

# Effects Of Smuggling Of Food Commodities On Households In Busia Town, Kenya

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## ABSTRACT

Smuggling is a global phenomenon which is quite complex due to its complex operations and the diverse commodities involved. The means by which commodities cross the border is the main issue that makes the cross border trade illegal. This illegal trade is common on the Kenya-Uganda Busia border town. This study examined cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The objective, assessed the effects of cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The study utilized human needs and transnationalism theories to examine cross-border smuggling of food commodities from Uganda influencing socio-economic status of households of Busia town, Kenya. The study adopted a descriptive survey research design. Stratified sampling technique was used to arrive at 8 strata, namely that of transporters, local residents, traders, trade agents, hawkers, revenue collectors, opinion leaders and that of government officers. Sample sizes of 193 respondents were selected from these strata and they were arrived at through census, purposive and snowballing sampling methods. Data collection instruments were Focus Group Discussions (FGDs), interviews, observation and questionnaires and secondary data through document analysis. Quantitative data was analyzed using appropriate descriptive statistics while qualitative data involved thematic and content analysis. The findings of study indicate that the social and economic effects of smuggling have both positive and negative effects on individual households, depending on the outcome in relation to an individual's engagement in the activity. The study recommends that Kenya and Uganda governments work in collaboration come up with friendly policy on trading in food commodities so as to reduce illegal trade of food commodities.

**Key Words:** Cross-Border, Food commodities, Household heads, Smuggling, Socio-economic Status

## 1. INTRODUCTION

### 1.1 Background to the Study

The United Nations recognized six kinds of national and international security threats, and smuggling is one of them (United Nations, 2014). Smuggling has been variously referred to as a second, hidden, parallel, underground or informal economy, all terms intended to convey the sense of economic activity which is not officially reported to state authorities and which is therefore not directly taxable (Nkendah, 2014).

Globally, cross-border smuggling of food commodities is on the increase and the war on smuggling of these commodities has remained a tough one due to the complexity of the activity (World Bank, 2013). For instance, as stated by Miroff (2016), cross border smuggling of food commodities thrives along the Venezuela-Colombia border through Cucuta town. The smuggled food commodities comprise of rice, sugar, cornmeal and milk powder. The smugglers travel at night in buses from Venezuela, and on reaching Cucuta, they hug the Colombian border guards and go racing for supermarkets. They stuff suitcases and duffet bags with many of these food items. According to a report released by Venezuela Central Bank in 2013, this cross border smuggling is attributed to the inflation in Venezuela, and besides, the fixed price for these products and the fixed exchange rate has created a huge black market demand for foreign cash (Miroff, 2016).

In Africa, smuggling is common due to the weak cross border enforcement (Golub, 2015) and this has made this type of trade to thrive everywhere in Africa (USAID, 2010). In East Africa Community (EAC), cross-border smuggling of food commodities in EAC

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directly or indirectly escape from the regulatory framework and often go unrecorded or incorrectly recorded into official national statistics of the trading countries (Little, 2007).

Smuggling across Kenya and Uganda was often associated with low income earners, though this is no longer the case (Haji and Semboja, 2009). The war against smuggling has remained a tough one for Kenya Revenue Authority (KRA) and the Kenya Bureau of Standards due to the porous Busia border point (Ochunge and Odanga, 2017). According to these scholars, a lot of counterfeit products are smuggled into Kenya from Uganda every day, denying the taxman revenue. The smuggled products include alcoholic beverages, sugar, coffee, salt, wheat flour, cooking oils and fats and other agricultural products. This form of trade takes a large chunk of the total trade such that it rivals the formal trade (Nkoroi, 2001).

### **1.2 Statement of the problem**

Kenya and Uganda are important trading partners and interest in cross border trade especially in food commodities has been quite overwhelming. There are formal protocols guiding trade across the Kenya and Uganda border such as easing exchange controls and food commodity movement restrictions. However, smuggling, the illegal trade, exists across the border of the two countries. Evidence shows that this trade is persistent and is largely tolerated by the residents and even security officers tend to turn a blind eye to it (Nyaoro, 2012). In addition, reports indicate that such activities are likely to influence the socio-economic status of households of Kenya-Uganda Busia border town. This study, therefore, assessed the effects of cross-border food commodities smuggling on the socio-economic status of households on Kenya-Uganda Busia border town.

### **1.3 Objective of the study**

The objective of this study was to assess the effects of cross-border food commodities smuggling on the socio-economic status of households on Kenya-Uganda Busia border town.

### **1.4 Research Questions**

To what extent does the smuggling of these food commodities affect the social and economic status of households on Kenya-Uganda Busia border town?

## **2. LITERATURE REVIEW**

### **2.1 Socio-Economic Effects of Cross-Border smuggling of Food Commodities**

Cross-border smuggling is said to have both positive and negative effects. According to Afrika and Ajumbo (2012), this activity accounts for the preponderance of total trade in many countries, providing a major source of employment and income for many people.

### **2.2 Social Effects of Cross-Border Smuggling**

The resultant social effects on the status of households can be both positive and negative. Some of the negative effects of smuggling are that first, this illegal activity lowers the efficiency of measures put in place to ensure health, safety and environmental protection. Agricultural commodities escape sanitary and phytosanitary controls meant to ensure food safety at home and avoid proliferation of diseases across borders. Such is the case in Hong Kong (Customs and Excise Department, 2008). As regards the positive implications, the cheap food commodities delivered through smuggling to low-income consumers are also a boost to living standards. Trade in foods alleviates food security both through the incomes it generates in rural areas, and by also moving food from surplus to deficit areas (Ogalo, 2010).

### **2.3 Economic Effects of Smuggling**

Cross-border smuggling has also generally contributed to economic effects. It has created income for those involved in the activity. Money gained is used for investment therefore economic growth. Some save the huge profits gained and this helps them raise their standards of living. In addition, it has raised the employment status of the region. Those mostly involved are between 15-35 age groups with a particular concentration in the 18-25 age groups. Therefore, it includes those who have entered or who are just about to enter the workforce. Given the high unemployment rates in many countries, entry in the workforce is often a major problem. It also generates employment such as in Bolivia (New Comb, 2000).

In Uganda, smuggled commodities have contributed to lowering the demand for legitimate products and this has reduced business revenues for local traders. Besides, it has damaged the reputation of the trademarks of particularly small and medium sized

enterprises. The decline in the sales and profits of genuine companies might result in job losses (Titeca and de Herdt, 2010). In Malawi, smuggling has led to dwindling supplies of maize. The poor are therefore not able to afford the price of maize which rises with any increase in demand (Sanje and Reuters, 2017).

In addition, smuggling undermines the formal trade with unfair competition and contributes to an acceptance and even admiration of tax evasion and corruption (Titeca and Kimanuka, 2012). It could be a source of revenue loss to the exchequer and also leads to low degree of specialization in traders' operations and the transaction costs could be high. Besides, the quality control and adherence to sanitary requirements arise from poor handling during transportation and storage of these commodities (Amani, 2007). On the other hand, the adoption of restrictive policies leads to an underestimation of cross border flows and a poor record of trade (Hummels, 2006).

Smuggling also has positive implications. For instance, it provides for 43% of Africans and generates considerable employment for the youth (Roltman, 2004). In Benin for example, Golub (2012) estimates that re-exports contribute as much as 20% of the country's GDP. For some entrêpot nations, it contributes substantially to fiscal revenues. Tariff competition serves a positive social function by circumventing distortions. However according to the researchers, the gains from smuggling rest on a fragile foundation and are unlikely to lead to long-term development. Moreover, in spite of the variant effects of smuggling, the literature is completely silent on how these consequences affect the socio-economic status of households at the local level. The literature instead generalizes effects. The study therefore addressed this aspect that was overlooked by the scholarly works.

## 2.4 Conceptual Framework

A conceptual framework is presentation where a researchers conceptualizes or represents the relationship between variables using a theory. This study is buttressed by the power and transnationalism theories to analyse influence of smuggling of food commodities on socio-economic status of households on the Kenya-Uganda Busia border town.

### 2.4.1 Human Needs Theory

Burton (1990), Human Needs Theory. In J. Burton (Ed.), Conflict: Resolution and Provention. It is defined as a state of felt deprivation which needs to be satisfied. It is something which is needed by Human beings to lead a healthy and secure life. Needs are different from wants as these are required by the human beings to lead their normal life. Needs are non-negotiable and irreplaceable whereas wants are desires which arise out of needs.

### 2.4.2 Criticism towards the Human Needs Theory

The Human Needs Theory fits this study since it the individual actors and not state who are involved in cross-border smuggling of food commodities. Thus, government officers at the Busia border such as the police, county commissioners, and county government officers are responsible with limiting or eliminating smuggling of food commodities. The governments of respective states are also mandated with safety of what border residents consume and their economic security. The weakness with the Human is that the state is unable to deal with transnational activities such as smuggling and therefore, the transnational theory fills this gap.

### 2.4.3. Transnationalism Theory

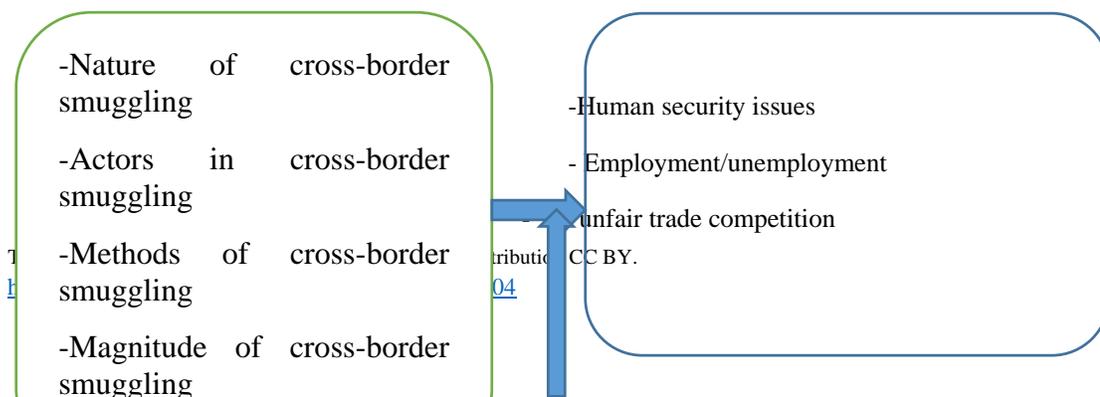
According to Nye and Keohane (1971), transnationalism refers to the diffusion and extension of social, political, economic processes in between and beyond the sovereign jurisdictional boundaries of nation-states. They argue that international processes are increasingly governed by non-state actors and international organizations. Thus, transnationalism include: economic globalization, the trans-nationalization of the state, classes, political processes, and culture. The transnationalism theory fits this study since it brings on board other actors such as border communities who are involved in smuggling. Thus, respective states cannot manage smuggling of food commodities and their effects on the residents of border communities without involving other actors in the process and decision making. However, the theory does not recognize state power which is a weakness. Figure 2.1 is a conceptual model of these variables.

Independent Variable

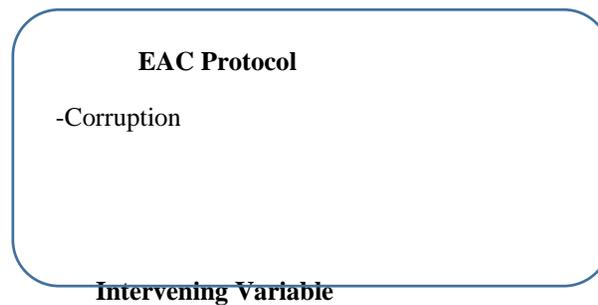
Dependent Variable

## Cross Border Smuggling

## Socio-economic Status of Households



-illicit financial flows



**Figure 2. 1: Conceptual Model**

Source: Researchers, 2019

### 3. RESEARCH METHODOLOGY

#### 3.1 Research Design

The research used a descriptive survey design to assess the effects of cross-border food commodities smuggling on the socio-economic status of households on Kenya-Uganda Busia border town. A descriptive survey gathers data at a particular point in time with an intention of describing the nature of existing condition or determines the relationship that exists between specific events (Mugenda and Mugenda, 2003). According Mwaniki (2004), a descriptive survey study involves finding out existence of smuggling of food commodities and how this effects socio-economic status of households. The descriptive survey data was collected through questionnaires and interview schedule.

#### 3.2 Study Area

The study was carried out in Busia border town, Kenya. Busia county lies at the latitude of 0°286'11'N and longitude 34°08'49'E. at Busia there are two important un official crossing point along the border, which includes Sophia and mariachi that are monitored in addition to the main gate. The population of Busia county was estimated to the 743,946. The county is composed of seven constituencies, namely namable, Matayos, Teso South, Teso north, Butula, Funyula, and Budalangi. Major economic activities include, trade, fishing, agriculture and tourism. The Kenya-Uganda border is served by air, roads and railway networks that connect both Uganda and Kenya. Among the social services provided include banking, education, medical and different recreational facilities such as football fields 'athletics tracks rugby fields and gymnasiums (KBS, 2009).

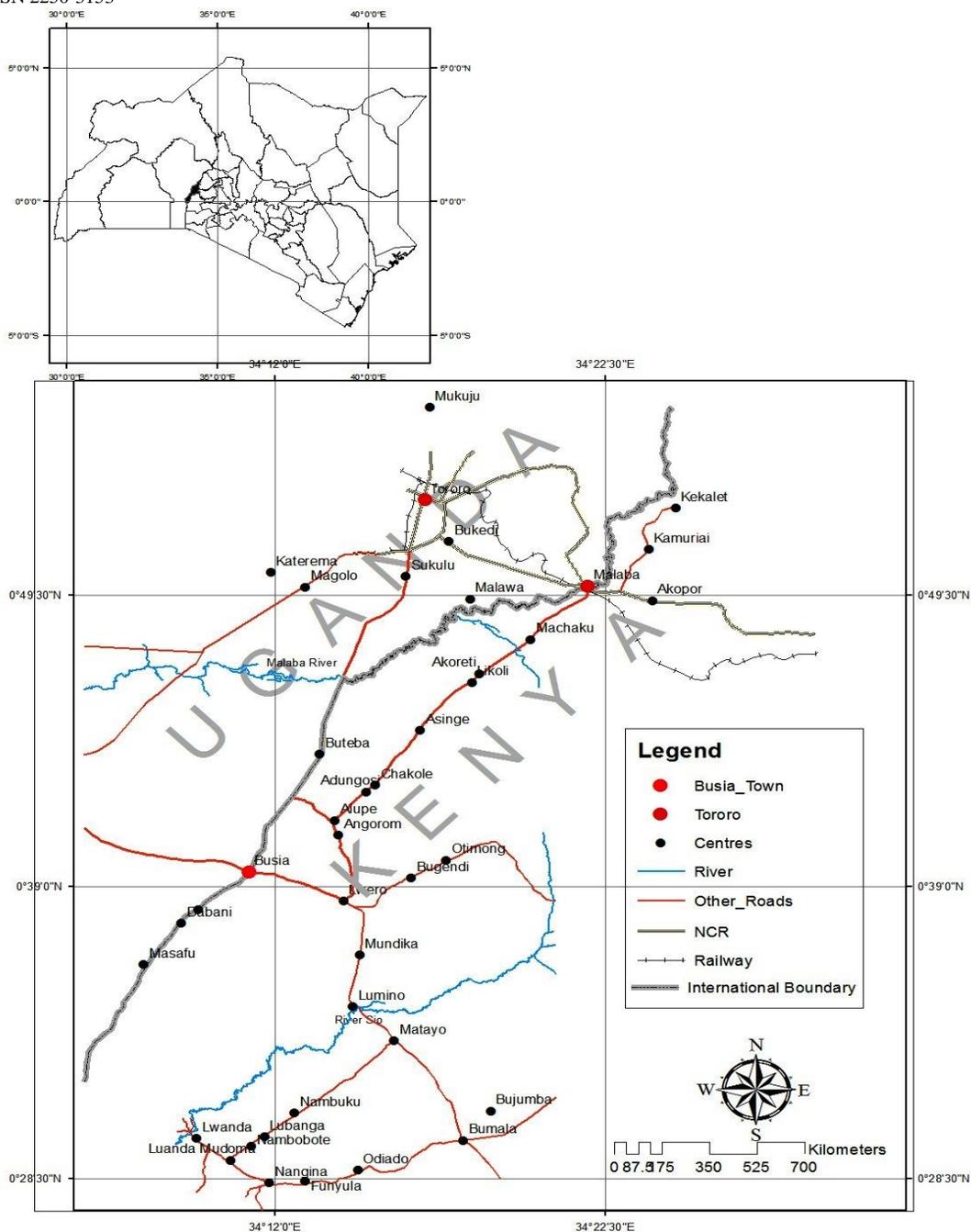


Figure 3.1: Kenya-Uganda

### Border Town Map

Source: Researchers, 2019

### 3.3 Study Population

The groups that the study focused on were drawn from Busia town, Kenya, within the study site. The population comprised of 171 government officers, 51, 981 local residents, 200 traders, 1,094 transporters, 12 revenue collectors, 75 hawkers, 50 trade agents and 80 opinion leaders. The total population was 52, 661. Government officers were basically County Government officials, security agents, customs officers were targeted since they are the administrators of the region and they are involved in security issues within the region.

### 3.4 Sampling Techniques and Sampling Size

The study was carried out in Busia town, Kenya since this is the entry point to and fro Kenya and Uganda. Stratified sampling was used to first stratify the target population. This technique is often used when one stratum or more strata in the population have a low incidence, relative to the other stratum or strata (Kish, 2011). There were 8 strata. The constituted strata were for local residents, government officers, traders, transporters, revenue collectors, hawkers, trade agents and that of opinion leaders. Random, Census, and snow ball sampling methods were applied in order to arrive at subjects for study. The census method was used to choose revenue collectors since they are few, while Random, sampling was employed to select respondents from the strata of local residents, traders, hawkers, government officers and opinion leaders (Orodho, 2002). Snow ball technique enabled the researchers obtain respondents from transporters and trade agents, since these are the ones directly involved in the illegal trade through connections and the movement of commodities. The sample size comprised of 17 government officers, 50 local residents, 50 traders, 19 transporters, 12 revenue collectors, 20 hawkers, 10 trade agents and 15 opinion leaders giving a total of 193 respondents for the study.

**Table 3. 1: Sample Size**

TARGET POPULATION	PROPORTION	SAMPLING TECHNIQUE	SAMPLE SIZE	METHOD OF DATA COLLECTION
Government officers	171	Purposive	17	Interview/questionnaires
Transporters	1,094	Snowball	19	Interview/ FGD
Traders	200	Purposive	50	Interview
Trade agents	50	Snowball	10	Interview
Hawkers	75	Purposive	20	FGD
Revenue collectors	12	Census	12	Interview
Local residents	51,981	Purposive	50	Interview
Opinion leaders	80	Purposive	15	Questionnaire

Source: Researchers, 2019

### 3.5 Data Collection Instruments

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The study was based on primary data which was collected through interviews, questionnaires, Focus Group Discussions (FGDs) and Observation while secondary data was gathered from both published and unpublished documents

### **3.6 Data Analysis and Presentation**

After collecting data, the researchers did a cross-examination to ascertain their accuracy, competence and identify wrong items responded to. Data was analyzed quantitatively and qualitatively. It was then presented in form of themes, percentages, tables and charts.

## **4. RESEARCH FINDINGS AND DISCUSSIONS**

### **4.1 Effects of Cross-Border Food Commodities Smuggling**

The resultant effects of cross-border food commodities smuggling largely varies with individuals. These effects can be categorized as being positive or negative. The effects are said to be positive if they add value to the social and economic livelihood of the individuals involved. However, they become negative if pain and losses are encountered by the actors. The positive effects include creation of peace in households, food accessibility, improved social welfare, enhanced family ties, reduction of crime rate, improved health among household members, income generation, investments and poverty reduction. Some of the negative effects mentioned include harassment of individuals, health risks, enhanced culture of corruption, arrests and imprisonment, family breakups, school dropout, irresponsible behaviors, creation of a glut and criminal gangs. These effects have also been identified in the scholarly works of various authors such as Afrika and Ajumbo (2012), Fletcher (2010), Miroff (2016), NewComb (2000), Babuta and Haenlein (2018) and (Titeca and Kimanuka, 2012).

#### **4.1.1 Positive Effects of Cross-Border Food Commodities Smuggling**

People engage in smuggling for various reasons and these in turn impact on their individual social and economic livelihoods.

#### **4.1.2 Food Accessibility**

As informed by an FGD findings indicate that food accessibility is one of the advantages of smuggling. Besides, one female trader in an interview with the researchers said:

This business is good since it ensures a constant supply of food. Food is cheaper in Uganda so people just cross over even if you have little money you can always get food enough for your entire household. People within this region rarely go hungry because food is easily obtained from Uganda and it is very fresh. Interview with a female trader on 22<sup>nd</sup> July 2019 in Busia town.

This interview demonstrates that smuggling stabilizes food supply, hence ensuring food security. Smuggling according to them helps move food from the surplus to the deficit areas and it provides income to those involved. This argument is supported by the scholarly works of Ochunge and Odanga (2017) who state that smuggling helps move food from areas with abundance to regions that experience food shortages. Nevertheless, in the long run, as observed by the researchers this can in turn lead to a food crisis in the region from which food has been smuggled as was in the case in Tanzania in 2011 (Ochunge and Odanga, 2017), when a lot of maize was smuggled out of the country. It created a maize crisis in Tanzania.

#### **4.1.3 Improved Social Welfare**

The researchers gathered that smuggling has contributed to an improvement in the social welfare of households thus reducing the poverty levels. It has enhanced family units through the constant interactions that go on among cross-border relatives. One male local resident noted that:

My relationship with my cousins who live in Uganda is very good. Whenever I need anything I talk to them and they provide it to me cheaply. Sometimes they even give me food stuffs for free. They transport it over to Kenya and I pick it from the supermarket which is close to the border. This supermarket is our meeting point. Here, we talk, laugh and this has really improved our relationship. Interview with a male local resident in Busia rural on 25<sup>th</sup> July 2019.

The interview is an indicator of the great role played by this trade in strengthening family ties among cross-border relatives. Besides this trade encourages interactions between the cross-border communities. Healthy interactions create peace among the cross-border households since there is also reduction in social crimes. This information agrees with the citations made by Fafchamps (2004) which informs that this activity has established bonds of trust between ethnic groups that were separated by artificial borders created during colonialism. These bonds of trust enable contract fulfillment, financing and information exchange without documentation or official involvement.

#### **4.1.4 Creation of Peace**

Smuggling keeps most residents busy. In an interview a local female resident:

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As far as am concerned there is nothing wrong with this informal trade. Look at other areas where people have nothing to do, they are so idle that what they can only think of is to commit crimes in order to make money. This region even if we still have some crimes being committed the fact is they have reduced because most people are so busy either buying or selling or involved in transportation. Others are busy on their farms. By evening you are so tired that you can only think of going to bed. Most of us are actually happy. Interview with a female local resident on 26<sup>th</sup> July 2019 from Busia rural.

This interview demonstrates that smuggling as much as it is illegal it has played a great role in engaging residents, creating peace and even reducing the crime rate.

#### **4.1.1.4 Reduction of Crimes**

In an FGD a hawker argued:

The government should not interfere with this business. Otherwise if we shall have no jobs to do we shall start stealing or killing to survive. At least we always have money because there is no single day any of us goes home without money. It has also enabled us to start a hawkers' association. We have a kitty to which we contribute Ksh 100 on daily basis. This has enabled members access loans from the kitty and the loans have enabled them invest largely hence raising their social status. We no longer live in misery, we eat well, sleep well, dress well and we live in relatively decent houses. We are happy and we respect each other because we are almost at the same level in terms of the social status. FGD with hawkers on 26<sup>th</sup> July 2019 in Busia town.

Information derived from this FGD reveals that smuggling has greatly helped in the reduction of crimes within the region. It has also empowered them through the group organizations that they have formed and this in the long run has uplifted their social status. In addition, the members have a high regard for each other because of the status of their livelihood. Nevertheless, Babuta and Haenlein (2018) cite that smuggling promotes criminal activities which in the long run discourage business. Miroff (2016) also notes that the activity has led to a growing influence of criminal gangs.

#### **4.1.5 Improved Health**

Findings indicate that steady supply of food stuffs members of households is healthy because food is available, cheap and also fresh. Each household can thus afford a balanced diet in a day. Moreover, malnourishment among children is not there. Children are healthy and the growth rate is high. They are rarely attacked by the common diseases. Furthermore, according to one local household head, availability of fresh and cheap food has contributed to high life expectancy. He stated that:

In this region we eat well we stay well and we have no stress. We are healthy and that is why we live for long. Currently I am 75 years old but as you can see am very strong. Interview with a household head on 24<sup>th</sup> July 2019 in Busia rural.

This information confirms that the improved life expectancy in the region is linked to the improved health of residents due to food surplus.

#### **4.1.6 Income Generation and Improved Living Standards**

On the economic front, this informal business has led to income generation among households. Findings indicate that business was of great benefit to them since the money earned is used to support the education of their children and also provide for households. An interview with one female trader stated that:

I like this business because it has enabled me feed my children. It has also helped me secure and service loans. Many women that you see on this market have been able to buy plots and even land and they have constructed houses through this trade. Nobody should condemn the trade. It is good business for us. Besides, I have an irresponsible husband who does not care about our children and if I do not work how will these children survive? "Interview with a female trader on 23<sup>rd</sup> July 2019 in Busia town.

This interview demonstrates the attachment women have to this business in spite of the illegality associated with it. Besides, they also confirmed that the business has enabled them earn more money than the men. Thus it has led to job creation enhancing their economic empowerment. In an FGD a transporter argued that profits they make through smuggling have been able to buy their own motorcycles even without going for a loan. They have opened their own bank accounts in which they make savings on daily basis. According to them they are planning ahead for their future and that of their household members. They also have transporters' association and a common kitty that has enabled some to access loans for their personal investments.

Persons with disability are also economically independent since their involvement in the movement of the smuggled goods earns them high income and as such they can no longer rely on begging for their livelihoods. Some have been able to buy their own stocks and have established their individual businesses which further provide financial support to their individual households.

Further, results indicate that business had economically empowered households thus raising their income status. This in turn has contributed to a tremendous poverty reduction level among households. This argument is in line with New Comb (2000) who notes that smuggling has actually generated income for those involved. In addition, Titeca and Azeze (2012) cite that cross-border smuggling activities are in many instances so profitable that they generate more money than the entire countries' legitimate GDP.

#### 4.1.7 Employment Opportunities and Investments

Also, it has created employment opportunities for all groups of persons. An interview with one government officer revealed this:

Well I cannot totally demonize smuggling. At least our youths are engaged in one way or another. Even other able-bodied persons are also doing something. So in some way, it is an avenue for job creation. Some have even gone further and invested with the money earned through smuggling while others have even expanded their businesses. Smuggling is actually a key source of empowerment for women who are in reality the major traders. In addition, because of the many benefits derived from this activity many people have switched from formal employment to this activity. Others do both and yet there are those who have opted not to engage in formal employment. Interview with a government officer on 24<sup>th</sup> July 2019 in Busia town.

This interview demonstrates the positive effect that smuggling has had on the economic welfare of individual households thus improving their living standards. These findings are supported by the works of NewComb (2000) who notes that smuggling generates employment as in the case of Bolivia.

#### 4.1.2 Negative Effects of Cross-Border Food Commodities Smuggling

Smuggling is an activity which is not legally recognized since it does not follow official channels. Hence in spite of some positive effects, its' illegality comes with many negative impacts.

##### 4.1.2.1 Harassment, Violence and Sexual Abuses

On the social impacts on household status, the researchers was told by one female trader that women are vulnerable to harassment, abuse and health risks. They face excessive harassment especially if men conduct the body search for hidden goods as they try to cross the border. This causes embarrassment and discomfort; it even discourages some of them from pursuing the business which in the long run might make some households fall back to poverty due to the fear of harassment. The researchers asked traders, custom officers, hawkers, and transporters whether some smugglers are harassed and sexually abused. The total number of respondents was ninety-nine. The following figure is a summary of findings:

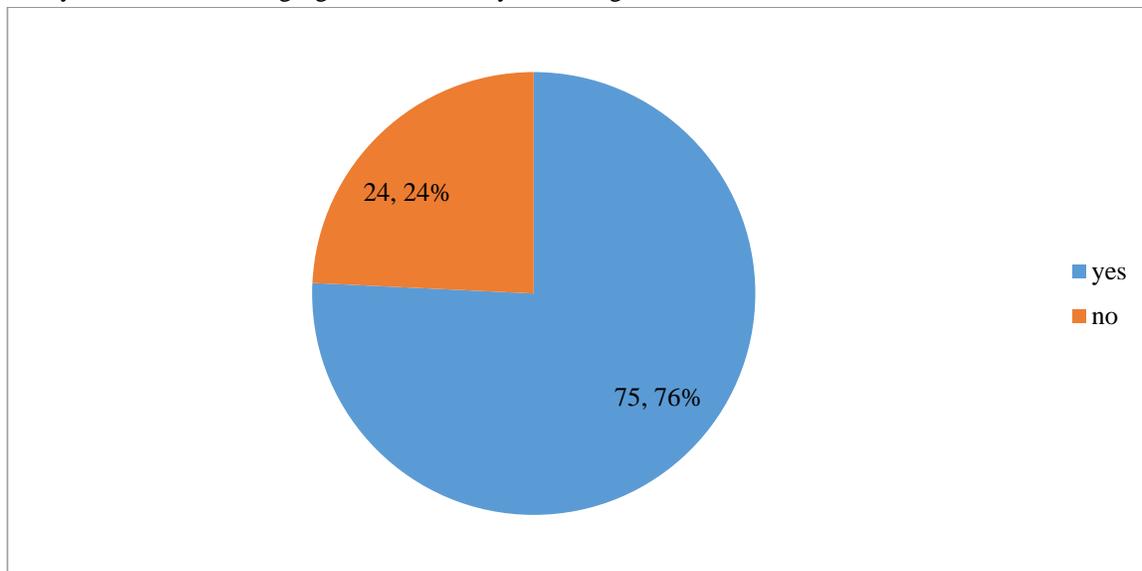


Figure 4. 1: Sexual Abuse

Source, Field Data, 2019

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Figure 4.1 indicates that 75(76%) of the respondents agreed to women being sexually abused and harassed. Findings also indicate that they are even infected with sexually transmitted diseases and even HIV/AIDS as they try to cross over with their commodities through the informal routes either during the day or at night. This in turn distorts the households' social status and it also impoverishes the households since money is spending on treatment instead of investment. It causes stress and even depression to the victim. There are instances where deaths have resulted from such acts thus destabilizing the family. Sometimes families end up breaking up due to mistrust or failure to understand the circumstances under which the incident happened. One female respondent a trader said:

My husband is a real drunkard. All he does every morning is to demand for money from me in order to spend it on the local brew. Whenever I fail to give him he beats me up. He believes I make a lot of money and it is his right to have the money. I am holding onto this marriage because of my innocent children. Interview with a female trader on 27<sup>th</sup> July 2019.

This information from the trader implies that smuggling has contributed to domestic violence in households. Furthermore, it coincides with the citation of Fletcher (2010) who affirms that smuggling promotes anti-social behavior and violation of rules and norms in the society.

Further, findings indicate that female traders' goods get lost after being seized by the customs officers or the police thus making them make great losses in their business. They also realize losses through bribes. They informed the researchers that there are instances whereby they are forced to bribe the security or customs officers with a huge amount of money before their commodities are allowed into the country. This affects the profits they make from the business and if not careful the business might collapse thus affecting the social and economic status of the households. The researchers also learnt that sometimes fights among these female traders arise due to disagreements over the commodities. As said by one female trader:

Sometimes we buy commodities as a group and give somebody to transport them. Along the way some goods get lost or get mixed up. When we receive the goods on our end disagreements sometimes arise over the quantity of the goods or even over payments. We have had our members engaging in fights over such misunderstandings. I am the leader of the traders' union in this place so when such incidents arise I am forced as per our constitution to suspend them from the market for a period of a week. In other cases, depending on the gravity of the matter we even expel them. This of course affects them and their entire household because survival becomes a problem since basic needs of a household cannot be efficiently met. Interview with a female trader on 27<sup>th</sup> July 2019.

The interview above demonstrates the negative impact that smuggling can bring on households. The works of Husken (2012) agree with these findings as he cites that poor traders are exposed to humiliating practices meted out by the border personnel, which include arbitrary violence such as kicking and hitting with sticks or random arrests for several hours.

Some of them get detained in police custody or even get imprisoned if found with smuggled goods. If imprisoned for long, it can lead to family breakups. Sometimes while in prison or in custody for a long period some contract diseases which hinder their active engagement in the business and all these impact negatively on the business as you will not be there to run it, thus lowering the members' social and economic status which with time might drive the household into poverty. It was established that men also go through the same humiliation such as harassment by the police and they are sometimes restricted from entry into the market, imprisonment or detention, loss of goods to customs or police officers. All these impact negatively on their social and economic status thus raising the poverty level. As gathered from the field by the researchers, children who get involved in smuggling can also be detained if caught by the law enforcement officers. They also tend to be cheated by adults who take their commodities and fail to pay them or underpay them. Sometimes they are beaten by either their parents or police for engaging in the illegal activity.

This sometimes psychologically tortures them and some of them start living in isolation. This is not good for the social interaction as it instills fear in the children. As they grow they might face challenges in fitting in the society and might shy away from many activities. As they grow up, some might develop a rebellious attitude and hatred which is not good for any society as they might be considered deviants in the society. Besides, there are some men who instead of spending their earnings on development, prefer engaging in polygamous unions and drinking. This in the long run distorts their households and drains them of their financial power, hence, lowering their socio-economic status. Families sometimes breakup because of this type of behavior

Further still, smuggling has had no significant achievement to some youths. Some of them even after earning so much from this business spend all their earnings on luxury such as drinking. They love the soft life. Hence such youths are not economically stable

and empowered. In addition, they dropout from school in order to engage in smuggling and this in turn has lowered the literacy level among some youths and children. This thus implies that most of them end up being unskilled or semi-skilled.

#### **4.1.3 Culture of Corruption**

Findings indicate that law enforcement officers openly demanded bribes from the local traders. Prominent business people, transporters and in other instances market traders willingly offered bribes to the police and customs officers in order to have their commodities moved across. This has enhanced the culture of corruption in the society and even in households since people have it on their minds that they have to bribe their way out. Hence smuggling has a corroding influence on state institutions given the systematic networks of corruption that have evolved in order to facilitate the illegal activity. This thus impacts negatively on the social morals of the household members. This remark on corruption agrees with the works of Babuta and Haelein (2018) who state that smuggling generates black money therefore leading to a black economy which heightens corruption. According to an interview with one male trader:

The reason why smuggling will not die away is corruption. As long as you bribe the police you can move as many goods as you want. All the police are interested in is many what happens after is their little concern. The collusion between smugglers and border authorities have undermined the border security and created a level of low-level corruption that criminal groups can exploit. Interview with a male trader on 25<sup>th</sup> July 2019 in Busia town.

This interview reveals that corruption is deeply rooted at Busia town and it is something acceptable. This is in line with Miroff (2016) who states that in Venezuela it has led to the creation of a huge black market demand for foreign cash. Titeca and Kimanuka (2012) also affirms that it contributes to tax evasion and corruption. The researchers also gathered that these corruption networks in the long run benefit numerous other criminal gangs since, as gathered from this study during an FGD with a hawkker:

Some groups have used the capital engaged in smuggling to move into higher profits and more criminalized activities. This has damaged the integrity of the state authority. This trade in reality has created an institutional basis for higher profit criminal activities, the legitimacy and control of local power brokers and hence they are a disincentive for border communities to engage with the central state building process. In some cases for example, armed groups offer protection services to tax trafficking flows and the illicit proceeds can then be used to fuel armed conflict. FGD with hawkkers on 22<sup>nd</sup> July 2019 in Busia town.

This interview is a demonstration of one of the negative effects of smuggling of food commodities between Kenya and Uganda. It is in line with

There are health risks since these smuggled goods are not subjected to sanitary measures. Consumers are hence exposed to health risks and this was supported by Shaw (2015), who cited that in Zanzibar people buy goods expired posing health problems to the local population. As noted by one government officer during an interview:

The problem with our people is that they ignore the risks involved in smuggling these commodities. Some of them end up buying expired products which turn out to be a great health risk. Some end up being admitted after consuming such products. We advise our people not to buy smuggled commodities because of such issues. However, our people are tough headed they never heed to our advice. Interview with a government officer on 27<sup>th</sup> July 2019.

This interview demonstrates the health risks that accompany smuggled food commodities. A report by the Customs and Excise Department (2008) also affirms that smuggling makes agricultural commodities escape sanitary and phytosanitary controls meant to ensure food safety at home and avoid proliferation of diseases across borders.

#### **4.1.4 Competition to local Food Commodities**

The researchers also got informed that these smuggled goods caused competition to the locally produced goods thus affecting their livelihood. As noted by one local resident a subsistence farmer:

I used to lease large tracts of land in order to plant both maize and sugarcane. But I stopped doing this 3 years ago because I realized I was making great losses. Most traders buy maize from Uganda because it is cheap. I would stock my maize for long and this was normally quite expensive yet I would sell at very low prices in order to clear the stock. In 2015 I made great losses when my maize was attacked by weevils. The price of sugarcane depreciated because again a lot of sugar was coming in from Uganda. Smuggling is not good and our life has generally been affected. We cannot make much from farming.” Interview with a local farmer on 28<sup>th</sup> July 2019 in Busia rural.

This information demonstrates that smuggling creates a glut, decreases prices in the local market and there is no market for the local products. This thus negatively affects their income and their standard of living gets lowered as they do not have sufficient income to

sustain a high living standard. This is also supported by the works of Babuta and Haenlein (2018) who note that smuggling results in the decline in production and results in the lack of purchase of the local goods. In addition, the local business thus suffers huge setbacks and cannot compete smuggled goods hence the production of some commodities ceases.

Findings also indicate that the activity contributed to crimes. For instance, there are some people who waylay smugglers on the unofficial routes and either seize their goods, money or harm them. Such criminal activities deplete households of their hard earned resources and thus impoverish them. Besides such crimes discourage some households from continuing with the business because of the risks involved and this certainly lowers the income within the household. An interview with one local resident indicates that:

There are cases when gangs of youth terrorize individuals as they cross the border especially at Sofia. Last year 2017 during the month of April they beat up a certain woman from my neighborhood, raped her and took her commodities. I understand the woman later on committed suicide because of humiliation and psychological torture. It is just bad. Interview with a local resident on 22<sup>nd</sup> July 2019.

This revelation is just an affirmation of the disadvantages of smuggling. This argument is in line with Babuta and Haenlein (2018) who states that smuggling promotes criminal activities which discourages business. Ogalo (2010) also affirms that the activity poses a human security issue and asserts that in Guinea-Bissau, cross-border smuggling has seen various coup attempts, the killing of the president and the head of the armed forces. Miroff (2016) also cites that along the Venezuela-Colombia border it has led to a growing influence of criminal gangs. Titeca and Azeze (2012) ascertain that it has led to the deterioration of the rule of law and it is arduous and dangerous for women smugglers.

#### 4.2 Effect of Cross-Border Food Commodities Smuggling on the Socio-Economic Status of Households

Data from the field captured key elements derived from cross-border smuggling that impacted on the socio-economic status of households within the region. These elements included income generation, job creation, enhanced interactions, poverty level reduction and increase in illiteracy levels.

The researchers asked government officers, local residents, traders, transporters, revenue collectors, hawkers, trade agents and opinion leaders if smuggling has greatly contributed to income generation among households and this in turn has raised their social and economic standard of living. The total number of respondents was 193. Figure 5.2 is summary of findings:

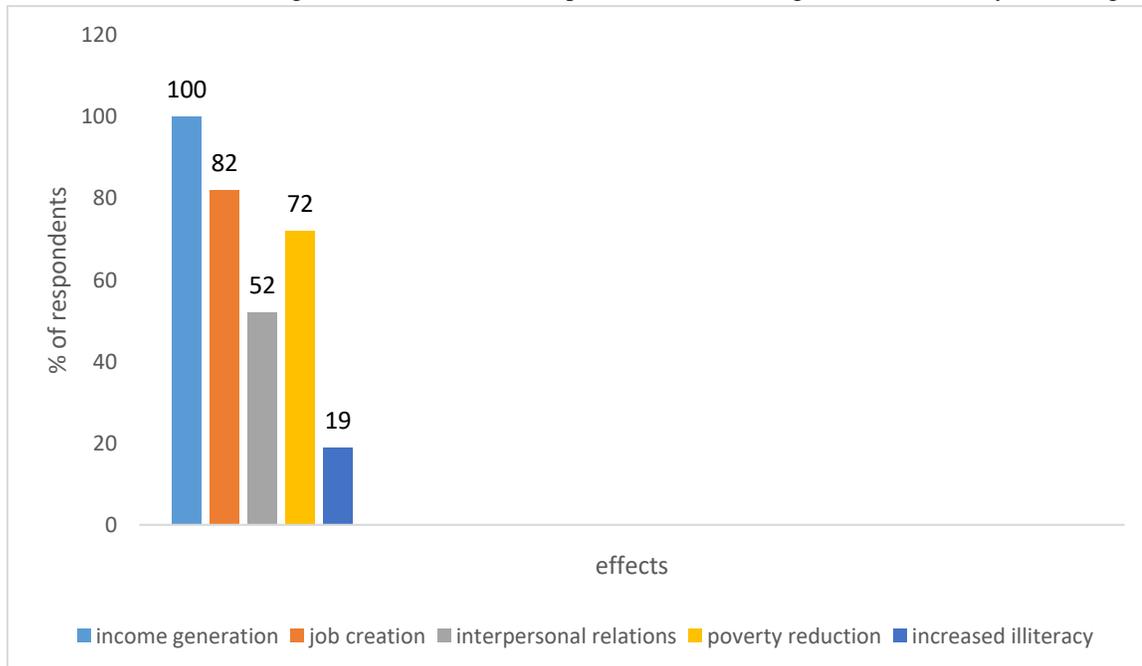


Figure 4. 2: Effects of Smuggling on Socio-economic Status

Source: Field Data, 2019

Figure 4.2 indicates that 193(100%) agreed that it generates income for local residents. This was attributed to the fact that the business fetched a lot of profits and besides it was untaxed. This argument is in line with the works of New Comb (2000) who cites that smuggling has created in come for those involved.

On job creation 158 (82%) agreed that quite a number of people had obtained employment either as agents, hawkers, small scale traders and even as transporters. This has thus enabled them earn money which in turn has led to economic empowerment of their individual households and their social status has been raised. However, 35 (18%) agreed that smuggling was not the main source of job creation as some households were engaged in formal sectors, others farmers and according to these respondents all those involved in smuggling were criminals and this should not be considered as a job creation activity. Nevertheless, the 32 (17%) strongly agreed that the activity had indeed created jobs for those individuals that were initially jobless and idle. Besides those who do not have the formal education at least have something to do. The researchers also agrees with the fact that smuggling has contributed to job creation as it enables individuals earn some money which they use to sustain their livelihood. This element on job creation agrees with the works of Roltman (2004) who notes that in Africa it has generated employment for 43% of the youth.

Findings indicate that income gained from this business had raised the status of household members both socially and economically. Even though sometimes households experience low moments, their level of poverty has largely reduced. At least households can afford meals thrice a day and they always have money even though the amount per household might vary. Further, poverty level was still quite evident especially among households within the rural area. Besides some of the household members especially the men even after earning the money, spend it on leisure and do not make any investments or savings. This has thus made them to forever remain poor. But poverty reduction is relative since the poverty level has reduced for some while as for others it has increased, yet others have never experienced any change. They are still as poor as ever. According to them this was determined by the level of sensitivity and responsibility of household members. The researchers also agrees with the sentiments of the key informants.

In an interview, a customs officer reiterated that smuggling had increased illiteracy among household members since many children and youths dropped out of school in order to make quick money. According to these respondents, these youths and children had difficulty in reading and writing and besides they had no skill in business. Findings indicate that households where all members had abandoned their education, such households had been affected by the literacy level but in households where just one or two members had abandoned school the effect was insignificant. On the whole, they said this aspect was not so alarming. The researchers also shared the opinion of the key informants.

### **4.3 Socio-Economic Effects of Food Commodities Smuggling on Specific Actors**

The main actors involved in food commodities smuggling between Kenya and Uganda were basically women, men, youth, children and persons with disability.

#### **4.3.1 Women**

Generally, the researchers observed that women were the majority in cross-border trade. According to data gathered, as compared to other groups of actors, the women had greatly benefited even though they were the most vulnerable. First, the researchers gathered that the women had benefited by supporting the education of their children as well as providing for their households. They have been able to secure and service loans and have even acquired plots and constructed houses for rent. According to one woman who sells illicit beer

I am a Ugandan but I prefer doing my business on the Kenyan side of the border. I brew waragi and sell it to Kenyans. I took a loan which enabled me start this business and the business has enabled me service the loan adequately. I have also been able to buy a piece of land in Uganda and I intend to settle there with my children during my old age. Interview with a female trader on 23<sup>rd</sup> July 2019 in Busia town.

This interview shows the benefits that women reap from the illegal business. It was also gathered that the women earn more from this business than the men. However, sometimes their husbands cause pain to them and even hurt their business. As demonstrated by one female trader

If you do not hide your money very well and keep it secretly, our men upon sighting it can carry the whole amount away. Like me, I put it in my small purse which I then tie around my waist and I have sworn my money is for me and the children. My man cannot survive on my sweat. He needs to provide for us. If he cannot give me money on any given day what I do is that I call my children to the market and then take them to a hotel to eat to their full then they go home. The day he does not provide money he cannot eat. Interview with a female trader on 20<sup>th</sup> July 2019 in Busia town.

This interview demonstrates this behavior by men can negatively impact on household relations resulting from the informal trade. In addition, they face excessive harassment especially if men conduct the body search for hidden goods as they try to cross the border. This causes embarrassment and discomfort; it even discourages some of them from pursuing the business which in the long run might make some households fall back to poverty due to the fear of harassment. There are those who have been sexually abused and even infected with sexually transmitted diseases and even HIV/AIDS as they try to cross over with their commodities through the informal routes either during the day or at night. This in turn distorts the households' social status and it also impoverishes the households since money is spending on treatment instead of investment. It causes stress and even depression to the victim. There are instances where

deaths have resulted from such acts thus destabilizing the family. Sometimes families end up breaking up due to mistrust or failure to understand the circumstances under which the incident happened.

Women traders also complain of their goods getting lost after being seized by the customs officers or the police thus making them make great losses in their business. They also realize losses through bribes. They informed the researchers that there are instances whereby they are forced to bribe the security or customs officers with a huge amount of money before their commodities are allowed into the country. This affects the profits they make from the business and if not careful the business might collapse thus affecting the social and economic status of the households. Some of them get detained in police custody or even get imprisoned if found with smuggled goods. If imprisoned for long, it can lead to family breakups. Sometimes while in prison or in custody for a long period some contract diseases which hinder their active engagement in the business.

#### **4.3.2 Persons with Disability**

Their benefit is linked to the sympathy and favors from the customs and security officers and also from the revenue collectors. They transact their trade without any interference. They are economically independent since their involvement in the movement of the smuggled goods earns them high income and as such they can no longer rely on begging for their livelihoods. Some have been able to buy their own stocks and have established their individual businesses which further provide financial support to their individual households. Most of these persons were however male. According to an interview with a female person with disability

For sure I cannot complain. People in our conditions are really favored though this hurts so many other people. We are never harassed and we do not even pay any bribes. We cross through the customs office peacefully. This is a great advantage to us and that is why we have so many clients. We always ensure that we hide the commodities on our wheel chairs and it is not so easy to see what we have carried. Any new person coming here cannot really know what we do. This business has made us to be greatly independent. It is almost impossible to see a person with disability who is actively involved in this business beg. We earn some good money and we are in a great position to fend for our families. Interview with a person with disability on 20<sup>th</sup> July 2019 in Busia town.

This interview demonstrates the benefits of these persons from smuggling. Another interview with another transporter with disability showed that:

We no longer rely on handouts for survival. We work for our own money which we use on the upkeep of our families. Some of us have also used this money in investments. Quite a number have established individual businesses which are run by family members in order to earn some extra income. at least we no longer live in poverty. Interview with a transporter with disability on 23<sup>rd</sup> July 2019 in Busia town.

This interview also demonstrates the gains such persons have made from the informal trade.

#### **4.3.3 Youth**

In spite of their active engagement in this trade, there is no sign of achievement because they spend their earnings on social enjoyments such as going to discos, playing cards on market places, drinking and promiscuity. They love the quick and soft life hence no meaningful investment. Some of them dropout from school in order to engage in smuggling and this in turn has lowered the literacy level among some youths. This thus implies that most of them end up being unskilled or semi-skilled.

#### **4.3.4 Men**

They benefit less in terms of development since they spend much on marrying many wives, leisure with other women. They are generally weak hearted in accessing and utilizing loans. Men also go through the same humiliation such as harassment by the police and they are sometimes restricted from entry into the market, imprisonment or detention, loss of goods to customs or police officers. All these impact negatively on their social and economic status thus raising the poverty level.

#### **4.3.5 Children**

A few of the children are involved. They act as errant children who might have escaped from their parents just to come and earn their money. As gathered from the field by the researchers, children who get involved in smuggling can also be detained if caught by the law enforcement officers. They also tend to be cheated by adults who take their commodities and fail to pay them or underpay them. Sometimes they are beaten by either their parents or police for engaging in the illegal activity. This sometimes psychologically tortures them and some of them start living in isolation. This is not good for the social interaction as it instills fear in the children. As they grow they might face challenges in fitting in the society and might shy away from many activities.

## **5. SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Summary of the Findings**

The objective assessed how cross-border food commodities smuggling affected the status of households both socially and economically. It demonstrated that the major beneficiaries of this trade were women and this has led to their improved welfare. Among the disabled persons, there were more male who earned more from smuggling. On the whole men and youths benefited less.

This was attributed to their uncontrollable behavior of extravagancy and leisure. Increased neglect by men has left many women to fend for their families.

## 5.2 Conclusion

The researchers concluded that smuggling is a significant activity and it immensely contributed to the household welfare. Besides, the socio-economic effects can either be positive or negative depending on the outcome of smuggling to individual households. Any moment the activity was successful, positive socio-economic effects were experienced, hence uplifting the status of households but the moment the outcomes backfired the households were negatively affected thus lowering their socio-economic status.

## 5.3 Recommendation

The researchers recommends that the government establishes business centers for cheap investment that will ensure continuous income generation. If well-coordinated this will uplift the socio-economic status of the households involved. Besides, specific policies that acknowledge and encourage formalization of smuggling could exploit the comparative and competitive advantage the trades enjoy in the region. This could impact positively on the food security situation, attract investments, lead to the development of market and transport infrastructure. This will in the long run improve the welfare of the households. It is also important to sensitize traders on sanitary and phytosanitary requirements since observance of quality and standards is important for the social welfare of households. In addition, food commodities such as maize, beans, rice and groundnuts have direct implications on a country's food security situation. Building silos and applying modern preservative methods on perishable commodities during a bumper harvest season could ensure availability of such food commodities during times of scarcity, is hence recommended. This would in turn lessen the burden of the government to meet food demands during disasters. The government of Kenya needs to enhance the management of people's expectations through increased household awareness of alternative livelihood systems. This would encourage households to take advantage of existing opportunities, programmes and projects aimed at improving their welfare and prosperity.

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