

# Improving Livelihoods In Cross Border Trader and Borderland Trading Communities.

## 2021 Africa Borderlands Centre Innovation Challenge Zambia Cross Border Traders Baseline and Endline Survey

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# Overview

1. Introduction
2. Demographics
3. Business Activities
4. Livelihood
5. Experiences using the Apps(Village Savers and Thumeza)
6. Digital and Financial Literacy
7. Challenges
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## Introduction

- To collect quantitative and qualitative data for project titled “Improving livelihoods for informal cross border traders and borderlands trading communities” in Livingstone, Zambia
- The main aim was to assess the adoption and use of digital innovations on logistics and financial/savings management by Cross Border Traders (CBTs) for Livingstone boarder

# Assessments conducted

TYPE OF ASSESSMENT	OBJECTIVE OF THE SURVEY	DATE OF COLLECTION
Baseline and endline survey	Collection of quantitative data on the use and adaptation of digital solutions	November 2021 and May 2022
Month to Month Survey	To determine how CBTs were trading and the usage of digital solutions on a monthly basis	December 2021 and February 2022
Focus Group Discussion	Collection of qualitative data on the use and adaption of digital solutions	Three FGD conducted. Two in March and one in May, 2022
Drop out survey	To understand reasons why CBTs discontinued using of digital solutions	March 2022

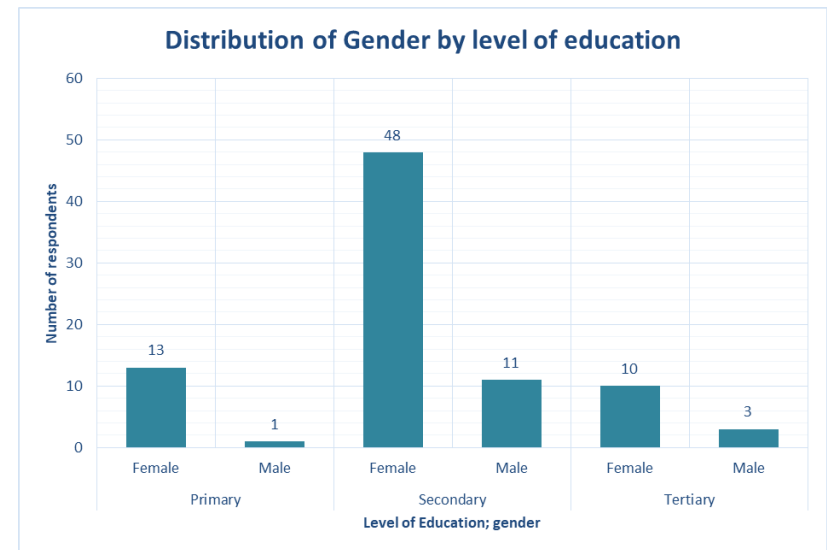
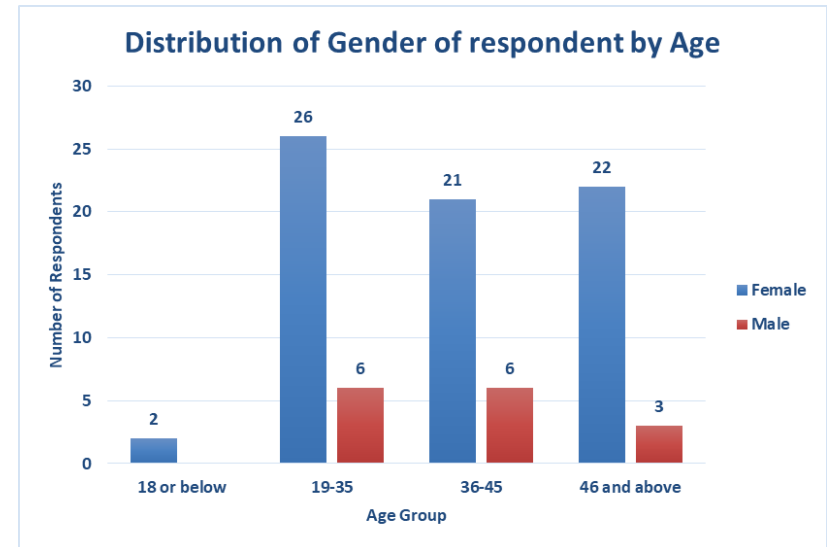
# Key questions

1. What are the demographic characteristics of the CBTs?
2. What do CBTs trade in and where do they trade?
3. What are the challenges being faced in their trading?
4. Is there an increase in the uptake of digital solutions by CBTs in effectively conducting their businesses by introducing Village Savers and Thumeza?
5. Did usage of the apps contribute to improved livelihood/business continuity of the CBTs businesses?
6. Did CBTs benefit from attending financial and digital literacy trainings?
7. For those that dropped out, what are the main challenges that lead to them dropping out?



# Background Characteristics

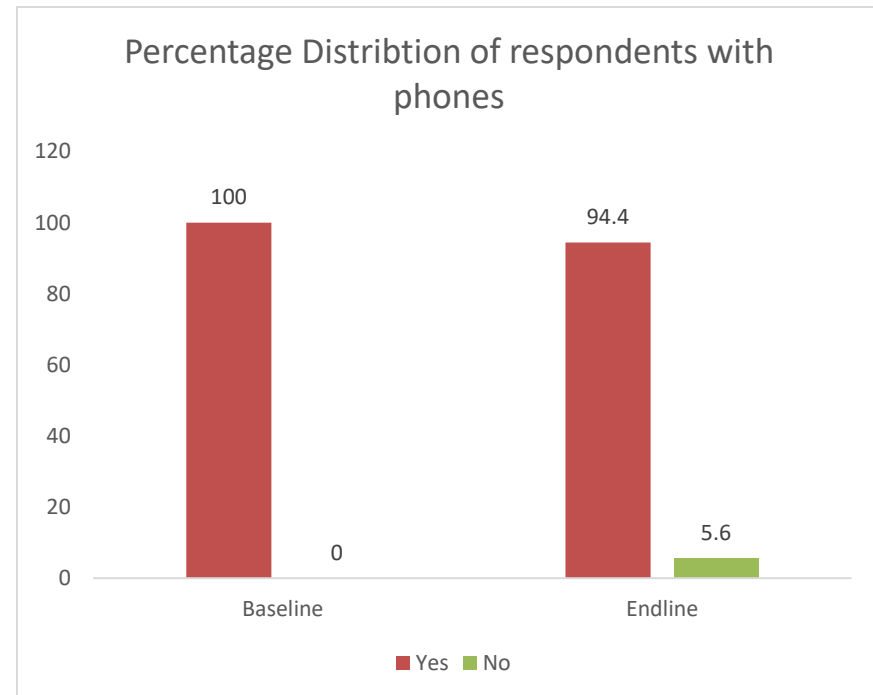
- 86 out of 88 gave consent to participate in the survey at baseline
- 82.6% were female.
- 37.2% of respondents were of the age group 19-35 years.
- 68.6% of the respondents had at least secondary school level of education.
- The assessment showed that 14.0% of the respondents had disabilities.



# Access to Phones

- Baseline- 100% had phones with 95.6% being feature phones, while at endline 94.4% had phones with 81.5% being feature phones.
- 97.8% were on WhatsApp on baseline and at end line the percentage was at 94.4%
- It was noted that 97.8%

during baseline had access of electricity to charge there phones and at endline the percentage stood at 100%.



# Business Activities

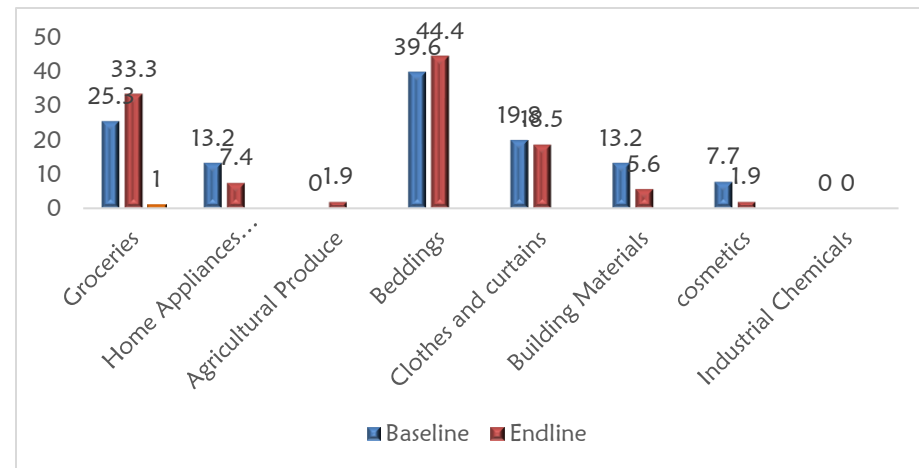
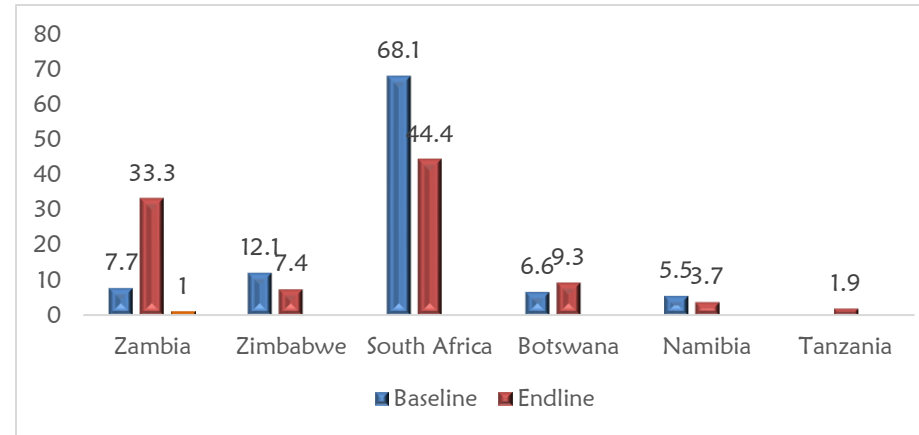
## **ADDRESSING KEY QUESTIONS 2 AND 3**

- 2. WHAT DO CBTs TRADE IN AND WHERE DO THEY TRADE?**
- 3. WHAT ARE THE CHALLENGES BEING FACED IN THEIR TRADING?**



# Trade

- More than 50% of the traders captured operate from Zimbabwe/Town center market, with most goods begin purchased from South Africa both at baseline and endline.
- During baseline the most popular traded items were beddings at 39.6% and groceries at 25.3% while at endline the situation was similar with beddings at 44.4% followed by groceries at 33.3%





## Trade

- From the baseline assessment about 45.5% spent between ZMW 5,000-20,000 followed by 35.2%( ZMW 5000 and less) on purchasing goods for trading per month. At endline it was reported 46.3%(5000 and less) and 42.6%(5001-20000)
- At baseline 81.3% reported to have collaborated with other CBTs and the highest collaboration was in grouped transportation at 33.7% whilst at endline the highest collaboration was in savings group at 90.6% followed by CBTA activites.

# Transportation



- Baseline - mode of transport was reported as trucks (68.6%), bus (30.2%), then Thumeza at (1.2%).
- Endline - mode of transport was reported as trucks (61.5%), bus (36.5%), then Thumeza at (1.9%).
- 72.4% indicated that this was their ideal mode of transport at baseline while at Endline(63.5%).

On how CBTs source their goods 54.4% indicated send money through to one person who acts as a buyer followed by

- travel and order from seller at 33.3%,

send money directly to seller at 5.6%

- and use a digital platform at 6.7%

At endline, send money through to one person who acts as a buyer(54.5%),

travel and order from seller at 23.6% ,

- send money directly to seller 7.3% and use a digital platform at 14.5%

# Transportation



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At baseline and Endline more than 50% spent at least ZMW 2,000 for transporting their goods.









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56% reported to have lost goods in transit from neighboring countries. At Endline(43.6%)

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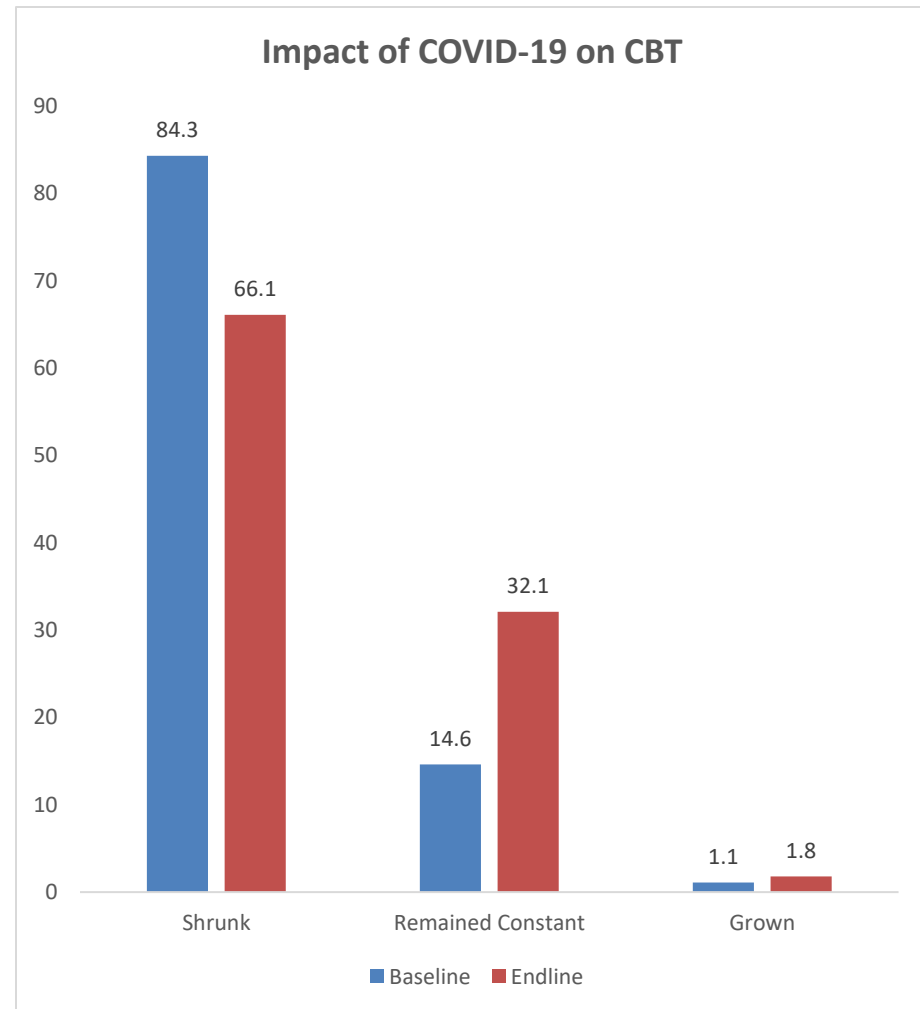
Most of the goods were lost while using a truck as mode of transport. Endline(64.5%)

# Challenges faced in CBT trading

Challenges	Baseline	Endline
Expenses on Covid19 certificate and tests		
Travel Restriction		
Bribes		
Harassment(tricked/Hustled)		

# Livelihood

- Baseline- Impact of COVID-19 on CBT business, 84.3% (shrunk), 14.6% (remained constant) and 1.1% (grew).
- Endline- Impact of COVID-19 on CBT business, 66.1% (shrunk), 32.1% (remained constant) and 1.8% (grew).
- 74.7% never crossed the border during baseline.  
Endline -60.7%



# Experiences using the Apps

## ADDRESSING KEY QUESTIONS 4 AND 5

**4. IS THERE AN INCREASE IN THE UPTAKE OF DIGITAL SOLUTIONS BY CBTS IN EFFECTIVELY CONDUCTING THEIR BUSINESSES BY INTRODUCING VILLAGE SAVERS AND THUMEZA?**

**5. DID USAGE OF THE APPS CONTRIBUTE TO IMPROVED LIVELIHOOD/BUSINESS CONTINUITY OF THE CBTS BUSINESSES?**

# Experiences (Village savers)

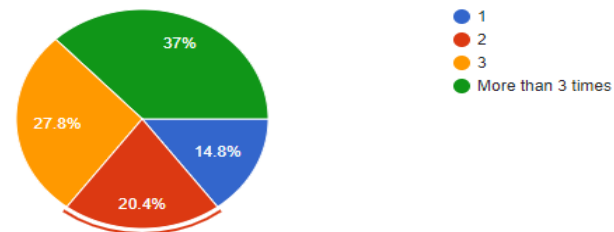


- Endline data- 98.2% joined a Village savers savings group.
- Total amount saved with interest to date ZMW 88,000
- 37% borrowed more than 3 times, 27.8% borrowed 3 times, 20.4% borrowed twice and 14.8 borrowed once.

90.4% used their money on there businesses

If yes, how many times did you borrow?

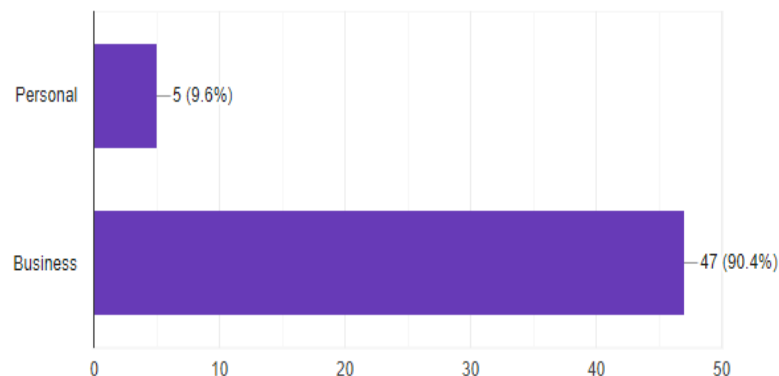
54 responses



What did you use the money you borrowed for?

52 responses

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# Experiences (Village savers)

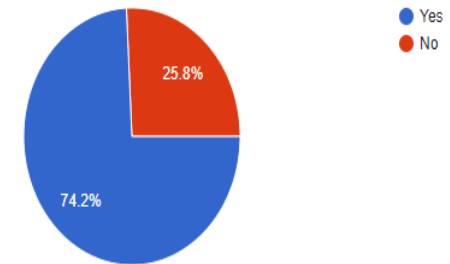


- Endline data- 74.2% indicated that the Village savers app has had an impact on the way they conducted their business
- Endline - 96.4%

said that participating in a savings group has increased their savings and 88.7% increased the income.

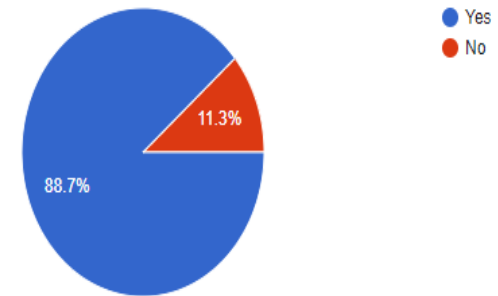
Would you say that the village savers app has had an impact on the way you conduct your business?

62 responses



Would you say that participating in a savings group with village savers has increased your income?

62 responses



# Experiences Village savers (Challenges)



- Phone problem,
- poor network,
- app problem such as logging in,
- segregation in my group
- Lack of digital illiteracy and
- lack of a smart phone

# Experiences Village savers (Areas of Improvement)



- Access to a smart phone,
- Increase cycle from 6 months to 1 year,
- Need for App to be available for download e.g play store
- Need for reliable network connectivity.

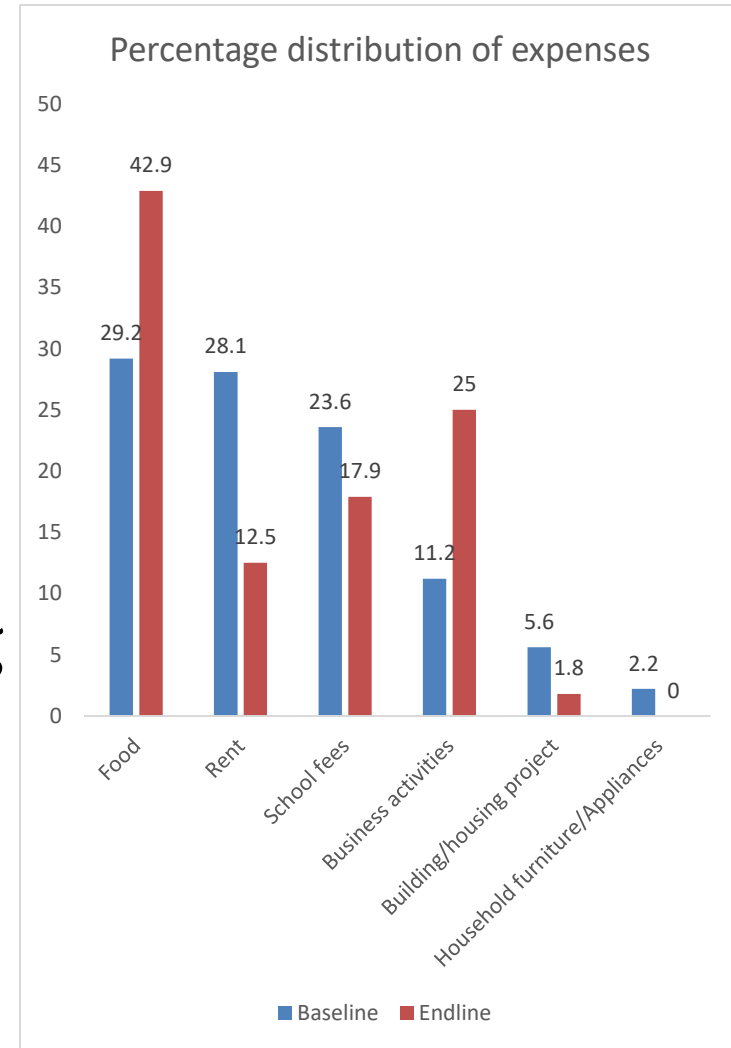


# Experiences (Thumeza)

- Endine-2 participants reported to using Thumeza representing 3.7%
  - 1 used Thumeza more than 3 times whilst the other used Thumeza once.
- Reasons for not using
- Thumeza, 17.6 % -no enough info,
  - 11.8% - expensive than alternatives,
  - 5.9 % never heard of it
  - 64.7% was other but from FGD this is basically was attributed to limited market of operation.

# Livelihood

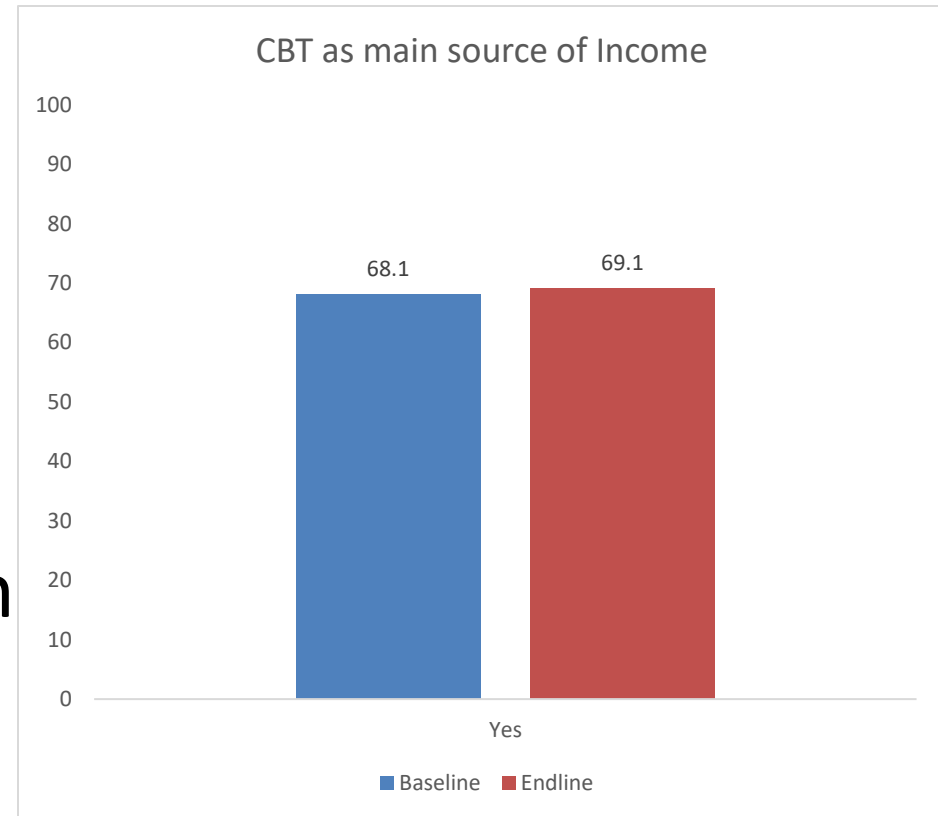
- Baseline-biggest monthly expenses food(29.2%), rent(28.1%), school fees (23.6%), business activities (11.3%), building housing project (5.6%) and household furniture and appliances (2.2%).
- Endline- Biggest monthly expenses food(42.9%), rent(12.5%), school fees (17.9%), business activities (25%), building housing project (1.8%) and household furniture and appliances (0%).



# Livelihood



- Baseline-68.1% CBT business is their main source of income
- Endline-% 69.1% CBT business is there main source of income



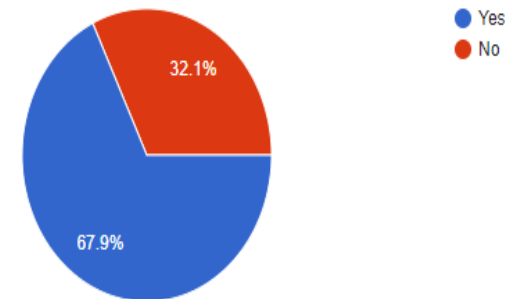
# Livelihood

- Baseline and Endline- more than 50% saved at least ZMW 500
- Endline- 67.9% of the respondents indicated that their income has increased since January, 2022
- From the savings, money is used mostly for Food(32%) followed by school fees at 18%



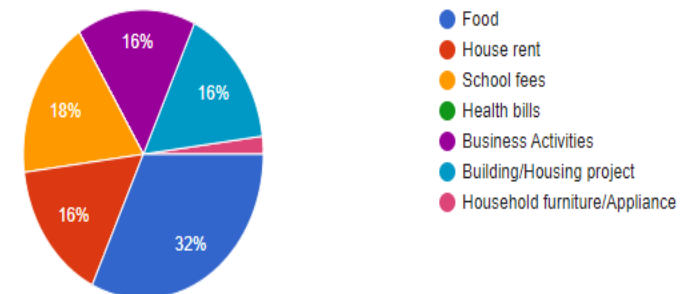
Since January this year, has your income increased?

56 responses



if income has increased, what do you mostly use the extra income on?

50 responses



# Digital and Financial literacy

## **ADDRESSING KEY QUESTIONS 6**

**6. DID CBTS BENEFIT FROM ATTENDING FINANCIAL AND DIGITAL LITERACY TRAININGS?**

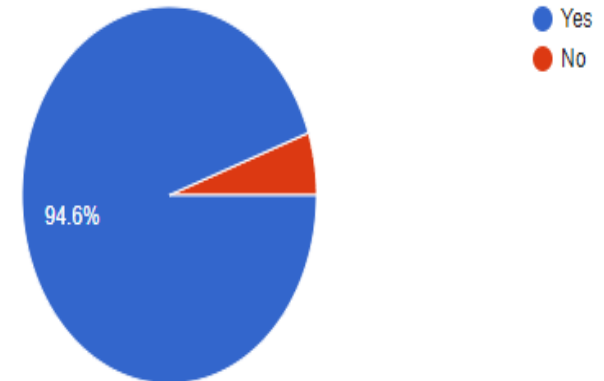


# Savings and Financial management training.



- Endline- 94.6% under went savings and financial management training by village savers
- All were able to put into practice what they trained on.
- Benefits included; being able to keep group records, able to save and manage finances, able to track savings and able to grow business.

56 responses



# Digital literacy training



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- Endline- 87.5% under went digital training of which 81.2% have put into practice on what they were trained on.
- ability to advertise and buy goods online
- ease of electronic money transfers.

Some of the benefits highlighted by respondents include

- security,
- ability to use digital platforms
- transparency

## Challenges

Access to IT devices such as smartphones, tablets and laptops.

# Lessons from the Drop Outs



**ADDRESSING KEY QUESTIONS 7  
FOR THOSE THAT DROPPED OUT, WHAT ARE THE MAIN  
CHALLENGES THAT LEAD TO THEM DROPPING OUT?**

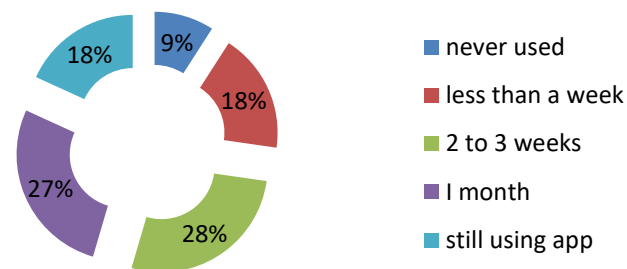
# Drop outs

- 11 out of 12 drop outs were traced and interviewed. 9% never got to use the app
- 18% said they saved money
- 73% of the respondents indicated that they would be willing to rejoin the village savers

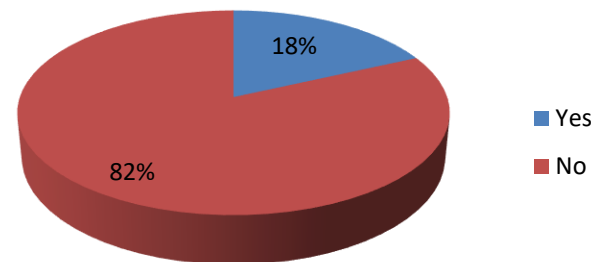
Reasons for dropping out included

- Challenges with the use of the app
- Lack of confidence in the leadership

## How long did you use the Village savers app?



## Did you save any money?



# Overall Challenges and Limitations

- Lack of feature phone by some respondents to use for village savers and access online questionnaire.
- Lack of IT knowledge for some respondents- filling in the online questionnaire.
- Administrative- favoritism in the selection of individuals to be part of the village savers and attend meetings.
- Limited scope of operation for Thumeza.
- Lack of knowledge on cargo insurance.

# Conclusion

- Most participants interviewed expressed gratitude to the use of digital apps and overwhelming indicated that since the use of the village savers app, their livelihood and business activities have greatly improved.
- Participants also welcomed the use of the Thumeza app and expressed interest to adopting the app, if it was open to cater for other countries such as South Africa, Botswana and Namibia.
- Therefore, the use of both the Village savers and Thumeza if properly managed and implemented has the potential to even increase the resilience of the impact of COVID-19 on their business and livelihood.

# Recommendations

- More trainings for CBTs on Digital literacy and cargo insurances.
- Need for Thumeza to expand its scope of operation and consider smaller package transportation.
- There is need for transparency and fairness in participation of village savings activities.



# Thank you

