uncovered some critical issues. Before this study, there was some evidence indicating that cross border trade is an important source of livelihood among women who trade in various goods ranging from agricultural goods, processed foods, fizzy drinks and juices, clothes, electronics and many more, with some trade occurring to offload seasonal surpluses in the traded countries. It was further noted that women cross-border traders are the most affected throughout the value chain (from the point of purchase of their commodities, transporting their goods, clearing them and to the point of reselling). Taking this into consideration and understanding that the COVID-19 pandemic has affected many businesses and has destabilised many value chains, it is undoubtedly understandable that women cross border traders have been affected severely. However, the extent to which the effect of the pandemic has disturbed their business was undocumented.

This study therefore set out to record the challenges faced by women cross-border traders in Malawi and how the COVID-19 pandemic has affected their businesses. Women cross border traders in Malawi are defined as all the women that move between Malawi and her neighbours, as well as those in the region to trade in goods that are purchased from another country but use formal official customs checks and recording points or passing through the customs points to clear their merchandise, as part of their efforts in alleviating poverty and providing livelihood essentials among their families.

While understanding that the Covid-19 pandemic has been highly disruptive to life in general, and to business and trade in particular, the challenges faced by women traders have been further exacerbated. With that in mind, the study specifically aimed to:

- Interrogate how significant the COVID-19 pandemic is in affecting women cross-border traders, particularly in their movement and conduct of business and trade;
- Review the impact of COVID-19 and the policy responses implemented by Malawi and its neighbouring countries to curb the spread of the pandemic, on women cross-border trade in Malawi;
- Understand the challenges faced by cross-border traders in relation to border management and border control, the state of facilities and infrastructure currently available and how
these can be improved to ease the movement of cross-border traders and goods across the borders, but also to reduce the time it takes to process goods at the border;
• Review the type of trade that happens at the selected border posts in the country;
• Provide a compilation of issues and challenges raised in the course of the study and some recommendations to assist in overcoming the issues.
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1. INTRODUCTION

1.1 Contextual background

Small-scale women cross-border traders move between Malawi and her neighbours, as well as those in the region, in the process of alleviating poverty and providing livelihood essentials among their families. There are a number of benefits that accrue to women in trade including increased incomes from business sales and jobs, enhanced consumer choices and societal bargaining power, among others (World Bank, 2020). In spite of these benefits, women also face more significant challenges than men in the course of trade including in meeting trade regulations and procedures, accessing information and markets, exclusion from networks that are mostly dominated by men, sexual harassment, higher susceptibility to corruption, and constraints in time and mobility (Gonzalez, 2017). COVID-19 has been highly disruptive to life in general, and to business and trade in particular. The challenges faced by women traders have been further exacerbated by the pandemic.

This study assesses the impact of the COVID-19 pandemic on women cross-border traders in Malawi. It is one of four studies conducted in southern Africa – the others include in Eswatini, Zambia and Zimbabwe. The main aim of the study is to interrogate how significant the COVID-19 pandemic is in affecting women cross-border traders, particularly in their movement and conduct of business and trade.

Despite the various challenges that women conducting cross-border trade face, they contribute significantly to the level of international trade flow, providing residents with a variety of products which are otherwise not produced in the country while at the same time contributing significantly to revenue inflows into the country.

The women interviewed in this study reported trading in various products ranging from food commodities, bedding, clothes, shoes, all forms of materials including for clothing and upholstery, furniture, and agricultural products. Also, various forms of stationary products, motor vehicle parts and cookery equipment were traded across the borders. Food commodities were traded to offload seasonal surpluses, to offset seasonal deficits and to supplement domestic food supplies to towns and cities. Often this merchandise flowed freely without the trade restrictions that came with the COVID-19 pandemic, such that women traders were able to comfortably provide for their families as their businesses flourished. However, with the outbreak of the COVID-19 pandemic around March 2020, many things surrounding the conduct of businesses across the borders changed. All countries, including Malawi, were hit by the pandemic, forcing them to implement COVID-19 prevention
measures which included the closing of national borders to limit movement of traders and all non-essential people. The restrictions have reduced the movement of cross-border traders to and from neighbouring countries, reduced the level of cross-border trade and consequently reduced business and profits for those in cross-border trade.

1.2 Aim of the study

The study sets out to review the impact of COVID-19 and the policy responses, implemented by member states to curb the spread of the pandemic, on women cross-border trade in Malawi. It aims to capture some problems that these traders face regarding border management and border control which includes the state of facilities and infrastructure currently available and how these can be improved to ease the movement of cross-border traders and goods across the borders, but also to reduce the time it takes to process goods at the border. This may increase the volume and value of cross-border trade between Malawi and its neighbouring countries, and qualitative information on the impact of restriction on trade on the local, national and regional markets in trying to manage the pandemic.

The report looks at the type of trade that happens at the selected border posts in the country, how the restrictions imposed by Malawi and its neighbouring countries have affected the traders, and will also look at the trade policy responses that have been implemented by the country and its neighbours in the wake of COVID-19. Lastly, the review provides a table of issues that have been raised and will provide some recommendations to assist in overcoming the issues.
2. METHODOLOGY

The methodology used in assessing the effects of the COVID-19 pandemic on women cross-border trade in Malawi included:

- a desk review of documents, online information and government documents and policies
- analysing responses to a questionnaire that was addressed to women cross-border traders in Malawi
- discussions with other women cross-border traders in Malawi and the President of Cross-Border Traders Association (CBTA) of Malawi.

3. DESK REVIEW OF WOMEN CROSS-BORDER TRADE IN MALAWI

Cross-border trade represents the buying and selling of goods between two neighbouring countries or beyond with the seller or buyer in the other country (Collins English Dictionary, 2010). There is substantial volume of trade between Malawi and other countries within the region in the form of agricultural and non-agricultural products involving both men and women traders. The country has experienced exchange of information and loans that cross-border traders access from various lending institutions (MRA, 2019). Cross-border trade is one of the greatest income generating activities for most Malawian households and in the region this is enhancing livelihoods in many homes especially female headed households. The Organisation for Economic Co-operation and Development (OECD) estimates the value of trade conducted by women in the region amounts to approximately US$20 billion annually, and contributes to at least 60 per cent of total food production (OECD, 2011).

Women cross-border traders utilise almost all the country’s borders: the Dedza district border post in the central region which connects Malawi and South Africa; Mozambique and Zimbabwe through the western Malawi-Mozambique border; the Mchinji border post, which connects Malawi and Zambia; the Songwe (Karonga) border post connecting Malawi and Tanzania; the Tunduma border post connecting Malawi and Tanzania; the Mwanza border post connecting Malawi and South Africa; Zimbabwe through the south-west Malawi-Mozambique side; and the Mulanje (Muloza) border in the south-east connecting Malawi and Mozambique.

Despite their push to bring food to the table and to alleviate their families from extreme poverty,
women cross-border traders face a lot of hindrances in carrying out their trade activities. For example, some experience sexual harassment and abuse along the way at the hands of their transporters or male traders with whom they happen to travel, while some are harassed by customs officials taking advantage of their lack of knowledge on customs issues (Southern Africa Trust, 2020). Some lament high tax rates levied on their goods which leads to loss of revenue and failure to boost their businesses. Some women complain that there is a lack of provision of loans by financial institutions because often these women do not have surety, making it difficult for them to obtain loans that require regular payment. Some who are able to provide surety lament the high interest rates charged by the banks on loans. Furthermore, the long time that it takes to clear their goods contributes negatively to their businesses, with situations where prices of goods and services at the border being very expensive when compared to the same things elsewhere in the country or in neighbouring countries.

Some studies have revealed that it is costlier to conduct cross-border trade when you are a woman than a man such that women lose more of their income before they even begin to sell their goods as compared to the income lost by men on the same trip (Southern African Trust, 2020). One example being where women use bathrooms and toilets at the border to freshen up at a price, a thing which men usually forgo, thereby spending money where men do not.

The outbreak of the COVID-19 pandemic has hit cross-border traders hard. With restrictions in movement imposed by most of Malawi’s neighbours, small-scale cross-border traders, especially women, have been affected the most. For example, between March and May 2020, Tanzania restricted the movement of people from Malawi into its country by requiring a self-imposed isolation of 14 days in the country upon arrival (https://travelbans.org/africa/tanzania/). This self-imposed isolation was self-sponsored, meaning a person had to stay in a Tanzanian facility at their own expense to ensure that they did not have the corona virus before they could proceed to the market to purchase goods. This alone deterred many small-scale cross-border traders who could not afford to pay for themselves at the government facility or any other place outside the country for 14 days while spending money. Zambia and Mozambique too had restricted entry and exit of traders from Malawi due to restrictions on movement that were imposed by these countries. However, the Zambian border was less strict as people could still move into and out of the country, moving their merchandise.

The high rate of COVID-19 positive people in South Africa, the lock down and the closure of their borders to movements of non-essential goods and services had significantly negative repercussions on small-scale cross-border traders who travel to South Africa through Mozambique and Zimbabwe to sell and buy their merchandise. Although in Malawi COVID-19 hit moderately with an injunction
standing in the way of a planned lockdown for a significant period, movement was still limited. According to the CBTA of Malawi, traders opted for other ways to move merchandise from the manufacturers to their selling points. Most of them ordered the goods online, which attracted higher costs of transportation to move the goods from say South Africa or Tanzania to Malawi without them. Often, goods were reported missing or not exactly as what they paid for, with some goods reaching the traders in bad shape, destroyed or not worth a resale. With these ways of purchasing and transporting their goods, some traders have lost their businesses along the way, while others have had a decline in capital with loss of business and profits.

Although the Tanzanian government relaxed their restrictions on movement within the country, they applied the restrictions that were operating in a country on its travellers coming into Tanzania. For example, if Malawi required that its travellers should produce a COVID-19 negative report, then Tanzania demanded the same at their ports of entry. However, all travellers whether foreigners or returning residents from other countries with symptoms and signs related to the COVID-19 infection had to undergo enhanced screening and would have had to be tested on arrival. Despite schools being closed, the country’s domestic flights were in operation and they further allowed tourists and non-essential cross-border traders to enter the country to conduct business, etc. (https://travelbans.org/africa/tanzania/).
4. SURVEY OF WOMEN CROSS-BORDER TRADERS

4.1 Sample representation

The research made use of a semi-structured questionnaire put to 15 women cross-border traders and one survey was conducted with the President of the CBTA of Malawi to triangulate and get further insights on some issues surrounding the effects of COVID-19 on cross-border traders in the country. Although the sample size is small, it provides a broad representation of women who are involved in cross-border trade facing similar challenges during the pandemic.

4.2 Sample selection

Those that were interviewed were selected using either the names that were provided to the researcher by the President of the CBTA of Malawi or because they were known to be conducting cross-border business, even though currently they are not members of the Association.

The study made sure that all the formal borders were listed so that the interviewee could select all the borders that they use when they are engaging in cross-border trade. The routes were therefore equally ranked so as not to influence the interviewee by indicating that a specific border is more recognised or more preferred to any other particular border.

4.3 Survey instrument

Pre-coded questionnaires were used in the process to collect the information which was divided into several sections. The first part of the questionnaire had the introduction to the study being carried out, the information about the interviewer, tralac, and the main reason for conducting this study. This part also assured the interviewee of the confidentiality of the information being asked such that those being interviewed should clearly understand that this information was sought solely to enhance the findings of this study. Those being interviewed were made to understand that participation in the study was on an anonymous and voluntary basis, and no part of their information was to be duplicated or shared with other parties without their consent.

This part of the questionnaire made sure that the interviewee clearly understood everything about the study or tralac before they committed to respond to the questionnaire. If they had any questions regarding the study or tralac, they were asked to proceed and a clear response was provided to make sure they understood the main reasons for conducting this study. This was also done to seek
clear consent of those being interviewed, making sure they understood that if they did not want to participate in the study they were free to walk away or even stop the interview if they did not agree with any part or if any question in the questionnaire made them feel uncomfortable.

Once the consent was sought, and the interviewee agreed to be interviewed, then the interview began. Fortunately, out of the 15 women whom we contacted for the study, none refused to be interviewed. In fact, all the respondents were very willing to respond to all the questions, even telling us more than what they were asked, this improved the responses which we had earlier anticipated regarding certain issues.

The second part of the questionnaire contained information such as the questionnaire number, the name of the interviewee, interviewee’s phone number, the date of the interview, the border(s) they usually used for cross-border trade, and the time it took to conduct the interview. The third part of the questionnaire contained information about the respondent’s biodata; for example, their marital status, age bracket, education background and the type of business they conduct.

The following module was about the trader’s business information, followed by border management and control issues. The divisions in the questionnaire assisted the interviewer to know that they had to switch the focus of the questions and prepare the interviewee for different questions to what they were being asked previously.
5. SUMMARY OF THE FINDINGS

5.1 Profile of women cross-border traders (demographic information)

Table 1 below presents a profile of the women traders interviewed in this survey, while Table 2 presents a profile of products traded and their respective frequency. Out of the 15 women cross-border traders interviewed, 3 interviewees (or roughly 20 per cent of the traders) were younger than 25 years old, while 5 of them (33 per cent) were of ages between 26 and 34, and 6 of the traders (40 per cent) were between 35 and 44 years of age, while the remaining 7 per cent were over 45 years old. This demographic information tells us that the women who are engaged in cross-border trade are concentrated between 25 and 44 years of age. Very few women over 45 years old engaged in this type of trade. Reasons for this can be because cross-border trade is very tiresome, requiring more energy to travel for hours from one place to another to purchase goods, load them either in a truck or bus and then travelling long distances, sometimes for more than three days, in an uncomfortable seated position is better suited to those who are younger in age. In addition, all the goods are supposed to be offloaded and examined for customs and excise duties at the port of entry – this is a really tiresome job requiring energetic people to do it better, hence skewed towards younger women traders. Out of the 15 women that were sampled, 11 of them were married and 4 were unmarried. These women are also in their productive years of life, with a family and so confirms how small-scale cross-border trade for these individuals is likely aimed at enhancing the livelihoods of their families. Negative effects that they encounter in the course of trade, which are compounded by COVID-19, therefore, have a direct causal effect on these women and their families’ livelihoods. Policy measures to counter the challenges would, therefore, have a direct impact on protecting livelihoods, especially during the pandemic.

Table 1: Traders' profile

<table>
<thead>
<tr>
<th>Respondent Number</th>
<th>Age</th>
<th>Marital Status</th>
<th>Education</th>
<th>Goods Traded</th>
<th>Border Post Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>35–44</td>
<td>Married</td>
<td>Post-secondary</td>
<td>Clothes, plumbing materials, household items</td>
<td>Songwe, Mwanza</td>
</tr>
<tr>
<td>2</td>
<td>18–25</td>
<td>Single</td>
<td>Secondary</td>
<td>Clothes</td>
<td>Songwe</td>
</tr>
<tr>
<td>3</td>
<td>18–25</td>
<td>Single</td>
<td>Secondary</td>
<td>Clothes</td>
<td>Songwe</td>
</tr>
<tr>
<td>4</td>
<td>26–34</td>
<td>Married</td>
<td>Secondary</td>
<td>Fruits, fish, fizzy drinks, kitchenware</td>
<td>Songwe, Mwanza</td>
</tr>
</tbody>
</table>
### Table 2: Profile of products traded

<table>
<thead>
<tr>
<th>Category Number</th>
<th>Category</th>
<th>Products</th>
<th>Frequency of Border Crossing For Trade and/or Sourcing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food</td>
<td>Cooking oil, sausages, spaghetti (all pasta), fresh fish, dried fish, agricultural products such and fruits such as apples, oranges, grapes, plantains, onions, mangoes, pears, lemons, dried maize, maize flour, fizzy drinks, snacks and various juices</td>
<td>Once or twice each month before COVID-19 and once or not at all in a month during COVID-19</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s establishment from the questionnaires

### 5.2 Trade profile
2 Textiles and clothing
Clothes, bales of second-hand clothes, textile materials
Once or twice each month before COVID-19 and once or not at all in a month during COVID-19

3 Consumer goods
Electrical appliances such as irons, television sets, microwaves, fridges, furniture, children’s toys, cutlery, pots, set of plates, wheelchairs, laundry baskets, cooler boxes, school bags, plastic pails
Once in two months

4 Other goods
Washing and bathing soaps, washing powders (or rather groceries), cosmetics such as body lotions, face creams, perfumes, body sprays, face powders and medicinal products which include traditional herbal products and other easily accessible pharmaceutical products, upholstery materials, printing and stationary materials, mannequins, motor vehicle spare parts, electrical and plumbing materials
Once every month

Source: Researcher’s establishment from the questionnaires

From the table above, one can clearly see that women cross-border traders import and export almost everything from agricultural products to non-agricultural ones, food and non-food items. When they leave Malawi they carry some imports from Malawi to the countries of destination, and when they come back, they bring in imports. Most of these traders use the Songwe (Karonga) border post connecting Malawi and Tanzania; the Mwanza border post connecting Malawi and Mozambique; and the Dedza border post, also connecting Malawi and Mozambique. Most of these traders used to source their products from South Africa but after COVID-19, since it was difficult to enter South Africa or pass through Mozambique or Zimbabwe, those who were trading in non-essential items, ended up turning their businesses around and started supplying food items such as apples and other fruits which came into the country by trucks from South Africa, fish from Mozambique, and maize flour, juices and sausages from Zambia and Tanzania. Although the traders import some goods from the neighbouring countries such as Zambia, Tanzania, Mozambique and Zimbabwe, most of the goods they trade in Malawi are imported from South Africa (for example, plumbing and electrical materials, clothes, shoes, bags, perfumes, cosmetics, fruit, snacks and juices among others). It can therefore be established that most of the goods that are being traded across the borders of Malawi originate from neighbouring countries such as Tanzania, Zambia, Mozambique.
and a large proportion of these goods come from South Africa. This is also verified by the World Integrated Trade Solution (WITS) data on trade flow between Malawi and neighbouring countries which lists South Africa as the main exporter of the goods which are utilised in Malawi with the same country being the largest buyer of Malawi’s exports (wits.worldbank.org).

From the survey, it can be established that 72 per cent of the regular clients for cross-border traders who trade in clothing and textile and kitchen utensils such as cutlery, pots and sets of plates are women, while the remaining 28 per cent are men. The survey reveals that women spend a lot of their money on clothing and textiles while men spend a very little amount of their income on such. On the same note, women who trade in consumer goods such as electrical appliances, plumbing materials and upholstery have a large percentage of male regular clients (about 80 per cent) while the remaining 20 per cent of their regular clients are women. Furthermore, those who specialise in trading in cosmetics such as body lotions and creams, face creams, and perfumes and body sprays or washing and bathing soaps command a large percentage of women regular clientele (about 69 per cent) with the rest being men. However, they have noted that the youthful male generation, especially those between 18 years to early 40s (around 60 per cent of the youthful male population), are shifting towards being regular customers of new and trendy clothes and cosmetics. Those trading food items and other consumables such as sausages, juices, fizzy drinks, fish, rice and other things also recorded a larger proportion of women as regular customers, but the percentage is not much (60 per cent) compared to those who buy clothes.

Most cross-border traders (about 63 per cent) listed credit as the most preferable payment with the final payment in cash, while 37 per cent of those interviewed indicated selling by cash-on-delivery as their most preferred way of payment. Money can be sent to the seller through either mobile money transfer using mobile operators TNM’s Mpamba or Airtel’s Airtel Money, or via mobile phone bank transfer which has also become a more common way of payment for those with bank accounts. Some are able even to push transfers from mobile money to a bank account to pay back for the goods they took on credit from the traders. This is so because most of their clients complain that that they cannot afford to pay for the goods in cash. However, almost everyone who was interviewed indicated that this is the most difficult way to sell their goods, such that if chances arise, they prefer to sell their goods on a cash-on-delivery basis. Often selling the goods by credit brings a lot of uncertainty especially when the buyers are relatives and you cannot take action against them for non-payment. A larger proportion of those who sell electrical and plumbing materials indicated that they sell their goods on a cash basis because they do not have enough working capital to allow clients to take the goods on credit, as this would easily cease their operations.

Most of these traders indicated that the most efficient way of communication between them
and their clients or sources in the neighbouring countries is through mobile phone. The WhatsApp application has made the viewing of the goods which are in stock easier as sellers are able to send pictures of them to the traders' mobile phones and they are able to select the goods and even pay for them in advance, before they go to collect them. This is often done to reduce the number of days spend searching for specific goods to buy whilst in the foreign country. When they are able to view and order online, they are saved unnecessary. However, there have been cases when network connectivity issues arose. Three people cited that at the time the Tanzanians were voting, network connectivity was very problematic such that they were unable to view what sellers were selling. Even if they send pictures of the items they wanted, the seller was somehow unable to view the item, this slowed down business further. In terms of costs of data, traders did not complain much about this, but indicated that since they changed the mode of procuring their goods, they knew they had to increase the amount of data they normally buy. Traders often use transporters to procure their goods, giving them the benefit of not having the usual challenges in clearing their goods at the borders which they would experience themselves if they were crossing the borders.

5.3 Impact of COVID-19 measures on women cross-border trade

While every country has been hit by the COVID-19 pandemic, each responded with different measures to curb the spread of the pandemic. Malawi and its neighbouring countries also responded by implementing different policies and measures in a bid to reduce the spread of the virus. Among others, Malawi closed all its ports of entry, including land borders and airports, to non-essential imports and exports. Passenger traffic on buses and flights going out and coming into the country was similarly stopped.

The closure of borders and ports of entry for all non-essential service providers, as a measure to curb the spread of the virus, was also implemented by almost all neighbouring and/or trading countries. For example, apart from closing its borders and ports of entry for all non-essential services providers, South Africa also implemented different levels of lockdowns where citizens' movements were restricted and were only allowed to shop at specific times. Shops and markets were equally closed and only opened at a particular time.

These measures have affected women cross-border traders in various ways. All the 15 women that were interviewed cited that the closure of borders by all trading countries has led to a decline in their profits, a fall in the amount of goods they purchase and sell, and a fall in capital because they were using part of their capital for household food and groceries and the paying of school fees when initially these other things were being catered for by the profits from the business.
Furthermore, the closing of borders has led to a change in the way business is conducted. Instead of the traders travelling by bus to Tanzania, South Africa or Zambia for example, a large proportion of the cross-border traders are ordering the goods they are interested in online. They make arrangements for payments, either using Paisa, Mukuru or by using other people in the country where they are ordering the goods to make the payment on their behalf. Once payment is confirmed, the goods are shipped to the traders by post, or via buses (possibly ferrying returnees) and trucks.

The traders mentioned a number of problems that they face using this new method of ordering goods online and receiving them later without actually going to the source physically to purchase the goods. The first problem that almost every woman cross-border trader has experienced is that the goods ordered online sometimes do not match those delivered. They are shown high quality goods but end up receiving low quality ones, because the sellers are aware that returning them back to the source country is very costly and almost impossible. These occurrences tend to compromise the trust that existed between the buyers and the sellers, thereby making future trades difficult. The second problem is that the goods have become very expensive to buy and to be transported to Malawi. As such, they are losing a lot of customers because not all of their customers can afford the higher price that they need to sell them at when the goods arrive in Malawi. In addition, when goods have been posted or sent via trucks or buses, the traders end up losing some of the goods, in spite of having received assurances of dispatch, thereby resulting in loss of revenue.

It has to be noted that COVID-19 has led to decreased demand of most of the products that the traders used to sell prior to COVID-19. As such, the way people buy goods during the COVID-19 period is different from the way they used to, prior to COVID because some have lost their jobs or businesses which were the main sources of income for their households. Some have used up their capital for other pressing issues and are unable to revive their business amidst the pandemic because goods have become expensive and the customers' willingness to pay for most goods has diminished.

Some traders explained how they are on the brink of defaulting on some loans that they obtained from financial institutions. Since their main mode of selling is by credit, they leave the goods with the customers and receive payments in instalments. Some clients have not been paying back their instalments due to salary reductions or being laid off due to reduced production because of COVID-19. In a bid to continue with their business, some of the interviewed women traders reported that they used the small amounts of instalments collected from other customers to order some more goods for further supply, hoping that they will be able to get the remaining instalments. However, it has turned out that they have used up all their capital and have supplied their goods to the customers but the anticipated flow of income is not there. As such, they are failing to service their
loans with the bank and risk losing their collaterals.

5.4 The impact of reopening of borders

As the COVID-19 pandemic is easing off, many countries have started opening their borders for trade among others. For example, Mozambique, South Africa and Zimbabwe have opened their borders slowly and some traders have begun to pass through or enter these countries. Malawi also opened its borders on 1 September 2020 where government stipulated that those arriving in Malawi or travelling outside the country should produce a COVID-19 certificate with a negative test result. In the case of Tanzania, it is demanding a COVID-19 certificate only from those countries that have a COVID-19 certificate as a requirement. The requirement of a COVID-19 certificate increases the cost for each trip since they have to get a new certificate each time they want to travel (https://travelbans.org/africa/tanzania/).

Traders indicated that they are experiencing challenges with this requirement since the COVID-19 certificate is only issued at some key points in major cities of the country, and at the price of MK35 000 which is the equivalent of SAR695. For small-scale traders like the women interviewed in this survey, it is difficult and expensive to have this test done, especially those who do not stay in the major cities and have to commute and lodge for some days awaiting their certificate before then travelling. On the whole, the time it takes to be tested takes long, such that the process is neither easy, fast nor cheap to be accessed each time the traders want to travel.

The other issue is that the COVID-19 certificate is only valid for 10 days making it the most expensive health certificate ever to be issued at that price. This has deterred some traders from continuing with business, only with hopes that they would begin again when COVID-19 conditions have improved. Some traders mentioned that fear of catching COVID-19 has made them stop their business altogether, especially those who travel to South Africa to purchase goods for their business. Other than the certificates, the Government of Malawi has placed water and soap at all border entry posts to encourage people to wash their hands when entering the country to reduce the spread of COVID-19. Furthermore, everyone passing through the border is encouraged to put on a face mask. However, this does not seem to have affected the traders as the measures are just seen as routine.
5.5 Border management and control issues

Almost every trader interviewed lamented the slowness in the clearing of goods at the border. Traders compared the Malawian border posts and South African border posts and indicated that the Malawian border posts are very slow even to clear just a few things. On a scale of 1 to 10, with 10 being the highest score, the dissatisfaction with the rate at which goods are cleared at the borders ranged from 1 to 4, with 4 being the highest score and some ranking the borders as being very poor in clearing goods.

Some traders complained that all the documents that they process for the Malawi Revenue Authority (MRA) are in English. As such, some traders fail to understand exactly what the MRA officials are trying to communicate. This brings confusion to the traders who sometimes do not understand the complicated rules that they have to follow when bringing things in from outside the country.

Another issue raised is the lack of courtesy at the border, with traders mostly being met with hostile attitudes by officials. Often, the traders have no information on duty free thresholds and further do not understand what is allowed to into the country duty free and what is not. Duties are levied on almost everything brought in, even when traders are of the impression that the goods are supposed to be duty free.

Most traders complained that there is unfairness in the way Malawian traders are treated at the border and the way foreigners are treated. Foreigners are favoured more, being treated better and with more dignity than Malawians who are treated unfairly and without dignity.

There is lack of synergy between the customs officials at the border and officials present a kilometre or so away from the border. A trader can fully clear her goods and declare everything at the border, pay and be given receipts only to be stopped at a road block a kilometre in to their journey and made to produce the receipts they paid for their goods. However, these officials always blame the customs officials at the border for not doing a good job in calculating the taxes such that the goods end up having charges ‘uplifted’. Therefore, there are multiple payments of the same duty at several borders (Songwe border then Kaporo roadblock, Rukuru roadblock, Chitimba roadblock) despite valid receipts/bank deposit slips. In addition, there is erratic fluctuation of duties on goods within a short period. When the trader fails to clear the additional charges, the goods are confiscated. This proves to be very confusing on the part of the traders and seen as harassment. Further, it slows down trade for these women, lowers their capital and profits and consequently adversely affects their livelihoods.
In addition, this lack of synergy also comes in when one clears the goods with the MRA at the border, but some few kilometres away from the border, the goods get confiscated by Standards officials indicating that they are not authorised goods and they cannot be consumed by Malawians. A clear question arises: why do the MRA officials clear something that has not been cleared for consumption by Malawians? The most surprising thing is that one can collect the goods after paying something to the officials in the form of a bribe, which is not even equivalent to the fee charged. The traders also complained of too many roadblocks in Malawi which extort traders of their hard-earned money despite duly paying customs duties.

About 93 per cent of the traders complained that the duty they pay on the goods they purchase is often higher than the prices they paid to purchase the goods and duty is sometimes charged without inspection of the goods bought. This is difficult to understand especially when the country does not produce said goods and so for people to access them, they need to be imported. The traders would understand if high import duties were required to be paid on goods that are being produced by infant industries in the country to deter them from flooding the market. This practice affects their businesses by increasing their costs, thus negatively affecting their ability to grow their businesses.

Furthermore, almost all traders complained of the poor facilities at the country’s border posts when compared to similar facilities in neighbouring countries. For example, the borders have no place for people to rest whilst awaiting the clearing of their goods. The standard of toilets is lower and there are no showers present, leaving border users to have to use nearby fee-paying bathrooms (which themselves leave a lot to be desired).

Another issue that the women cross-border traders complained about border management and control issues is that there are no foreign exchange bureaus at border posts such as Songwe, Muloza and Dedza, among others. As such, border post users and traders are left with no choice but to change their foreign currency at the available and prevailing black-market rates. This affects them negatively because sometimes the black-market operators change the rates according to the demand of the currency at any time. Not having a fixed rate makes planning for their trips very difficult.

Most traders also complained that Malawian borders close at 18:00 and open at 06:00. Anyone arriving later than the closing time or earlier than the opening time has to wait until the shifts restart. This is not positive, especially in comparison to other countries' borders like South Africa’s, which are open 24 hours a day, thus preventing people from swamping the border waiting for it to open to have their passports processed and goods cleared.
Traders further bemoaned the increasing corruption at the border, such that those who can pay extra to the officials end up skipping the queues and have their goods checked as fast as possible while those without money are left to follow the existing queue. This brings confusion and leaves many border users disgruntled.

5.6 What should be done to improve border management and control issues at the border post in Malawi?

When asked what improvements in border management and control would be important to enhance their experience in the course of trade, the traders reported the following:

- The National Trade Facilitation Committee should address and implement the issues being raised by many cross-border traders and not only women. This action can be borrowed from Zambia which implemented the same and a lot of things changed for better. There is a need for frequent meetings between border users including cross-border traders and the border management committee comprising of various border agencies to discuss issues being raised by traders. In addition, every Ministry affected in cross-border trading should place one official at the border who is conversant with issues regarding importation and exportation of goods related to their Ministry. This will assist traders and border users whenever they do not understand rules regarding certain things and they need the same to be clarified by this official.

- The government system and support should be 24 hours and be available to assist people all the time.

- Borders should be opened 24 hours just like the way neighbours are doing to reduce border congestion.

- The Government needs to partner with development partners and invest in building better border post infrastructures, bring in better equipment such that certain goods should not be offloaded to be examined but rather scanned and released.

- There is a need for mass sensitisation on taxes and their charges on goods because many traders are not conversant with how goods are charged and at what percentages.

- Government seems to collect more money from people doing small businesses, leaving big businesses without paying taxes because of connections to government officials. There is a need to demystify corruption and change the way of doing things at the border to improve businesses and the lives of the small-scale cross-border traders.

- There is a need to simplify certain rules and regulations that are related to border issues so that they should be easily understood by the lay people. This will lessen the probability of traders importing goods that are either prohibited or which attract high taxes and concentrate on
those that they can import easily and sell easily, thereby improving their incomes.

- Government budget consultations should include small-scale businesses so that they can voice their concerns on the business environment in Malawi, tax collection issues, tax increases and also improve service delivery at the border posts.
- Government should consider improving our border posts to make them less porous by improving infrastructure and security.
- The One-Stop-Border Post concept has not started working but the consultations were good. It will be beneficial to Government and traders if this mechanism starts operating.

Some further issues that were raised, as well as proposed solutions included:

### Table 3: Raised issues with proposed solutions

<table>
<thead>
<tr>
<th>Issues Raised</th>
<th>Proposed Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Delay in clearing goods</td>
<td>Need to digitise many processes to speed up the clearing processes</td>
</tr>
<tr>
<td>2. Lack of agreement between government officials which makes transporting</td>
<td>Need for all necessary officials from Government such as Malawi Revenue Authority, Malawi Bureau of Standards, Malawi Police, Ministry of Agriculture</td>
</tr>
<tr>
<td>cleared goods cumbersome as they end up being confiscated at a nearby roadblock after clearing</td>
<td>to be present at the border and yet the cleared goods to avoid goods being confiscated because they did not follow a certain procedure which was not available at the border post at the time of clearing the goods</td>
</tr>
<tr>
<td>3. Lack of agreement between government officials which makes transporting</td>
<td>There is a need to separate political parties from Government since some officials use the party to demand more money from women traders even after clearing their goods properly. Unfortunately, even the</td>
</tr>
<tr>
<td>cleared goods cumbersome</td>
<td>officials in the Government fail to apprehend those for the party in fear of being transferred to rural areas</td>
</tr>
<tr>
<td>4. High interest rates from the banks to small-scale traders</td>
<td>The Reserve Bank of Malawi should liaise with financial institutions to reduce interest rates to assist small-scale traders in accessing loans to boost their businesses</td>
</tr>
</tbody>
</table>
CONCLUSION

Women traders face various challenges in the course of trading across Malawi’s borders. As is evident from the foregoing, the COVID-19 pandemic has compounded challenges faced by these small-scale traders, particularly as their mobility has been compromised due to various restrictions imposed in Malawi and neighbouring countries. Challenges with border management and control seem not to be as a direct result of the pandemic but are issues that are recurring and require concerted action to resolve. It is without doubt that cross-border trade contributes a lot to the economy of Malawi and brings a variety of consumables to the population, but without proper infrastructures, processes and structures which assist women small-scale traders, the better life that makes them leave their homes to engage in the trade business with other countries will remain a far-fetched dream.