

Challenges Facing Zimbabwean Cross Border Traders

Trading in South Africa: A Review of Literature

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Cross border traders make a major contribution to the growth of economies in Southern Africa. Cross border trade is a source of livelihood for many poor people, especially women. However, few studies examined challenges facing cross border traders and future business prospects. The aim of this paper is to examine the challenges that face Zimbabwean cross border traders in South Africa. The paper goes further to review existing literature as well as empirical studies in order to identify the major challenges that face Zimbabwean cross border traders. Among the challenges noted are crime, harassment due to xenophobia, traders are often stigmatized as “prostitutes” or “smugglers”, accommodation problems, extortion and bribery by the South African Police and municipal police officials, delays at the border post during peak periods and banks that close early and also do not operate on Sundays. The Zimbabwean Cross Border Traders Association should build office in Musina and Johannesburg so that members can easily consult with the association in times of problems and also help with marketing information like distribution of brochures showcasing Zimbabwean products sold by cross border traders and also organize fairs where Zimbabwean traders can display their products. Furthermore cases of harassment by police officials should be investigated and dealt with. Banks that do have branches at the border posts are also urged to provide 24 hour service to cross border traders.

Keywords: cross border traders, challenges, regional trade, border, exchange, goods

Introduction

Cross border trade between South Africa and Zimbabwe has spiraled due to economic crisis in Zimbabwe. This can be attributed to a number of related factors including high unemployment, high inflation, shortages of foreign currency, shortages of goods and commodities, high levels of poverty, and food insecurity (Chani, 2008). Unemployment in Zimbabwe which currently stands at close to 94% has forced many people to shift to the informal sector where they hope to earn a living among such group are cross border traders who frequently

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travel to neighbouring countries to sell their products and return home with more goods for re-sale and some foreign currency (Mwaniki, 2011). The presence of a thriving black market given the differential in foreign currency rates, poor political environments, the collapse of the social sector such as health care and education also promote cross border trade.

The informal cross border trade provides people with a source of income and employment (Banda, 2010). Cross border trade enables traders to meet the education, housing and other basic needs of a significant number of their dependants. Peberdy (2002) indicated that cross border traders supported on average 3.2 children as well as 3.1 dependants who were not children or spouses. Peberdy and Rogerson (2000) stated that research suggested that cross border trade involved a greater number of female than male entrepreneurs, thus promoting the empowerment of women in the Southern Africa Development Community. Most are aged between 25 and 35 years. This trade has been going on for several years but under very difficult circumstances.

Historically, cross border trade in Zimbabwe dates back to pre-colonial times. People carried out barter trade without the need for formal registration. At independence, many African states adopted the artificially created borders, which led to the emergence of tariff and non-tariff barriers. This in turn has disrupted informal economic activity. Goods were sold internally within Zimbabwe and across the border to neighboring countries. Muzvidziwa (1998) postulated that informal cross border trade was often associated with low-income earners. Muzvidziwa (1998) also stated that informal traders were also viewed as “smugglers” while women are labeled as “prostitutes”.

In the light of the above it is necessary to find out the problems facing the cross borders from the moment they leave Zimbabwe to South Africa and if possible to come up with solutions to make the trade much easier.

Review of Literature

This section explains the challenges facing Zimbabwean cross border traders from the point they cross border traders cross into South Africa.

Sexual Harassment

Tay (2010) estimated that in Zimbabwe around 70% of women of reproductive age were involved in cross border trade. Tay (2010) further pointed out that many of these women were forced to engage in transactional sex along the corridors to obtain accommodation, transport or to get through the borders. The sexual harassment claims are supported by Matakanye (2011) who stated that on average 10 women are raped on South African border daily. This translates to about 300 women raped every month. Matakanye (2011) went on to highlight that also men were sodomised or forced to rape females travelling with them. Matakanye (2011) also stated that the rape incidents were traumatizing because some of the victims were elderly women who were raped in front of their children and spouses. Of great concern are cases that are never reported or reported too late to provide adequate health care especially when sexual transmitted diseases have been passed on. Tay (2011) was of the opinion that most of the sexual harassment offences were committed by officials (customs officials, police, and soldiers) at the border post.

Crime and Theft

Rutherford (2008) stated that cross border traders without proper documentation often resorted to crossing illegally into South Africa through the porous Messina border post and often fell prey to *maguma-guma*, a term that translates as people who seek to make a living through dubious means. *Maguma-gumas* operate along the

railway line from the border into Musina and other pathways Zimbabweans take and attacking the illegal cross border jumpers. Some of these *maguma-guma* active in South Africa are said to be Zimbabweans residing in South Africa as well as South Africans. Regardless of their nationality, it meant one more risk Zimbabwean migrants had to navigate as they sought some form of security and livelihood for themselves and typically their dependents awaiting back in Zimbabwe for their return as well as any remittances. Cross border traders are often robbed of their possessions such as cell phones, money, and food (FMSP and MLAO, 2007; HRW, 2008; Rutherford, 2008). A recent trend has been to hold the illegal cross borders in captivity in Gauteng area until their relatives in South Africa have paid ransom to the *maguma-gumas* for the cross border to be released. Crossing through undesignated points has increased due to the cost of acquiring passports, longer waiting periods for the processing of passports.

In a study by Strategic Business Partnership for Growth in Africa (2007), crime was the most commonly mentioned problem among respondents specifically the theft of cash or goods. Respondents reported goods and/or cash being stolen whilst they were shopping, as well as at trading points and transport nodes (taxi ranks and airports for example). It is possible that shoppers experience additional vulnerability to theft due to the often large volumes of stock they carry. In addition, many retailers selling to cross border shoppers operate on a cash only basis, which means that shoppers often have to carry large amounts of cash.

Access to banking services has been also highlighted as a problem because banks do not open on Sunday and also operates from 8:30 a.m. to 4 p.m.. There is need for 24 hour banking services at Beitbridge border post. Zimbabwean banks introduced cross-border electronic Automated Teller Machine (ATM) card system to try and alleviate the problem of cross borders carrying huge sums of money. Under this facility Zimbabwean cross border shoppers could load their ATM card with Rands in Zimbabwe and could use an ATM card to withdraw the money in South Africa without using the informal moneychangers, as has been the case thus far. The electronic cards are presented as a panacea for such problems. Banda (2010) noted with concern that efforts by the Zimbabwean banks received a lukewarm reception from cross border traders. This could be attributed to the fact that Zimbabweans have lost trust in the banking system, high bank charges and the existence of the thriving parallel market for foreign currency in Zimbabwe.

On the other hand, Punungwe (2007) observed that cross border traders also participated in organized crime. The cross border traders, bus crews, and customs officials engage in massive organized tax evasion resulting in massive losses to the very badly cash-strapped Zimbabwe government. Some bus crew charge "border fees" to facilitate passengers passing through the borders without declaring their goods. Bus crews collect money, outside the regular bus fare, for the purpose of bribing Zimbabwe Revenue Authority (ZIMRA) officials. Cross border traders feel the US\$300 duty free every month affects the viability of their operations.

Harassment Due to Xenophobia

Rutherford (2008) indicated that there had been targeting of Zimbabweans notably in Cape Town and Gauteng provinces. In townships such as Alexandra there is widespread hostility towards foreigners. Cross border traders often lose their stock and money in townships such as Alexandra. Hunter and Skinner (2001) indicated that in a survey in Durban cross border traders complained that "Black foreigners are not treated like white foreigners in South Africa, the problem is with the attitude of black South Africans who call us names". Foreigners are also accused of practicing witchcraft hence most South Africans shun products brought by cross borders for sale in South Africa. Muzvidziwa (1998) postulated that reports are abound of women traders who

have been accused of using “muti” (African traditional herbs) to influence the behaviour of their customers and also the use of dead zombies or spooks to make products for sale in South Africa.

Strategic Business Partnership for Growth in Africa (2007) noted that while most cross border shopping traditionally took place in the Johannesburg Central district, incidences of violence, civilian and police harassment and general xenophobia had displaced shoppers and traders towards Fordsburg and the East Rand Mall.

Harassment by Police

Karoila (2009) claimed that travelers from Zimbabwe to South Africa were often subjected to police brutality at the Beitbrigde border post. However, the South African Police argued that they only resort to using force when there are crowd control problems at the border post especially during peak season when queues are long. Often the South African Police uses sjambok (a whip) to control the crowd. The *Zimbabwe* (2010) stated that at the border post “No one challenges the policeman for the inhuman treatment but instead try to please them (policeman)”.

Whilst police harassment has been noted as an obstacle for the traders in South Africa. Hunter and Skinner (2001) alluded to the fact that at times police officers would be genuinely trying to enforce municipal by laws especially for traders who sold their goods in the Central Business Districts of major cities. Metro police in the inner city are periodically instructed to remove those who are trading without a permit. Metro police officers are entitled to confiscate goods of traders who are operating without permit and fine them. Once the traders have paid a fine, the goods are supposed to be returned to them.

Stigmatization

Muzvidziwa (1998) observed that women cross border traders had often been labeled as witches. Muzvidziwa (1998) further reported that women cross border traders were linked to the sale of human parts. The human parts mixed with herbs which are believed to bring luck to businessmen in South Africa. These accusations were all found to be baseless. In South Africa cross border traders threaten their customers if they do not pay their dues by telling them that their private parts will be disappeared. The threats are also found to be baseless and the use of threats has managed to fan fear and hatred of cross border traders in certain quarters of the South African community. This prevents most Zimbabwean cross border trader conducting their trade freely in South Africa.

Muzvidziwa (1998) also elaborated that the portrayal in the media of cross-border women as prostitutes has been a consistent feature of the Zimbabwean media reports. Stories about how some cross border traders prostituted themselves with haulage truck drivers and how some spent long periods in South Africa selling nothing but their bodies are also common. Women cross border traders have often been blamed for the surge in HIV/AIDS cases in Zimbabwe. Recently also the Zimbabwean state propaganda has also labeled cross border traders as MDC supporters.

The male cross border traders are often labeled smugglers or informal couriers known as “*malaitshas*”. The *malaitshas* are notorious for tax evasion and smuggling. The *malaitshas* openly promise their clients that no duty will be paid for goods they ferry to Zimbabwe. They charge exorbitant fees and pocket all the money, to the general detriment of taxpaying and law abiding public (Punungwe, 2007).

Accommodation Problems

A report by Strategic Business Partnership for Growth in Africa (2007) citing Fanaroff Associates points out that another major obstacle to longer stays was the lack of affordable, safe, well-located, and clean

accommodation. This was a problem mentioned by 29 percent of respondents surveyed by Fanaroff Associates. The Strategic Business Partnership for Growth in Africa (2007) report suggested that the top end of the sector may be adequately catered for in terms of accommodation and transport as there appeared to be a sufficient number of reasonably priced hotels in Johannesburg. However, supply does not seem to have kept up with demand for those seeking cheaper accommodation. There is a lack of accommodation for those who cannot afford accommodation at rates of more than R60 per night.

Delays at the Border Post

Delays at the border post are common phenomena especially during the peak period. Zhangazha (2009) indicated that it may take 12 hours to have a passport stamped at the border post. Often during the same period customs officials often embark on go slow strike this worsens the situation at the border. Zhangazha (2009) stated that with between R30 and R50 one can jump the queue. The money is given to one of the officers controlling the queue at the front. The customs officials on the other hand complain that with the relaxation of the visa process they can no longer cope with the influx of Zimbabweans into South Africa. The relaxation of the visa although welcome cross border traders still feel that the 90 days that they are granted by South African authorities are not enough for them to conduct their business in South Africa because at times the cross border traders have to wait until month end to collect their money from their customers in South Africa.

Extortion and Bribery

Strategic Business Partnership for Growth in Africa (2007) survey probed for information about police harassment and official corruption as issues affecting cross-border shoppers and traders. Respondents were asked whether government officials or police had ever interfered with their businesses, or ordered them to move or close down. A quarter of the respondents indicated that they had experienced government interference of this kind. The nature of the interference included the confiscation or vandalism of their goods by officials or police, arrest or removal from trading posts, and checking of respondents' documents (In some cases, police were probably legitimately enforcing municipal by-laws regarding hawking and trading).

Conclusion and Policy Recommendations

This paper has examined the challenges and reviewed extensive literature in regard to the challenges facing cross border traders. The key message from the literature review is that the cross border traders face numerous challenges which could if unaddressed hinder the cross border trade. The challenges are namely:

- Sexual harassment;
- Crime and theft;
- Harassment due to xenophobia;
- Harassment by police;
- Stigmatization;
- Accommodation problems;
- Delays at the border post;
- Extortion and bribery.

Having identified the challenges facing cross border traders, the next step will be to devise ways to mitigate the challenges faced by cross border traders.

With regard to sexual harassment the South African and Zimbabwean governments should establish a

dedicated sexual and gender based unit at the Beitbridge border post in which police officers from both countries can carry joint operations to arrest perpetrators. The police officials should also handle such cases seriously and avail trauma counselling and also avail antiretroviral drugs to victims of rape and abuse.

Crime and theft is often difficult to manage since it is not predictable that the cross borders will be robbed. However, certain conditions such as sleeping outside shops and trading places by cross border traders make cross border traders vulnerable to thieves and armed gangs. The government of Zimbabwe should rent buildings in the trading corridors and avail them to bona fide cross border traders at affordable rates.

Most of cross border traders are also robbed at the Musina border post whilst waiting for banks to open in order for them to convert their currency from USD, Pound or Pula into Rands. It is encouraged that banks that do have branches at the border posts are also urged to provide 24 hour service to cross border traders. This will significantly reduce the number of robberies.

Cases of harassment by Police officials have been reported several times in the press. In order to curb the this practice, the police officials stationed at the border posts should be rotated almost after three months and also top management of the police and also detectives are also encouraged to carry out random visits to check their fellow officers. Installation of cameras in the offices and outside the buildings at the Beitbridge station will reduce corruption. The use of undercover Police detectives will also reduce instances of corruption at the border post.

The delays at the border post can be reduced by establishing a one stop shop concept where the Zimbabwean and South African officials can operate from one office building and conduct the stamping of passports and inspections at one central point. This will reduce the need to offload on the Zimbabwean side and also offload on the South African side.

The Zimbabwean Cross Border Traders Association should build office in Musina and Johannesburg so that members can easily consult with the association in times of problems and also help with marketing information like distribution of brochures showcasing Zimbabwean products sold by cross border traders and also organize fairs where Zimbabwean traders can display their products.

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