# Ethical Border Trading Between Kenya and Uganda for Small-Scale Businesses

This project explores how to leverage cellphones to reduce corruption challenges for small-scale traders in East Africa.

### **Project Summary**

Small-scale trade between Kenya and Uganda is critical to livelihoods and well-being in border towns. Despite official efforts to promote more open and efficient borders, small-scale traders—most of whom are women—face serious challenges, including arbitrary extraction of payments and goods. This makes small-scale trading hazardous and reduces its socio-economic benefits.

This project explores whether a cellphone-based platform that provides services for traders, including access to support networks, can increase reporting of problems and strengthen trader networks to push for reform. Ultimately, we explore how to leverage this cellphone platform to strengthen advocacy for improved border conditions for small-scale traders.



# **Policy and Programming Implications**

This work aims to encourage current policy and programming on border reform to look more carefully at the particular challenges of small-scale traders and the gendered aspects of their border interactions. A great deal of policy reform appears to focus on larger and more powerful cross-border traders. In contrast, this research aims to amplify the voices of small-scale traders in policy discussions and identify specific changes required to effectively address the particular challenges of these traders.

The Global Integrity Anti-Corruption Evidence (GI-ACE) research programme supports 14 projects around the world generating actionable evidence that policymakers, practitioners, and advocates can use to design and implement more effective anti-corruption initiatives.

#### **Research Questions**

- How do small-scale traders make journey choices that create more or less risk of extraction of bribes or goods, and what are the incentives and institutional dynamics that lead to vulnerabilities to corruption?
- Can cellphone-based platforms that allow for access to greater services, including information about support networks, increase reporting by small-scale traders of corruption problems?
- How must policy and programming change to address the specific problems with corruption faced by small-scale traders?

## Methodology

An approach to this problem requires a combination of methods:

- First, we are conducting careful fieldwork that explores trader journeys across the border and their specific barriers and problems along the way with a focus on the roles of key actors at each stage of a trading journey.
- Secondly, we are analyzing the power dynamics and incentives around who benefits and loses from the current formal and informal institutional configuration at two border towns.
- Based on this analysis, we are designing changes to an existing cellphone-based platform for traders called Sauti. These changes include new services that might improve the ability of traders to create support stronger networks.
- Finally, we will test the impacts of these services using a randomized control trial.

#### **Research Team Members**

Dr. Jacqueline M. Klopp, Research Scholar, Earth Institute Columbia University

Ruth Canagarajah, Program Associate, Busara Center for Behavioral Economics

**Dr. Chaning Jang, CSO**, Busara Center for Behavioral Economics

To learn more about this project, contact Principal Investigator Jacqueline Klopp <u>Jacqueline Klopp jk2002@columbia.edu</u>

