

# SMALL-SCALE CROSS-BORDER TRADE SURVEY

GHANA RESULTS SUMMARY



BRIEF

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**The Trade Facilitation West Africa (TFWA) Program is an initiative driven by multiple development partners' to improve trade facilitation in West Africa.** Its objective is to improve the free and efficient movement of goods in the region and internationally, by reducing the time and cost of trade borne by the private sector in West Africa, and by strengthening regional trading networks' ability to take advantage of these improvements.



## 5-year trade facilitation initiative

Sept 2018 - Jun 2023

The five-year program was started in September 2018 and is managed by the World Bank Group and the German Development Cooperation Agency, the program's implementing partners. Strategic oversight and guidance are provided by a steering committee chaired by the Economic Community of West African States (ECOWAS) Commission and supported by the West African Economic and Monetary Union Commission as deputy chair. Key areas for support under the program include the following:

(i) to ensure trade facilitation measures are improved and more efficiently implemented; (ii) to improve the movement of goods along selected corridors; and (iii) to reduce barriers for small-scale traders, with an emphasis on improving conditions for women traders.

**To expand the base of evidence required to inform the design of its program activities, the World Bank Group commissioned a field survey on small-scale, cross-border traders (SSCBTs), including women traders, along the six TFWA priority corridors:**

Abidjan-Ouagadougou (Côte d'Ivoire–Burkina Faso), Tema-Ouagadougou (Ghana–Burkina Faso), Lagos-Kano-Niamey (Nigeria-Niger), Cotonou-Niamey (Benin-Niger), Dakar-Bamako (Senegal-Mali), and Lomé-Ouagadougou (Togo–Burkina Faso).

The survey aimed to explore: (i) the demographics of small-scale traders and patterns of their trade along the target corridors; (ii) challenges faced by traders in their activities at border crossings, including behavioral and gender-specific constraints; and (iii) the institutional framework and support for small-scale border operators. In Ghana, the survey completed 246 quantitative interviews with traders, porters, intermediaries, and border officials; 17 key informant interviews; and four focus group discussions.

### Ghana's field survey on small-scale, cross-border traders

- 246** quantitative interviews with traders, porters, intermediaries, and border officials
- 17** key informant interviews
- 4** focus group discussions

<sup>1</sup> The European Union, the U.S. Agency for International Development, the Netherlands, and Germany have provided financial contributions.



## Ghana survey: a closer look

**36%** of respondents were 34 or younger

**28%** have informal or no schooling

**44%** engage in trader-to-trader sales

**41%** of respondents were women

On average, women traders travel longer distances  
**371 km** **317 km**

The SSCBTs surveyed in Ghana were relatively young, men (60 percent) and women (40 percent), and generally poorly educated. The traders often run businesses that are unregistered and/or of limited profitability, and they travel long distances along regional corridors to trade raw agricultural goods, processed food items, consumer durables, and textiles, among other things. The survey also showed that there are some gender-based differences among those surveyed. The survey results suggest that 36 percent of surveyed traders in Ghana are age 34 or younger, and 28 percent of them have informal or no schooling. They have a business formalization rate of 21 percent, and 22 percent of the traders who were willing to disclose their revenue said they earn less than \$99 per month. Traders in Ghana travel on average 338 kilometers (km) along the Tema-Ouagadougou corridor, which is significantly longer than the distance traders travel on the Burkina Faso side of the corridor (average 69 km). The traders primarily use cars, buses, or trucks, and 44 percent of them engage in trader-to-trader sales, which is much lower than in neighboring Burkina Faso (where the share of trader-to-trader sales is 78 percent).

Women represent about 40 percent of all the surveyed traders in Ghana, which is consistent with the regional average (39 percent) and neighboring Burkina Faso, where women made up 41 percent of the surveyed traders. In Ghana, women traders are generally present in all product categories and predominantly represented in food product trade. They are less likely to run registered businesses (with a registration rate of 19 percent, compared with men's 22 percent, both of which are significantly lower than the regional average of 36 percent). Women traders generally travel longer average distances (371 km, compared with men's 317 km).



Women traders engage predominantly in **food product trade**



Women are less likely to run registered businesses





**Border officials, along with porters, intermediaries, and transporters (PITs), play an important role in regional trade and exhibit different demographics from traders.**

The survey results indicate that the categories of officials and PITs are dominated by men, with women accounting for only 15 percent of the former, which is higher than the already low regional average (12 percent). Women make up only 3 percent of PITs, which, despite being a very low share, is at the highest end among the countries surveyed. PITs are generally better educated than traders, with a much higher proportion of PITs having completed secondary education. Officials are even better educated, and their period of experience in the job varies widely, from a few months to 18 years. Since traders do not always cross borders for trading purposes, but rather travel along parts of a corridor to relay their goods to other traders who will carry them further, the role of PITs in facilitating exchanges of goods is quite important and deserves greater attention.

Officials and PITs are **better educated** than traders

Women account for only **15 percent** of PITs

In Ghana women make up **3 percent** of PITs

**In Ghana, survey respondents generally expressed concerns about the current status of the border and market infrastructure as well as overall safety; further, they complained about the complexity of clearance requirements and procedures and, on these, the traders showed extremely limited knowledge.** Among the interviewed traders, 75 percent judged at least five facilities at the surveyed border or market site as “inadequate” or “very inadequate.” Women were more negative (83 percent). The infrastructure dissatisfaction rate expressed by women is among the highest of all countries surveyed. PITs were also critical of the infrastructure, and generally more negative than traders.

**Concerns**



Status of the border and market infrastructure



Overall safety



The complexity of clearance requirements and procedures

Similarly, the respondents' perceptions about clearance requirements and procedures were generally negative, with formal traders being less critical. Awareness of trade-related rules and provisions (including regional provisions such as the ECOWAS Common External Tariff and Trade Liberalization Scheme) was extraordinarily low among the traders: only 2 percent could describe some features of the provisions. There are notable differences between men and women, by whether businesses are formalized (formalized businesses tended to find procedures more complex, possibly because of the goods in transit), and by product.

The survey results show that, compared with men, women traders are more critical of the border infrastructure, deeming areas such as lighting, roads, toilets, rain covers, and pedestrian lanes as needing improvement. Women also identified health and safety issues as problematic along the border crossings.

In three corridors—Dakar-Bamako, Abidjan-Ouagadougou, and Lagos-Kano-Niamey—women find the border clearance experience more troublesome than men do, but less so in the other three corridors. This may be because of the mix of products traded by women compared with men on each border.

**In Ghana, respondents repeatedly highlighted the lack of transparency in border clearance and reported relatively high incidence of abuse.**

Corruption was highlighted as a major issue by traders and PITs in the quantitative interviews and focus group discussions, and more than half of the traders stated that they had been exposed to bribery. However, 55 percent claimed that they receive formal receipts, which is one of the highest proportions among the countries surveyed. Twenty-seven percent of the respondents indicated that they have heard about or witnessed harassment, sexual or otherwise, in the past six months. Nine percent of respondents preferred not to speak about the issue. The survey results may underestimate the level of harassment of women, partly because women are less likely to mention verbal or physical abuse due to the risk of stigmatization.



**Corruption** was highlighted as a major issue by traders and PITs



**Access to finance is a major constraint for women and men traders: personal savings are the most common channel through which they access financing. Formal financial products and services are seen as more challenging to adopt.** Personal savings are the primary form of finance for men and women traders in Ghana, representing 76.5 percent of total financing, which was the highest share among the countries surveyed. Five percent of the traders borrowed from family members, friends, or neighbors, and 12 percent used commercial banks or microfinance institutions. Women traders in Ghana seem to have an advantage over men in accessing microfinance loans: 17 percent of the surveyed women traders have access, compared with 6 percent of men. Low financial literacy levels, complex documentation, and stringent loan requirements (for example, collateral, interest rates, and/or repayment terms) are among the major challenges preventing women and men traders from extensively using formal financing channels.



**Access to finance is a major constraint for women and men**

**The TFWA Program has designed several preliminary interventions to address constraints and concerns identified by the SSCBT survey findings. They include the following, among others:**



- **Put in place measures that increase transparency at the border (for example, by clearly displaying regulations and procedures) and strengthen capacity and awareness levels among border and market users (for example, through training, dissemination campaigns, and other awareness-raising efforts).** The establishment of help desks (physical or virtual), mandated to inform traders of rules and regulations and assist them with clearance procedures, should also be considered in close coordination with community service organizations and relevant associations, including those representing women traders. Easy-to-follow guides designed for mobile phones could also be considered.



- **Engage in dialogue on gender equality and the specific roles of women traders with key stakeholders of the TFWA stakeholders.** Convey the message that policies for inclusive economic empowerment and sustainable poverty alleviation need to recognize and include the role of women. Bolster the collection and analysis of gender disaggregated data to be able to identify and document gendered differences in the needs and perceptions of women and men traders.



- **Put in place measures that help simplify, streamline, and/or decentralize existing procedures and requirements,** as well as create incentives for more systematic application of existing regional provisions, such as the ECOWAS Trade Liberalization Scheme. Among others measures, attention could be given to options for a simplified regime for small-scale traders, such as measures to reduce the documentary requirements on smaller consignments, streamline procedures, and reduce the time and cost of trade. Prior to the process of simplification, it would be useful to document what the procedures and requirements are at each border, where they are defined, who is responsible for their implementation, and what documents traders need to carry. As well as making the simplification of procedures a smoother process, this action also helps to identify areas where transparency most needs to be encouraged (for example, by removing discretion from officials implementing rules).



- **Strengthen the gender capacity of relevant public and private actors at the regional, national, and local levels** to enhance their ability, respectively, to conduct gender-responsive programming and budgeting, deliver public services that respond to the specific needs of women traders and entrepreneurs, and participate actively in relevant policy-making processes and forums.



- **Put in place measures to improve behavior at the survey sites and relationships between traders, PITs, and border officials**, such as joint workshops, grassroots campaigns, town hall meetings, and ad-hoc trainings, including on the gender ramifications of trade facilitation and challenges affecting women traders. Systems that allow traders and PITs to report abuse in safe ways should be devised. The participation of trusted organizations, especially community service organizations—with focus on those representing women—should be encouraged.



- **Consider and implement measures to increase the number of women staff** in the ranks of border agencies. Promoting staff diversity and enhancing gender sensitivity among border officials is urgent and crucial.



- **Implement relatively small-scale infrastructure development interventions, such as the introduction of surveillance cameras, installation of solar-powered lighting facilities, systems to report problems, as well as designation of night patrol guards.** These actions could be discussed with the stakeholders and traders for further prioritization. Separately, issues concerning the condition of the markets and road-related and similar infrastructure could be forwarded to other donor-funded programs with heavy emphasis on physical infrastructure development.



- **Pay greater attention to the key features of PITs.** The main survey teaches that it is important to understand the role PITs play and the challenges they face. Study and analyze why there are no women present in this group and the consequences this has for women traders.



- **Address the challenges identified in the survey results on access to markets, information, and finance.** Recognize the diversity of needs between women and men traders, addressing these needs through targeted interventions. Financial constraints were cited as the biggest concern for traders in all the countries. Given that access to finance requires a comprehensive approach, the TFWA Program will need to work with other ongoing initiatives to improve financial inclusion and access to finance in the region, to fill existing gaps. Support toward increased financial awareness among the traders will be contemplated, and innovative solutions—including through novel information and communications technology—will be explored to enhance their bankability. The aim is to develop awareness-raising campaigns to address the information asymmetry faced by women traders.



- **Develop a simplified charter of traders' rights and obligations,** with visible signage at the borders in local languages as a first step in improving relations between traders and officials.



- **Explore the role of trader associations and trade information officers (locally hired or under a regional program) as an interface between officials and traders** to improve awareness, understanding, and mutual respect. Such mechanisms already exist in West Africa (to varying degrees in different countries), but the challenge has been their effectiveness and sustainability.

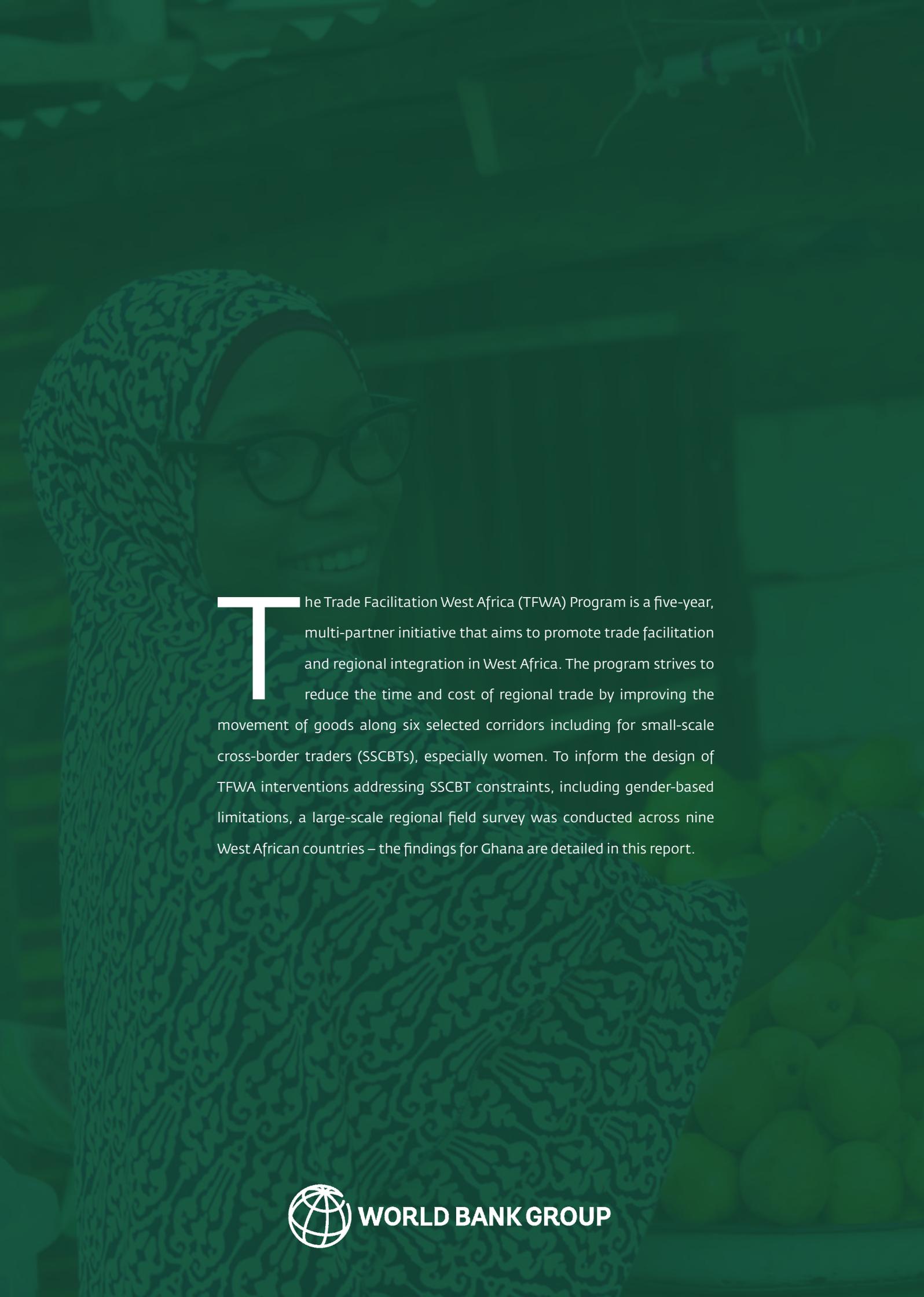


- **Require that any confiscation of goods is validated by the head of the border station** and an invoice is provided, with a full explanation of the reason for confiscation and the conditions under which the goods will be returned. The survey showed that confiscation and the threat of confiscation of goods are key issues and often lie behind corruption and gender-based violence.



- **Establish systematic data collection on SSCBT.** Detailed, relevant, and organised data and information on SSCBT trade between Ghana and West Africa are essential for policy making on a phenomenon which affects large sections of the country's poorest population. Putting in place a data collection system on SSCBT should be considered under the TFWA Program. Setting up a data collection system on SSCBT, ideally in a common effort across West Africa, could draw on lessons from countries that are regularly collecting such data, and show where the information has influenced policy discussions at the local and national level.





**T**he Trade Facilitation West Africa (TFWA) Program is a five-year, multi-partner initiative that aims to promote trade facilitation and regional integration in West Africa. The program strives to reduce the time and cost of regional trade by improving the movement of goods along six selected corridors including for small-scale cross-border traders (SSCBTs), especially women. To inform the design of TFWA interventions addressing SSCBT constraints, including gender-based limitations, a large-scale regional field survey was conducted across nine West African countries – the findings for Ghana are detailed in this report.



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