ABSTRACT

For several years, informal cross border trading has been an important source of income for people with less education and low capital. However, much as the sector is crucial to sustain the livelihood of the population, it has attracted less attention of researchers and decision-makers. The overall objective of this study was to assess the effects of informal cross border trade (ICBT) on the livelihood of households on Gisenyi-Goma border, specifically on Petite Barriere entry point. Specifically, the study had the following objectives: to establish characteristics of small traders engaged in ICBT on Gisenyi-Goma border, to explore the extent to which ICBT contributes to households’ incomes of people engaged in the sector and finally to establish challenges and coping strategies of small traders in informal cross border trading. The study used both qualitative and quantitative data collected on the two sides of Goma-Gisenyi border in the Democratic Republic of Congo (DRC) and in Rwandan before the outbreak of the M23 mutiny. In total 127 respondents were interviewed and data analyzed using SPSS. A number of findings emerged from this study. First, the study revealed that ICBT on this border is largely dominated by women (76 percent). The majority of people involved in this business have less education (91 percent completed their primary education) and low capital. The average starting capital for Rwandan cross border traders is estimated at $57.74 while it is estimated at $82.39 for their Congolese counterparts. Secondly, ICBT constitutes the main source of income for informal cross border traders and this enables them to cater for the education of their children and health care for their families. Thirdly, the study indicated that informal cross border traders face many challenges hindering their business including cases of harassment, lack of enough capital, high taxes and acts of thefts among others and provides insight into strategies adopted by traders to cope up with them. Finally, the study recommended to the governments of DRC and Rwanda to fight against various cases of harassment which is one of main challenges of the sector.