

The Relevance of the Simplified Trade Regime in Addressing Trade Protectionism: Small Scale Cross Border Traders at Chirundu One Stop Border Post

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Abstract: This study focuses on the relevance of the Simplified Trade Regime (STR) in addressing border protectionist measures that constraints the operations of small scale cross border traders at Chirundu One Stop Border Post (OSBP). The STR programme is an initiative of the Common Market for Eastern and Southern Africa (COMESA) and it is being implemented in the COMESA Region by the Member States. Zimbabwe as one of the COMESA State has signed the STR agreement with its neighbours, Zambia and Malawi and these agreements were facilitated by the COMESA Secretariat. The STR programme is meant to benefit the small scale cross border traders in several ways such as: employment creation, food security and promotion of cross pollination of goods within the COMESA Region. The major hypothesis underlying this study is: The COMESA Simplified Trade Regime is likely to provide remarkable solutions to the trade protectionist challenges faced by small scale cross border traders in their trading operations within the COMESA Region. The main objective guiding the study is: to discuss the impact of the COMESA STR in addressing trade protectionist challenges faced by small scale cross border traders. Researcher noted that there are few studies that outline the significance of STR in addressing trade protectionism, yet small scale cross border trade is fundamental for the development of Zimbabwe's political economy. The study is centred on the liberalism theory. The study employed both qualitative and quantitative methodologies. The major recommendation derived from the study is that the Zimbabwean and Zambian governments should address protectionist challenges that are hindering the operations of small scale cross border traders at Chirundu OSBP and this could help to improve small scale cross border trade.

Key words: Border challenges, corruption, non-tariff barriers, COMESA integration, Zimbabwe

INTRODUCTION

The major objective of this study is to discuss the relevance of the COMESA Simplified Trade Regime (STR) in addressing the protectionist challenges faced by small scale cross border traders. The establishment of the COMESA STR seeks to strengthen economic relations of the COMESA member states as well as buttressing the significance of regionalism, integration and interdependence of various political economies. COMESA STR is a cross border reform programme and its major aim is to transform and mainstream informal cross border trade into formal cross border trade. This is associated with several advantages such as improved reporting of trade at both national and regional level. Southern Africa Trust (2013) notes that informal cross border trade contributes about 40% to the COMESA economy thereby assisting to address poverty challenges. Generally, small scale cross border trade is very fundamental to the Zimbabwean political economy and COMESA in particular. Thus, small scale cross border

trade helps to sustain the Zimbabwean economy by contributing to job creation, food security and economic growth.

The implementation of trade facilitation measures usually helps to increase a country's ability to use the benefits of market access. COMESA has improved market access through the implementation of the simplified trade regime which focuses on creating trade for the small scale cross border traders. Researcher observed that literature covering Africa's small scale cross border traders is very scarce and some of the studies have been carried out long time ago. For instance, Kallungia study entitled: the impact of informal cross-border trade in Eastern and Southern Africa was conducted in 2001. There were so many changes that occurred in the realm of small scale cross border trade even though Kallungia's study was thorough and meticulous. However, this study captures the relevance of the STR programme which was introduced by COMESA in 2010 and this study actually gives a current view of small scale cross border trade in relation to trade facilitation.

The majority of the literature on STR is found on newspaper publications and non-peer reviewed internet sources, for instance, Herald, IPS News Agency and Zimbabwe Development World Press and one might observe that these sources lack academic professionalism even though the publications are detailed. This study therefore, adds knowledge to the body of existing academic literature since, the research was conducted using intensive primary and secondary data gathering techniques.

Researcher noted that the majority of the studies on small scale cross border trade focus on the informal cross border trade. For example, Afrika and Ajumbo (2012) presented studies that centrally focus on outlining the challenges affecting small scale cross border trade and their recommendations were on giving strategies that can be adopted by informal cross border traders in order to improve their operations. However, this study desists from researching on the implications of small scale cross border trade and it therefore puts much attention on the COMESA STR programme which focuses on transforming informal small scale cross border trade into formal and legitimate trade.

This study was conducted in the framework of the economic liberalism theory. Economic liberalism as articulated by Adam Smith is defined as an ideology of limiting the powers of the state in organising the economy, meaning that the possible number of decisions are made by private individuals. Thus, the government should not try to control wages, rents and prices on the market but should allow competition and market forces to create equilibrium between demand and supply in order to benefit the majority of a nation's citizens. The activities of the small scale cross border traders reveal the aspects of demand and supply since, they act on profit motive. The theory of liberalism has some basic tenets and principles that are continuously respected by several scholars. Wells notes that the major principles and tenets of liberalism raised by Adam Smith in his researches include: free trade; free flow of capital; competition in the markets; limited role of the government in the economy and specialisation. However, the fundamental assumptions of free trade are given by McCalla (1969) who indicates that: the main guiding assumptions for free trade are:

- Full or pure domestic and international trade
- Factors are mobile within and between industries inside the nation but immobile between nations
- Full employment of all resources exists
- A currency such as gold exists which is multilaterally convertible at approximately stable rates

- A monetary system exists which can either automatically or be central management adjusts to promote smooth or rapid equilibrium of international balance of payments

Thus, the concept of free trade/trade liberalisation emphasises the free movement of goods, finance, capital and services. In other words, free trade stresses the significance of balance of trade in international trade. The concept of balance of trade is actually based on maintaining equilibrium between imports and exports. The study found that trade protectionism can be used as a measure to improve Zimbabwe's balance of trade, thus, restricting imports whilst promoting the increment of Zimbabwe's exports through the small scale cross border traders.

From available literature on Zimbabwe's economic liberalisation much emphasis was made on the Structural Adjustment Programmes (SAPs). These programmes were implemented by several African countries in the last two decades that is a period between 1980 and 1995. Some of the researchers who wrote on the link between economic liberalism and SAPS. These mentioned scholars presented valid arguments in expressing the impacts of SAPS in reducing trade protectionism on African countries but the main challenge is that the SAPs have failed to yield fruitful development for Africa and in this present era, SAPS have lost their significance. This study desists from focusing on the link between structural adjustments programmes and liberalisation, therefore, it evaluates the costs and benefits of trade protectionism in the context of the COMESA's Simplified Trade Regime programmes.

METHODOLOGY

Researcher applied both qualitative and quantitative methodologies, a process that is referred to as triangulation. The main reason of triangulating methodologies is to give an in-depth and comprehensive analysis of the study topic which is mainly focused on evaluating the relevance of the STR in addressing protectionist challenges affecting the operations of small scale cross border traders. The researcher also employed both primary and secondary data collection methods. Primary data was collected using interviews, observations and questionnaires whereas documentary search was applied to collect secondary data. The researcher spent 2 weeks at Chirundu One Stop Border Post (OSBP) collecting primary data through observations, interviews and distributing the research questionnaires. Data gathering process was conducted from the second of December up to the 15th of December 2014. Researcher

chose Chirundu OSBP on the basis that it is the biggest and busiest border post that links Zimbabwe with the COMESA member states such as Zambia, Malawi, Democratic Republic of Congo and Kenya.

Researcher applied both probability and non-probability sampling techniques to select the respondents. Sampling is defined as choosing a fraction of the population in the study, area which would represent the whole population. Thus, observations and data gathering would be conducted from a small group for example batch, lot, set or bunch. The purpose of sampling is to reduce time and costs. With the use of sampling, it is easy to generalise the research findings to different settings (Brenton, 2003). One of the most significant factors that determine the sampling procedures is the target population. Researcher discovered that there was no register or database containing the list of names of small scale cross border traders. Researcher therefore relied on information provided by the COMESA Cargo Manifest project which outlines that there are about 400 small scale cross border traders who transit Chirundu OSBP on daily basis. The target population for the study therefore became 400. The researcher administered 100 questionnaires on 15 December, 2014 and they were distributed using systematic sampling. Thus, researcher was picking every fourth trader transiting Chirundu OSBP and the questionnaire distribution process took the whole day. It started at 6 a.m. in the morning when the border officers opened the border and the process ended at 21:40 p.m. when the officers were about to close the borders. The small scale cross border traders responded positively and all questionnaires were filled adequately. Key informants for interviews were chosen through purposive sampling. Thus, researcher chose the people who had relevant information in relation to the COMESA STR programme as well as having an in-depth understanding of small scale cross border trade. Respondents for key informant interviews were selected from the head offices of various ministries such as: the ministry of small and medium enterprises; ministry of agriculture, mechanisation and irrigation development and the ministry of industry and commerce. Some of the key informants were also chosen from organisations such as the Zimbabwe Revenue Authority (ZIMRA) and the Zimbabwe cross border traders association.

Researcher applied documentary search to evaluate the relevance of the STR in addressing trade protectionist challenges affecting small scale cross border traders. The documents collected from various institutions, ministries and organisations were helpful in providing statistics as well as a historical background of the COMESA STR. This can be buttressed by Punch who argues that documents

are a rich source of data for social science researches. Researcher paid much respect to the ethical considerations and the letter from the university was used to gather permission to collect data from the relevant ministries and authorities. Data collected from the respondents was treated with much confidentiality and professionalism. Thus, researcher utilised the data for academic purposes only and at the same time safeguarding the profiles of the respondents. The names and personal details of the respondents were not published in the paper. Researcher applied content analysis in analysing data gathered from interviews, documents and observations whereas statistical package for social sciences was utilised to analyse data collected from questionnaires.

SIMPLIFIED TRADE REGIME AND SMALL SCALE CROSS BORDER TRADE

COMESA implemented the STR programme in order to help the small scale cross border traders to benefit from the COMESA Free Trade Area (FTA). Before, the implementation of the STR, it was really difficult for small scale cross border traders to pursue the benefits of cross border trading since, the environment was highly in favour of big commercial traders who were able to meet the documentation procedures and standards required at the borders. STR therefore, brought some significant border reforms that ensured simplicity of border crossing procedures and this helped to significantly improve the transformation of small scale cross border trading from informal to formal trade. The STR plan was initiated in 2007. The STR came into force on 31 May, 2010. Zimbabwe entered into the STR agreement with Zambia and Malawi in 2010. The major aim of COMESA STR is to promote intra-COMESA trade through, the promotion of cross border trade and investments. COMESA Treaty Article 159 (1b) indicates that "In order to encourage and facilitate private investment flows into the Common Market, Member States shall adopt a programme for the promotion of cross border investments." COMESA therefore allows its member states to embark on agreements that establish the STR programme. This is supported by Zimbabwe National Trade Policy (2012-2016) which outlines that "The policy will also explore and consider extending the concept of the Simplified Trade Regime to other neighbouring trading partners under the auspices of COMESA/SADC or bilateral trading arrangements in order to facilitate and simplify cross border trade which is mainly dominated by women". During the period of the study, Zimbabwe was in an STR agreement with two COMESA member states namely Zambia and Malawi.

COMESA STR is utilised by small scale cross border traders exporting or importing goods from one COMESA member state to the other and it restrict traders to export or import goods valued at not more than US \$1000. Initially, the threshold was US \$500 and was later upgraded due to further researches and support which was given to the programme. The COMESA STR has three major components that include: a common list of qualifying products, a simplified customs document and a simplified certificate of origin. The consignment should be made up of products with resale value for it to qualify for import duty exemption. The COMESA STR has been introduced to solve the problems faced by small scale cross border traders such as: lack of knowledge and information on the benefits of trading with other COMESA countries; complex documents and complicated processes of filling the current forms; increased clearance costs and delay in the clearance of goods. Basically, COMESA STR has the overall aim of overcoming trade barriers by simplifying the whole processes of clearing goods at the borders. Generally, the goods imported or exported should comply with the normal animal, plant health or food safety regulations including environmental protection. The application of STR does not rule out the significance of export or import permits, meaning to say, traders are required to acquire permits needed to export or import certain agricultural foods and animal products.

During the period of the study, small scale cross border trade was marred by informal activities at the borders and the market places. Informal cross border trade is defined as small business activities carried in the region and this trade is unrecorded in official statistics. Informal cross border trade categorically and characteristically involves the bypassing of border posts, under invoicing, under reporting, concealment of tax evasion and other fees imposed by government in areas such as health, immigration, security and agriculture which are perceived as time consuming, costly and complex (Njiwa, 2013). The study noted that there are three major categories of small scale cross border traders at Chirundu border. The first category involves the cross border traders that operate informally. These informal cross border traders smuggle products using bush paths. They do not cross borders at the border posts and they use bicycles, donkeys and feet to jump the borders. They carry their goods on their heads and some of them hire labour to carry their goods across the borders. They usually cross the borders during the night. The major challenges faced by these small scale cross border traders include: their goods are sometimes seized by security officers; vulnerable to animal and snake attacks since, they cross the border at night and in the bushes and they do not enjoy the benefits of COMESA

STR. Cross border traders who fall in this category operate outside the formal economy of a nation and some of them usually smuggle prohibited products such as drugs, illegal alcohol and those products that require import permits. They evade from rules and regulations guiding the processes of formal international trade. The second category of small scale cross border traders involves those traders that pass the borders at the border posts whilst operating informally. Some of the cross border traders who fall under this category cross the border without passports. Thus, they establish relations with the border agents and they pay bribes in order for them to transit the border post. These cross border traders evade the payment of border duties and they also evade from the policies that are related to trade. The third category of small scale cross border traders involve those traders that adhere to legal border processes and regulations such as the use of passports, rules of origin documents, SPS documents and the utilisation of import and export permits. They pay border duties and as well as utilising the benefits of COMESA STR.

The study observed that small scale cross border trade is dominated by female traders. Data gathered from questionnaires indicates that 73% of small scale cross border traders are women whereas male traders constitute the minority representation of 27%. The 35% of small scale cross border traders who responded to the questionnaire were divorced (that is single mothers and single fathers) whereas 29% was made up of married people. About 25% were widows and widowers, 11% were boys and girls who are not yet married. About 27% of Zimbabwe's small scale cross border traders who operate in foreign countries have sexual partners at their workplaces. The study also noted that the cross border traders constitute various age groups: 20 years and below constitute only 4%; 21-30 years constitute 19%; 33% are within the age limit of 31-40 years; 41-50 years constitute about 31% and over 51 years constitute about 13%. Generally, small scale cross border trade is dominated by women and these women indicated that the Ministry of Gender and Women Affairs was not doing much to promote women traders. The government should therefore, implement a wide range of policies and programmes that tend to benefit the women traders.

SIMPLIFIED TRADE REGIME AND TRADE PROTECTIONISM

This study discusses the role of COMESA STR in addressing trade protectionist features affecting the operations of small scale cross border traders. The major aim of the COMESA STR is to enhance trade facilitation

through, the simplification of customs procedures in particular to small scale cross border traders. Trade facilitation is seen as the simplification, modernisation, standardisation and harmonisation of trade procedures. It seeks to reduce trade transaction costs and barriers at the interface between government and business and it is an agenda item (Grainger, 2008). Trade facilitation aims to reduce trade protectionist practices so as to ensure trade expansion. The implementation of STR by Zimbabwe and its trading partners such as Zambia and Malawi is mainly to promote the elimination of trade barriers that hinder the operations of small scale cross border traders. The major trade protectionist barriers faced by small scale cross border traders include: Sanitary and Phytosanitary (SPS) measures, import permits, long border queues, border delays, high import duty rates, unnecessary border inspections and searches, poor border administration, corruption, import and export bans, government policies and regulation, tollgates, quotas and trade taxes.

Protectionist challenges faced at the Chirundu OSBP:

The study noted that there are several challenges that are experienced by small scale cross border traders at the Chirundu One Stop Border Post (OSBP) and these include: payment of customs duties on goods that attract no customs duties owing to a lack of knowledge of the importance and existence COMESA STR. ZIMRA and ZRA officials were not advising those traders who were ignorant about STR to get the STR forms from the Trade and Information Desk (TID) and these ignorant traders were subjected to the payment of import duties; there are no affordable accommodation facilities at the Zimbabwean borders. Chirundu OSBP does not open for 24 h per day. It is closed during the night and the traders who get to the border when it is already closed are forced to sleep on the roads and open. These traders are being exposed to wild animal attacks, dogs and snakes. In addition, closing borders at night exposes traders to the risks of robbery and loss of goods; physical and sexual harassment, especially against women by male border agencies such as immigration officers and Zimbabwe Republic Police (ZRP) officers especially to the women crossing border without passports or smugglers; seizure of goods by border officials because of incorrect payment or non-payment of customs duties; uneducated cross border traders face challenges of feeling STR forms as well as failing to interpret tariff handbook. Generally, the majority of the cross border traders are not well informed about the issue of tariffs, they are forced to pay bribes at borders for no apparent reasons. Cross borders were raising the point that the Zambian Revenue authority officers sometimes fail to respect the STR by forcing traders to

pay duties; the customs officials sometimes reject the relevance of the STR thereby forcing small scale cross border traders to pay duties yet it will not be within their budgets to do so. This results in a situation whereby traders make small amount of profits or sometimes huge losses. The revenue authorities (ZIMRA/ZRA) from both sides of the border sometimes manipulate the rules of origin as a way of making traders to pay duty unnecessarily. Thus, they sometimes fail to acknowledge the relevance of the rules of origin policies which exempt traders from the payment of import duties on goods that were manufactured or produced in the COMESA Region; the study found that the border clearance agencies work on targets and if they fail to reach their targets they end up putting unofficial tariff rates where as other officers charge the traders the duty on some products they are not even supposed to pay; there is an influx of bogus border agencies and this is resulting into a situation where cross border traders are being swindled; some of the border security agencies do not have an understanding of the relevance of the COMESA STR. The ignorant police officers usually harass cross border traders to produce duty clearance forms which seek to prove that the trader has fully paid import duties at the border yet those who utilise STR at the border may not have the import duty documents due to the duty exemptions associated with STR. This occurs at the inland road blocks where police officers search goods in the busses to find out if the traders have paid import duties at the borders. The government should therefore educate the police officers about the utility of the STR to avoid harassment of traders; lack of information awareness programmes. The STR programme was not fully sensitised to the traders thereby causing confusion whenever the small scale cross border traders gets to the borders. The majority of the traders do not understand the rules of origin and other related issues such as SPS certification and import/export permits. Governments and COMESA should provide further educational and advocacy programmes to improve the effectiveness of the STR.

Figure 1 shows the challenges that are being face by small scale cross border traders at Chirundu OSBP. The major challenges affecting the majority cross border traders are: lack of accommodation at the border, corruption, connived by bogus border agencies and goods being impounded by ZRP, ZIMRA and ZRA agencies due to lack of payment of proper import duties or sometimes transiting goods without proper permits. The establishment of an OSBP at Chirundu has helped to reduce the effects of border delays and long queues. The majority of the small scale cross border traders also indicated that there is a reduction of sexual harassment by

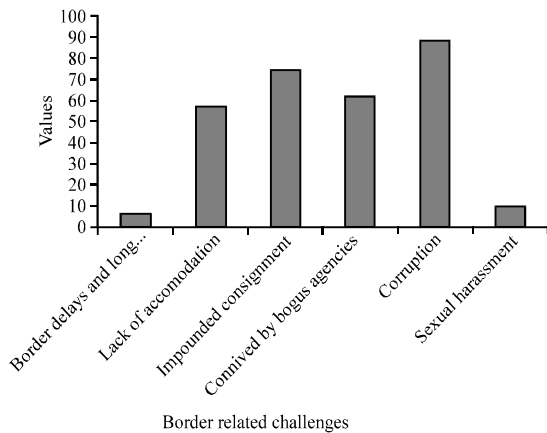


Fig. 1: Summary of border related challenges

border agencies such as immigration officers, ZRP, ZIMRA, ZRA and other related authorities. The reduction of sexual harassment is as a result of tightened national laws as well as fear of getting sexually transmitted diseases such as HIV and AIDS which is an incurable disease.

Import and export bans: The 21st century trade protectionism has taken several characteristics which are quite different from the traditional protectionist measures. There is an increasing impact of import and export bans to Zimbabwe's trade with its COMESA trading partners. The Zimbabwean agricultural authorities have a list of agricultural products whose importation and exportation was extremely banned during the period of the study. Interviews with the respondents from the veterinary technical services and the plant quarantine services indicate that the major examples of banned products to transit the Chirundu OSBP include tomatoes, onions, vegetables and fresh fruits such as oranges, bananas, apples, mangoes and peaches among other fruits. The reason given by the officials from the plant quarantine services was that Zimbabwe was preventing the contamination of Zimbabwe's agricultural products by the Zambian fruit fly. Thus, since 2009 there was no transit of fresh fruits at Chirundu OSBP with the aim of controlling fruit fly. On the other hand, animal products under ban include cattle, goats and sheep. The importation of Zambian cattle is prohibited because Zambian cattle usually suffer from a disease called Bovine pluro pneumonia which is very difficult to combat in Zimbabwe and the medicines for this disease are very expensive. These products are on high demand in Zambia whereas the Zimbabwean government has been refusing to offer the export permits (phytosanitary certificate) to the

traders. Interviews with the traders showed that the Zambian agricultural authorities were so much willing to issue the import permits for the Zimbabwean oranges but the Zimbabwean side was not issuing the export permits. The study therefore, discovered that Zimbabwe was not exporting oranges because they were in short supply in Zimbabwe so the agricultural authorities were trying to satisfy the local demand that is ensuring full supply to the local manufacturers of orange related juices and soft drinks. Thus, the issue of imposing import and export bans is to a larger extent utilised as a protectionist measure to shield the interests of the local producers as well as monitoring the availability of a product in the local market. This therefore, negatively affects regional trade since, the bans prohibit the flow of goods across the region. COMESA should therefore investigate the bans imposed by member states on the importation and exportation of certain goods and this may help to address the challenges affecting intra-COMESA trade.

Import permits and export permits: The study noted that the majority of products that were imported and exported by the Zimbabwean traders require the application of import and export permits. The major examples of products that were traded by small scale cross border traders that require permits include plastic products, maize, rice, wheat, caterpillars (madora), kapenda (matemba), knitting wool and baby wool clothing among others. The major permits required in the importation and importation of these products includes: phytosanitary permits, import declaration certificate, transit permits, baby permits, certificate of origin and bio-safety permits among others. During the period of the study, permits were strictly issued in Harare by head offices of the several departments and Ministries such as Tobacco Industry and Marketing Board, Veterinary Technical Services, Plant Quarantine Services, Agricultural Marketing Authority, Zimbabwe National bio-Technology Authority and the Ministry of Industry and Commerce. It was discovered that some of the traders were staying in areas along the borders and travelling to the capital Harare to acquire a licence was a huge business cost. It was also discovered that acquiring permits in Zimbabwe was cumbersome as the permits are required to be endorsed by various offices and there was also a challenge of bureaucratic pathology. Thus, the processes for acquiring documents were long and this is actually not health for regional trade. Long documentation procedures usually embarrasses potential traders thereby pushing them out of business or some of the traders may be forced to trade on commodities that do not require permits which would be out of their desires. This negatively affects the regional trading of products

that strictly require the application of import or export permits as traders would be concentrating on products that require no permits. COMESA should therefore advise the member state to decentralise the process of issuance of permits and this will help to promote trade liberalisation thereby leading to the improvement of the STR benefits to the small scale cross border traders. Eventually, this will help to increase of intra-COMESA trade.

It was also discovered that small scale cross border traders were facing severe challenges in particular to the Zimbabwe National Biotechnology Authority which governs the importation of agricultural products in order to avoid the importation of Genetically Modified Organisms (GMO). Generally, Zimbabwe is a GMO free country. The Zimbabwe National Biotechnology Act requires traders to acquire the importers of agricultural products to obtain a bio-safety permit from the exporting country. The bio-safety permit is a document that indicates the GMO content in a product. The study discovered that the process for acquiring a bio-safety permit is long and costly. Thus, it is very difficult for small scale cross border traders to afford the bio-safety permit because the process involves the testing of the samples which actually cost at least US \$250 yet COMESA STR requires traders to carry a consignment of less than US \$1000 for them to enjoy tax exemptions. In addition to this, the bio-safety licences are issued in Harare only at the head offices of the Zimbabwe National Biotechnology Authority in Newlands and this actually increases the costs of doing business. One can therefore suggest that the application of bio-safety permits negatively affect the operations of small scale cross border traders. Zimbabwean government should therefore decentralise the process of issuance of bio-safety permits so as to improve the attainment of trade expansion and trade facilitation.

Corruption: Corruption has become one of the most stressing NTBs affecting the administration of the modern borders. Corruption usually hurts cross the operations of small scale cross border trade in that it increases costs of doing business. In addition corruption affects the government revenue collection system, since some of the goods transit the border posts unrecorded and also affect the recording of trade statistics. The major officials involved in border corruption at the Zimbabwean borders include: immigration, ZIMRA, ZRA, border police, Veterinary Services, Plant Quarantine and Vehicle Inspection Department (VID) among others. Data gathered from questionnaire indicates that about 85% of the small scale cross border traders pays bribes and tips (corruption) at the Chirundu OSBP. During the period of the study the interviewed small scale cross border traders highlighted many ways of how they corrupt with

governmental border officials and the major ways include; smuggling: the small scale border traders give the border officials some tips in order for them to smuggle goods without paying import duties; people transiting without proper documents such as passport; overstaying in the foreign country having a consignment which exceed the STR threshold of US \$1000; transiting with illegal consignment such as drugs; transiting goods without imports or export permits, transiting without visas, importing or exporting goods without SPS certificates, transit permits and other related documents required when transiting border posts. Corruption carried out by traders was occurring in a fun way at Chirundu OSBP. The researcher observed that corruption conducted between small scale cross border traders and the border officials was done via the middleman. The bus drivers or the bogus border agencies were the major middleman involved in facilitating corruption. The border officials were not usually taking bribes directly because they were afraid of being sued by undercover police officers hence, they preferred to utilise the services of the middleman to reduce the risks of being intercepted. The small scale cross border traders also indicated that the bus drivers were sometimes threatening those who refuse to pay bribes. Some of the small scale cross border traders were forced to pay bribes even if they were operating within the law. The major reason for this was that the bus drivers would not want to stay long at the border post and they end up forcing passengers to pay the bribes unnecessarily.

The study noted that the various ranges of bribes that were being paid by small scale cross border traders include: about 19% indicated that they were paying the bribes that ranges from US \$1-5; about 38% were paying US \$6-10; about 23% were paying US \$11-15; about 14% were paying US \$16-20 and about 6% were paying US \$21-25. The study therefore, noted that corruption was adversely affecting the relevance of the STR programme since, the majority of the traders were no longer STR documents from the TIDOs and this restrict the collection of trade statistics. The study therefore suggests that both the Zambian and Zimbabwean governments should impose some punitive measures to punish officials once they are found guilty.

CONCLUSION

The COMESA STR programme is mainly centred on the simplification of processes engaged by small scale cross border traders when importing or exporting consignments. It therefore, calls for the removal of import duties on the consignments of small scale cross border traders. However, it classifies small scale cross border traders as those traders who carry a consignment of not

more than US \$1000. The major components of the STR programme are: the common list of products and the STR form provided by the trade and information desk officer at the border posts as well as the threshold of US \$1000. The COMESA STR calls for the removal of the application of the certificates of origin on the consignments of small scale cross border traders and they therefore, apply the common list of products in order for their consignments to be exempted from the payment of import duties.

The effectiveness of the STR is severely challenged by several trade protectionist measures that occur at Chirundu OSBP. The study suggests that COMESA should engage in further simplification process in order to make small scale cross border trading more viable. Thus, further simplification process should specifically focus on the removal of Non-Tariff Barriers (NTBs) such as the adjustment of the procedures of acquiring import permits and export permits; removal of multiple police inspections, searches and roadblocks; removal of the import quotas; removal of tollgates fees from the registered small scale cross border traders. At a regional level, COMESA should engage in further simplification of the STR and this should involve the registration of small scale cross border traders at regional level as well as issuing business permits that are valid at regional level. This may help to reduce informal cross border trade and at the same time attracting more small scale cross border traders to utilise the STR forms at the borders thereby increasing the formalisation of cross border trade within the COMESA region.

RECOMMENDATIONS

The study discovered that the operations of small scale cross border traders are grossly affected by corruption and bogus border agencies at the borders. Thus, the bogus border agencies demand huge amount of bribes from the traders. The study therefore recommends the government to appoint an authority that should be entrusted with the mandate to manage as well as coordinate all stakeholders and agencies that operate at the Zimbabwean borders. This will help to improve coordination and cooperation at the borders thereby helping to reduce corruption. In addition, the government should improve accommodation at the borders as the traders are forced to sleep on the streets and open spaces which expose traders to animal attacks and thieves. Furthermore, the Zimbabwean government should also open Chirundu OSBP for 24 h a day and this will improve the rate of flow of goods, services and people across the border.

One of the major findings discussed in this study is that small scale cross border traders faces hustles whenever, they are importing or exporting goods that

require export or import permits. Vital permits are not offered at the borders and the traders are required to travel to the capital city Harare in order to get the permits. This actually increases costs of doing business whilst reducing the levels of profits to the small scale cross border traders. The Zimbabwean government should decentralise processes of acquiring import or export permits for both agricultural and industrial products. Thus, crucial documents such as the Sanitary and Phytosanitary documents, the bio-safety permits and the related permits should issued at the borders to avoid huge business costs to the small scale cross border traders.

The study discovered that the operations of small scale cross border traders are affected by lack of business management skills. The government and the Non-Governmental Organisations (NGO) should therefore implement programmes that equip small scale cross border traders with both project management and finance management skills and techniques. This will help small scale cross border to run their businesses profitably as well as managing their finances wisely without squandering money unnecessarily. The government should also increase public awareness programmes in order to educate traders about the significance of utilising the STR programme at the borders through radio programmes, public press and road shows.

The study noted that STR is very crucial in terms of creating employment, supply of raw materials as well as helping to export Zimbabwe's products to the foreign countries. The Zimbabwean government should therefore, increase domestic industrial production and export these products through small scale cross border trade which does not require the payments of border tariffs. This will therefore, help to improve Zimbabwe's economic growth and development.

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