

AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE  
RUNDU-CALAI URBAN BRIDGEHEAD

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## **ABSTRACT**

This study was conducted at Sarusungu Border Post, a socio-economic conduit at Rundu-Calai Bridgehead in Kavango East Region. The research investigated Informal Cross Border trade patterns, pro-poor benefits and hindrances of Informal Cross Border Trade (ICBT). The investigation used a qualitative approach in form of semi-structured interviews and field observation. The study had a sample of 55 participants consisting of informal traders, money exchangers, border officials and key informants from Rundu and Calai. Findings reveal that 71% of the traders are youth with 61% of them responding that they have been attracted by more buying power in Rundu and devaluation of Kwanzas leading to cheaper goods in Calai. Most (53%) traders exchange vegetables, corn and re-exports such as sugar and rice. It emerges that up to 85% of informal trading occurs in the street (38%), open markets (26%) and home-based stalls (21%). The unemployment rate in Rundu and vicinity as well as customs' charges waiver on primary goods and household re-exports motivates trading. Benefits of ICBT include income to pay for children's education, household amenities and reinvestments or expansion of residences. Hindrances of ICBT are ranging from distance to the Border to competition with formal traders. The research concludes that pro-poor ICBT activities are carried out at the Rundu-Calai Bridgehead and recommends that the Border Post return to the old site linking Rundu and Calai's CBD to curb transport costs for traders.

**Key words:** Informal cross border trading, Bridgehead, forex in microcosm, socio-economic activities, trade networks and settlements progression.

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## LIST OF ABBREVIATIONS AND ACRONYMS

BPC	Banco de Poupança e Crédito (Angolan Bank)
CBD	Central Business District
CBT	Cross Border Trade
Chefe	Term used to refer to Chief, Boss, Master or anyone rich in Angola
Entrepots	A port, city, or other centres to which goods are brought for import, export, collection and distribution.
FNLA	National Front for the Liberation of Angola
HIV/AIDS	Human Infectious Virus/ Acquired Immune Deficiency Syndrome
ICBT	Informal Cross Border Trading
KFC	Kentucky Fried Chicken
Kg	Kilogram
Km	Kilometres
Kz	Kwanzas
L	Litres
MPLA	Popular Movement for the Liberation of Angola
NAD	Namibian Dollars
NHE	National Housing Enterprise (Also a term used to refer to localities constructed by the Enterprise)
NSA	Namibia Statistics Agency

RT	Rundu Township
RTC	Rundu Town Council
SACU	Southern African Customs Union
SAD	Single Administrative Documents (records imports and exports)
SADC	Southern African Development Community
SADC	Southern African Development Community
SADF	South African Defence Force
SME	Small and Medium Enterprises
SWAPO	South West Africa People's Organisation
TV	Television
UNAM	University of Namibia
UNITA	National Union for the Total Independence of Angola
UNITEL	Angolan Telecommunications Company
US\$	United States (of America) Dollar
USA	United States of America
WTO	World Trade Organization

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## **DEDICATION**

Dedicated to Karowa and Namvhura. My beacons of hope.

## **DECLARATIONS**

I, Sindumba Paulinus Ndumba, hereby declare that this study is my own work and is a true reflection of my research and that this work or any part thereof has not been submitted for a degree at any other institution.

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## CHAPTER 1: INTRODUCTION

This chapter outlines the foundation and scope of the thesis by explaining the purpose of the study. It sets off by condensing information that expounds in detail the historical evolution of the Bridgehead concept in different parts of the world from precolonial to the post-colonial era. It identifies problems researched and states the objectives that steered the research towards its main aim. Furthermore, the chapter presents the significance of the study to actors in the development of Rundu and Calai, the limiting factors and delimitations, and explains the geographical and socio-economic features and variables of the area studied.

### 1.1 Background of the study

Bridgehead is a long existing concept that has evolved over centuries from the pre-colonial to post-colonial eras. Based on pre-colonial and during colonial narratives, Bridgehead is a “fortified area established on the far side of a river protecting the end of the bridge nearest to the enemy” (Goodall, 1987, p. 48). Such a fortification was characterized by reliance on the military to protect its sovereign territory in the opposite town or country. The European historical urban Bridgehead concept includes instances such as Cologne, London and Paris, which were urban settlements that expanded over centuries under military rule (Cologne.de, 2017). Military conquest continued to an extent that during World War 2 attacks were carried out as either beachheads, landings or Bridgeheads by foreign states through waterway obstacles using canoes and boats, subsequently, erecting full time guarded naval bases and pontoons (Howcroft, 1999; Chappell, 2016). Similarly, the Asian instance involved Shanghai where Britain sought to protect its investments and interests by using military power so that Shanghai could continuously serve as a free trade port. These cross-border investments included trade through *entrepots*, British property owners lending land to destitute low-income Chinese

merchants and training of several Chinese military auxiliaries to generate revenue and create jobs for Britons (Chappell, 2016). These occurrences depict that military Bridgeheads were used to conquer and protect economic interests of stronger states in different continents but the emergence of cross border trading has gradually turned such ancient Bridgeheads to become cross border commercial hubs.

Religion and colonialism in Africa played a significant role in the development of current Urban Bridgeheads. Religion induced Bridgeheads involved European missionaries who arrived to establish local trade networks, convert locals and spread religious beliefs in African countries (Everill, 2012). This includes countries like Kenya, Nigeria (West Africa), Angola and Namibia (Southern Africa). The missionary enterprise contributed to cross border trading in forming lingua franca and organising African communities to buy and sell on behalf of their employers (Beck, 2009; Everill 2012). To an extent that when combined with colonialism for example in Sub-Saharan Africa, it helped colonisers to expand their imperial Bridgehead agendas through the local communities in order to protect their political and economic interests. For instance, the Dutch (colonisers) through the Boer community in South Africa who colonised the indigenous African people. Collectively, such Bridgeheads worked to improve agriculture, trade, industries and politically protect those institutions for the colonial masters and religious leaders (Kuitenbrouwer, 2012).

The transformation of Bridgeheads in Namibia happened as the country underwent episodes of colonialism from German and the Apartheid South Africa. Similarly, Angola experienced colonialism from Portugal and from 1976 to 2002, the country underwent one of the longest brutal civil wars in Africa contested between MPLA (Popular Movement for the Liberation of Angola), FNLA (National Front for the Liberation of Angola) and UNITA (National Union for the Total Independence of Angola) with the assistance of various foreign powers (Beck, 2009). Such powers included Russia, Cuba, United States of America (USA) and Apartheid South

Africa. The link to foreign powers necessitated continued development of prime towns that served as natural resources (wood, diamonds and ivory) and goods cross border smuggling channels, conduits for access and defence lines to avoid intrusion of enemies in the hinterlands and training grounds for military personnel (such as the Mbambi South African Military Base in Rundu) (Brinkman, 1999; Nickanor, Conteh and Eiseb, 2007). Military interruptions and demolition of infrastructure was rife during the wartime. Remaining evidence in prime towns includes destroyed buildings and abandoned military vehicles (Rodrigues, 2010). These conquests occurred, inter alia, at border Bridgeheads such as Oshikango-Santa Clara, Rundu-Calai and Katima Mulilo-Wenela (Brinkman, 1999; Zeller, 2009). While others were battlegrounds, some prime towns were used as stations for rallying mine labourers, recruiting soldiers, centres constructed to mimic the common social life with schools, hospitals, administrative offices, communal officials (such as tribal chiefs), economic points with running water, electricity and other basic needs (Beck, 2009; Zeller, 2009; Shigwedha, 2014).

The rise in military confrontations were aggravated by political differences between SWAPO (South West Africa People's Organisation), MPLA, UNITA and SADF (South African Defence Force) who all actively operated alongside the border between Namibia and Angola. UNITA controlled the Cuando Cubango border area (where Calai, Diriko, Fort Cuangar/Kwangari, Mavinga and Mukuso lies) through which it received aid (such as food, medicine, clothing and weapons) from the colonial South African regime. Apartheid South Africa got involved as it sort to contain and disarm the SWAPO liberation movement that launched its war from bases in Angola (Hoekstra, 2018). Therefore, UNITA's close ties with the Apartheid South African regime pronounced them foes with its former ally SWAPO (Namibia's ruling party from 1990) which continued to support MPLA until the end of the Angolan civil war in 2002 (Shigwedha, 2014). This adversarial relationship continued even after Namibia got independence to an extent that it slowed down cross border trade and

multilateral relationships between Namibia, Angola and Zambia because of UNITA attacks in both the former Caprivi (now Zambezi) and former Kavango Regions (Zeller, 2009).

The transformation of Namibian prime towns into commercial hubs began to gain momentum after the 1990 independence. This transformed Bridgeheads from regional or provincial outposts of the colonial regime to expanding towns surrounded by shantytowns (Zeller, 2007). These Urban Bridgeheads have experienced fast growth in terms of population and economic activities such as informal trading (Rodrigues, 2010). Hence, the Namibian and Zambian governments sought to develop a conduit for trade with the SADC sister countries through Katima Mulilo and Sesheke due to its proximity to countries such as Zambia, Zimbabwe and Botswana. The goal was to optimise the use and revenue generation from the Walvis Bay Harbour and improve cross border trading. Hence, a pontoon was constructed which was replaced (in 2004) by a permanent bridge allowing heavier cars to cross (Zeller, 2009). Such development agendas could not materialise with Namibia-Angola Bridgeheads such as Rundu-Calai due to the ongoing civil war in Angola and since the adjacent Cuando-Cubango Province was a UNITA hotspot (Hoekstra, 2018). An attempt was made, that in 1990 Namibia and Angola (MPLA Government) endorsed free movement agreements along the border which resultantly only increased the influx of immigrants to Rundu (Brinkman, 1999; Rodrigues, 2010). After the Angolan civil war, it was less risky to travel between Namibia and Angola, which enabled the two states to endorse trade agreements (by 2004) that allowed people to carry out cross border trade through local border points such as Rundu and Calai (Hamutenya, 2014). In addition, governments began to invest in revamping roads, administrative offices and commercial centres in border towns. For instance, the construction of open markets in Rundu when Rundu Town Council (RTC) partnered with Lux Development (Proman, 2006). Such agreements and developments brought changes to the cross border trading landscape whereby traders began to search for ways to engage in ICBT and invest in improving the trading

infrastructure. The decisions were impacted by factors such as the use of US dollar (US\$) in Angola which had higher value compared to Namibian dollar (NAD), mobility and affordability (Dobler, 2009). This led to shopping sprees of Angolans in Rundu supermarkets and to regulate this, border points (such as Sarusungu) received the mandate to regulate travel certifications and cross border taxations (Rodrigues, 2010; Nangulah and Nickanor, 2005; Brinkman, 2019). This is complimented by several scholars' consensus that with the fast-growing African population, such regulations help Bridgehead towns to develop into major centres of commercial activities which contributes to the wellbeing of small scale traders through different opportunities, that allows the informal markets to thrive (Dobler, 2009; Fourberg, Murphy & De Blij, 2009; Zeller, 2009; United Nations, 2017; Ngulu 2017).

Despite such consensus, studies in the last decade on cross border trading between Namibia-Angola Borders are skewed towards large-scale or small scale formal trading such as cross border warehouse dispatching, infrastructure development and diseases at Oshikango and Wenela only (Van Niekerk, Schoub, Chezzi, Blackburn, Vries, & Baard, 1994; Sechogele, 2008; Zeller, 2009; Dobler, 2009; 2010; Noyoo, 2016). The academic literature of ICBT activities at un-gazetted border posts like Sarusungu, where all cross border-trading transactions are deemed informal is limited (despite the high volume of ICBT between Namibian and Angola) which makes it difficult to gauge its contribution towards supply/demand and the socio-economic wellbeing of people (NSA, 2016). As a result, implementing policies, regulations and decisions within ICBT has been a challenge. In addition, despite Angola being Namibia's largest market and source for ICBT products, the factors that influence ICBT dynamics continue to change with time (NSA, 2016). This includes the Angolan economic downturn which has led to reduced use of US\$ since 2015, depreciation/devaluation of Angolan Kwanzas on different occasions and creation of the Sarusungu pontoon Border post outside town (about 7km) that has presented varying opportunities and social consequences to

informal traders (Brock 2015; Macauhub, 2019; Strohecker and Mohammed, 2019; The World Factbook, 2020). It is in response to these emerging opportunities and challenges that local entrepreneurs seek for strategies to adapt and organise their ICBT activities to continue making profits. Therefore, this case study investigated on contributions of bridge relocation to changes in cross border trading dynamics such as retailing and commodity choices, mobility affordability, ways of exchanging local currencies and benefits together with drawbacks of Kwanzas devaluation towards Informal Cross Border Trading (ICBT) at Rundu-Calai Border Urban Bridgehead (referred to as Sarusungu Border Post in this work).

## **1.2 Statement of the problem**

ICBT contributes significantly to the socio-economic wellbeing of informal traders in Africa. Although it is unrecorded trade, its value is estimated to be about 41% of the total GDP in most African countries (NSA, 2016). Locally, studies at Katima Mulilo, Sesheke and Oshikango proffers that the existence of Bridgehead cross border trade relationships avails more commodities to residents, increasing social mobility and income (Everill 2012; Noyoo, 2016; Dobler, 2008). In addition, since informal traders are mobile, there is an increase in traffic that occurs across the border as they visit relatives and trade (Nickanor et al., 2007). But the economic downturn in Angola and the gradual decrease of opportunities in towns like Oshikango and Santa Clara has prompted mobile cross border traders to start populating and seeking for trade opportunities, inter alia, at the Rundu-Calai Bridgehead (LeBeau, 2008; Rodrigues, 2010). However, information is scant on the type goods traded, trading activities carried out, how laws are implemented to regulate informal trading, commodity choices, cost cutting measures, social interactions and value of networks in ICBT between Rundu and Calai. In addition, the impact on ICBT of shifting the border post from the old site which was closer

to the CBDs (Central Business Districts) of both towns, to a distant location is still unknown. This leaves “great interest in finding out more about the social and economic transformations taking place in these new border locations and their impact on urban growth” (Rodrigues, 2010, p. 474).

In view of this gap in knowledge of who trades what, how is it traded and its impact on ICBT stakeholders (customs officials, safety and immigration officials and informal traders), this qualitative case study broadly investigated cross-border trading and the consequential impacts on the development of Rundu and Calai. Specifically, the study investigated changes occurring at this economical Bridgehead, the types of commodities and services traded, suppliers, the role of fluctuating currencies on prices of traded goods and the socio-economic contributions that trading makes to the functions and residents of Rundu and Calai. Therefore, findings of this study may be relevant for policy makers and all ICBT stakeholders to improve on their specific roles.

### **1.3 Objectives of the study**

This study investigated trans-border trade between Angola and Namibia through Rundu- Calai Bridgehead to examine cross-border trading and the consequential impacts on the development of Rundu and Calai. Specific objectives are namely:

1. To assess informal cross border trading activities at Rundu-Calai Bridgehead.
2. To investigate challenges associated with informal cross border trading at Rundu-Calai Bridgehead.
3. To examine the socio-economic impact of trans-border trading on residents of Rundu-Calai Bridgehead hinterland.

#### **1.4 Significance of the study**

This research in Applied Geography studied trans-border trade between Angola and Namibia through the Rundu- Calai Bridgehead. An assessment of the activities carried out in cross border trading at Rundu and Calai Bridgehead contributes to trading systems implemented by the residents by availing information about challenges faced by informal traders and ways that several traders can overcome these challenges. In addition, the study explains several benefits of informal trading and how it contributes to the advancement of settlements in the hinterlands of Rundu-Calai Bridgehead. Such findings offer a learning opportunity for local people to execute profitable informal trading methods, a process that could lead to promoting awareness concerning the quality of commodities traded between Rundu and Calai.

Spatial planners and town developers can be assisted and offered with inputs from respondents in planning border points that link Rundu and Calai's Central Business District (CBD) directly. Such inputs contribute to suggestions about ways to provide reachable markets and competitive pricing of goods between and within the Rundu and Calai hinterlands.

Lastly, the study adds to literature on Bridgehead activities, especially the benefits of Informal Cross Border Trade (ICBT). Such findings can be used as local examples in schools for Geography and Development Studies. On the same note, the findings add to the existing body of knowledge on economic Bridgeheads.

#### **1.5 Limitation of the study**

The major limitation was a scarcity of demographic information of Calai and its hinterlands. This includes information about the Cuando-Cubango Provincial Labour Force and census records.

## **1.6 Delimitation of the study**

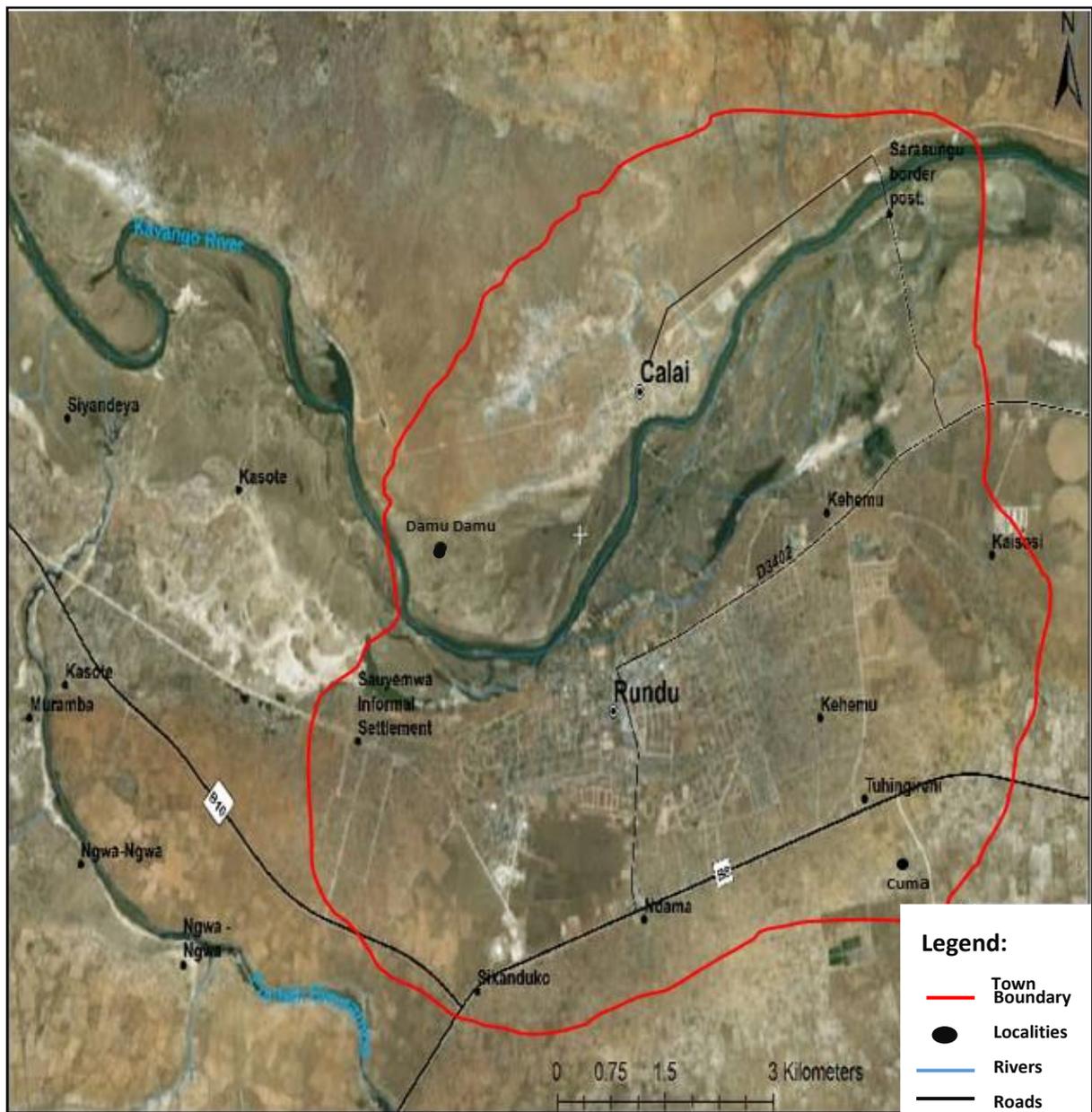
The study focused on trans-border trade methods, the types of goods people exchange and the progression of settlements in the towns when the border is open. It specifically interrogated and focused on people affected by ICBT, together with its variables such as transport modes, customs payments, and benefits and hindrances of ICBT. For the Student Researcher's safety, trade at night when the border is closed and trade or smuggling through illegal marinas was excluded from this study.

## **1.7 Description of the study area**

Rundu and Calai are towns that borders the Kavango River at Sarusungu Border Post. On the Namibian side of the River, Rundu is located at  $17^{\circ} 55' 0''$  S,  $19^{\circ} 46' 0''$  E, while Calai (on the Angolan side) is located at  $17^{\circ} 53' 0''$  S,  $19^{\circ} 56' 0''$  E (Citypopulation.de, 2014). Figure 1 shows the location of the Sarusungu Border Post on the Namibian and Angolan Map. Figure 2 demarcates the boundaries of Rundu and Calai, showing a general overview of their sizes. Figures 3 and 4 presents the physical characteristics of the Border Post. Collectively, these figures are used in the discussions of the reasons for and impacts of border relocation on ICBT in this study.



**Figure 1: Locations of Urban Bridgeheads in Namibia** (Source: NSA, 2015)



**Figure 2: Map of Rundu and Calai**

(Satellite images, Google Earth)



**Figure 3: Map of the Sarusungu Border**

(Satellite images, Google Earth)



**Figure 4: Floating pontoon between Namibian and Angolan Border Units**

The Sarusungu Border Post (shown as Calai in Figure 1) is the cross border gateway between Rundu and Calai. Figure 2 depicts that Calai is small in geographical size (encircled in red in Figure 2), as well as fewer locations with a surrounding hinterland of bushes and fields. Whereas, Rundu is big, with a lot of localities that are mainly informal. Bushes are being pushed to the periphery by urban sprawl. In addition, Figure 2 and Figure 3 zooms in to show an aerial view of the Sarusungu Border Post and the close geographical proximity of the two towns, with the Kavango River serving as a border. The Border is composed of two separate units linked by a pontoon which is about 300 M long (Figure 4). Border users report to one of these units for certification of travel documents before crossing.

Having informal locations has impacted the settlement patterns of residents in these towns. In Calai, the area surrounding the Border is Tjindindi and it is inhabited by people who largely lead a rural life characterised by subsistence farming fields surrounding homesteads, kraals, fetching water from a public tap or river and sleeping mainly in huts. Corrugated zinc houses increase in number as the distance to the CBD decreases in a continuum. This is a similar pattern at Damu Damu, an informal location on Calai's west side.

In Rundu, the area closer to the Border is uninhabited and used for commercial farming. It is a 2 kilometre distance to the south of the Border Post where informal locations such as Kaisosi, Kehemu, Tuhingireni and Ndama are found. Residents in these informal locations lead a mixed lifestyle. They have surveyed plots in all locations (except Tuhingireni and Cuma which are emerging locations) with urban services like electricity and tapped water. Other than that, some of the inhabitants have fields and kraals in green areas of the town that are not reached by infrastructural development, like the area surrounding the Border Post. This is also a similar pattern at Sauyemwa informal settlement on the west side of Rundu and opposite Damu Damu.

In socio-economic terms, Calai and Rundu have residents that descend from similar tribes and families. In addition to that, the towns have a high number of unemployed residents (illustrated later in Chapter 4: Results). Moreover, conditions between the towns such as demand and supply of several goods provide a good income earning prospective opportunity through ICBT at Sarusungu Border Post and the nascent Damu Damu, a prospect which attracts a lot of people to engage in informal trading either as suppliers, retailers or service providers.

### **1.8 Thesis outline**

Chapter One introduces the topic (ICBT at Rundu-Calai Bridgehead) and outlines the rubric in terms of the objectives of the study. It gives an overview of the contributions of the study to informal trading, planning and scholars. Chapter Two summarises the literature on ICBT and Bridgehead situations that were reviewed. It also outlines the framework that guided the investigation. Chapter Three explains the methodology for collecting, analysing and presenting the data. It also specifies on the criteria and ethical issues that were considered before respondents partook in the study. Chapter Four of the study presents findings from the analysed data. Chapter Five expounds in much detail on the activities that were assessed and the investigated socio-economic variables/attributes occurring between Rundu and Calai. Lastly, there is a conclusion and suggested recommendations on ways to improve cross-border trading at the Rundu-Calai Bridgehead.

### **1.9 Summary**

Chapter one outlined how Bridgeheads in prime towns change from being military tools to socio-economic tools for the development of towns. It points out the activities that require academic enquiry at the Rundu-Calai Bridgehead which exists through the Sarusungu Border

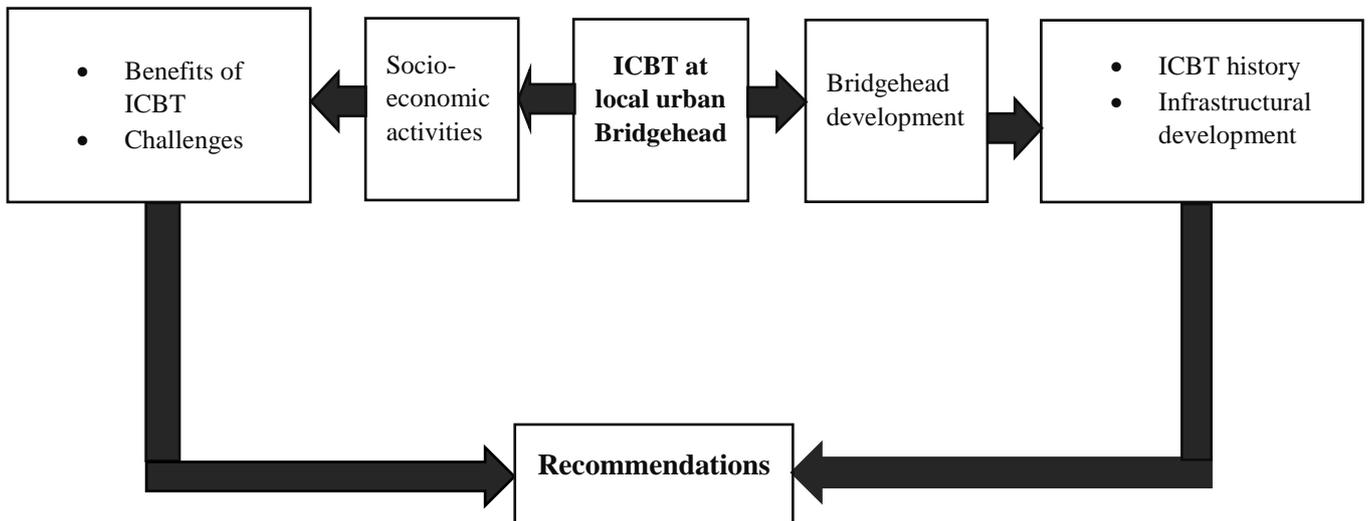
Post. The Chapter lays the road map of the study through the delimitation and clarification of the geographical and socio-economic features of the area under study.

## CHAPTER 2: LITERATURE REVIEW

This chapter explains the framework of the study by giving insight into trading activities that are carried out at ICBT Bridgeheads, draws comparisons, identifies contrasting assertions and illustrates findings of several studies. The major discussion centres on the socio-economic features of ICBT and changes in development that towns may undergo as a result of Cross Border Trade, which is fragmented into categories like benefits and drawbacks of ICBT, its features and also how Bridgehead towns develop.

### 2.1 Conceptual framework

The conceptual framework (Figure 5) was constructed to enable the study to investigate how and why ICBT is carried out between Rundu and Calai. It depicts the themes and concepts investigated in order to answer research questions emanating from the objectives of the study.



**Figure 5: Conceptual framework**

Source: Author

The first theme of the framework investigated the socio-economic informal cross border activities carried out at the Rundu-Calai Bridgehead. The activities include mobility, selling,

buying and infrastructural development (Everill 2012; Noyoo, 2016; Dobler, 2008). The impact of these activities on ICBT stakeholders was investigated as benefits and challenges of ICBT. In order to examine these activities (and others), attributes and variables such as age, gender, town of residence, cross border frequency, currency strengths, cost prices, demand and supply of goods, accessibility of markets and socio-cultural ties like languages were used (Vance, 1970).

The second theme of the framework (Bridgehead development) focuses on the evolution of this military bridgehead into a commercial conduit. It stems from scholar discourses that regard border towns (inclusive of Rundu and Calai) as prime towns that served as conduits for war arsenal and smuggling activities (Brinkman, 1999; Beck, 2009; Dobler, 2009; Brinkman, 2019). To contextualize this general understanding to Rundu and Calai, the study examined cross-sectional historical accounts of the current informal traders and how infrastructural development (such as bridges) impact informal trading. Therefore, the framework guided the study on the developmental changes of Rundu and Calai based on maps of the area and historical narrations of participants. In addition, it served as a roadmap for the researcher to ask cross-sectional questions about features of Rundu and Calai (past and present), relationships and roles played by ICBT stakeholders, trading barriers and goods procurement methods. All these were important aspects in achieving what the aims of this study required and offered an opportunity for recommendations from different ICBT stakeholders.

## **2.2 Definition and description of key words**

The discussions in this study are composed of words and phrases that are ambiguous. Therefore, this section defines the words used in the context of this study.

- Urban Bridgehead: Is a fortified trade network, established in the neighbouring cross border town that promotes trade and protects the interests of the cross border

traders. This depicts a paradigm shift from Goodall's (1987) definition and Everill's (2012) classification, which focuses on religious and military Bridgeheads by attaching commercial transactions carried out at former military Bridgeheads (prime towns) like Rundu and Calai.

- Formalised/gazetted border posts: Are entry/exit stations and points for people and goods that are regulated and recorded for customs taxation. Formal traders have registered businesses which pay customs duties, forming part of official statistics. This includes border posts like Oshikango, Wenela and Omahenene in northern Namibia (NSA, 2016).
- Informal/un-gazetted border posts: Are entry/exit stations and points for people and goods that are not strictly regulated and not recorded for official customs taxation. It is at informal border posts such as Sarusungu Border Post where ICBT is more prevalent (NSA, 2016).
- ICBT: Is the non-stop exchange of goods and services between residents, foreigners and immigrants that is not recorded for customs taxation/tax returns, "hence the financial implications do not form part of national accounts and statistics" (Alusala, 2010, p. 17; NSA, 2016; Phiri, 2016). Therefore, ICBT is cyclical in relation to the continuous exchange of goods where people import and export commodities non-stop through borders.
- Informal traders: Are non-registered cross border business people that do not have the necessary official papers and they do not complete declaration forms as per law (Phiri, 2016).
- Migration and mobility: Includes the "movement of a person or a group of persons, either across an international border, or within a State... whatever its length, composition and causes; it includes migration of refugees, displaced persons,

economic migrants, and persons moving for other purposes, including family reunification” (IOM 2004: 41 as cited in Romankiewicz, Samimi and Brandt, 2016).

- Smuggling: Is the illegal taking (secretly) of goods across the border without paying lawful charges (Alusala, 2010).
- Buying Power: is the amount of money that a person or a group of people have to buy goods. Buying power determines the amount/quantity and quality of goods that an informal cross border trader and buyer can afford (Downey, 2020; Hayes and Boyle, 2020).
- Comparative advantage: Is the ability to produce goods or offer services at a cheaper price than others (competitors) (Landsburg, 2019; Amadeo, 2020). The individual/country may not be the best producer of the goods, but have lower production costs and supplies such goods at a cheaper cost.
- Economies of scale: Is the cost saving ability to increase production of goods while decreasing the production cost per item produced. Activities such as buying in bulk from suppliers, larger marketing/advertising and cheaper payments for transportation enable traders to implement it (Kenton, 2020). The clustering of smaller businesses and informal traders enables them implement economies of scale, which in turn benefits customers to buy goods on cheaper prices (Amadeo, 2020).
- No man’s land: Is an area between two border points, through which formally/informally traded goods have to cross, either to controlled border points or circumvented and full ownership of this land is not claimed by any of the neighbouring countries (Dobler, 2008; Macmillan Dictionary, 2020)

- Importing: This is a component of cross border trading that involves buying commodities and services abroad for further trading in a domestic market or consumption (Segal, 2020). To contextualize this, the import (in this paper) refers to all goods and services purchased in Angola/Calai (through Sarusungu Border Post). This is inclusive of goods and services that Namibian buyers buy directly from shops and producers in Calai, goods and services sold by Calai informal traders in Rundu and commodities delivered by formal shop owners.
- Exporting: This is a component of cross border trading that involves selling commodities and services (that are produced domestically or found in local shops) abroad for further trading or personal consumption (Segal, 2020). In this context, exports refer to all goods and services purchased in Angola/Calai (through Sarusungu Border Post). This is inclusive of goods and services that Angolan buyers buy directly from shops and producers in Rundu, goods and services sold by Rundu informal traders in Calai and commodities delivered by formal shop owners to Calai.
- Re-exports: Goods that are imported from a certain country, then sold to another country without undergoing any processing or change in its original state (OECD, 2001). For example, canned fish that Namibia imports from South Africa is further exported by Namibian retailers to Angola without further processing.

### **2.3 Socio-demographic information**

The population structure of Rundu and Calai is composed of historical tribal polities and nascent demographic features. Based on the historical accounts, the early precolonial settlers in Kavango East and West are the Khoisan (also known as Bushmen and Kxoe), Kwangali,

Mbunza, Shambyu, Gciriku, Mbukushu. These polities settled on both sides of the Kavango River middle course, over time, claiming ownership of finite settlement sites in the areas they inhabited (Mendelsohn and Obeid, 2006; McKittrick, 2008). This marked the first phase of migration and settlement. The emergence of mining job opportunities during the colonial era in South Africa and the then Rhodesia (now Zimbabwe) attracted Angolans to Rundu, which was a point of registration and boarding of vehicles to the mining towns (Brinkman, 2019). Upon return, some of the mineworkers settled in Rundu and gradually began to attract more relatives from Angola, which has made it difficult to infer the exact time, total number and the modes of migration migrants carried out. Civil war caused “one of the biggest exoduses” of Angolans from tribes like Chokwe, Ovimbundu, vaLucazi, vaNyemba and vaMbuela among others (Rodrigues, 2010, p. 469). This was the group of late settlers and arrivals during the second phase of settlement.

In the third phase of migration and settlement in Rundu and Calai, was the Angolan emigrants (and others from other regions or countries) who have maintained continuous social ties with their relatives in Angola (or other regions and countries) through visitations (Brinkman, 1999; LeBeau, 2008; The World Factbook, 2020). This depicts that Rundu and Calai are heterogeneous in terms of tribes, but people within these tribes (especially late arrivals) have been a homogenous nation regardless of whether they are in Angola or Namibia especially with the emergence of ICBT. Because of this, the tribes found in Rundu are composed of Vakwangali (46%), Angolan tribes (21%), Vamanyo/ VaGciriku and VaShambyu (18%), Hambukushu (8%), other Namibian tribes (5%) and Europeans (2%) (NSA, 2019; Kavango Regional Council, 2015). Whereas Calai has, among others, Chokwe, Vimbundu, VaLucazi, VaNyemba, VaMbuela (collectively referred to as Angolan tribes in Rundu) and some languages from Rundu/Namibia.

Nascent demography depicts that the Namibian population is denser in northern towns that borders with Angola, sustained by higher rate of rural-urban migration. Rundu is the most densely populated town nationally (407.5/km<sup>2</sup>), with a total population of 63431 and an annual population growth rate of 5.4% (NSA, 2011; Citypopulation.de, 2014; World Population Review, 2020). The town has the highest population density in Kavango East Region with a labour force of 68.5% out of which 62.5% is unemployed (NSA, 2019). Similarly, population concentrations in Angola are higher in towns and cities. Calai has a total population of 22654 people and a growth rate of 2.95% per annum (Citypopulation.de, 2014). Calai has a population density of 3.328/km<sup>2</sup> and 49% labour force with higher unemployment rate. The household income in these towns is composed of wages and businesses. This includes formal jobs, informal activities, such as small scale farming and fishing, transport to either side of the river, selling goods, currency exchanging (Mendelsohn and Obeid, 2006; Rodrigues, 2010).

The youthful population at the Rundu-Calai Bridgehead avails a potential labour force that could engage in various ICBT livelihood activities. A gap in the academic discourse arises as it gives little evidence on the specific cross border activities that people within this labour force engage in. This continues to the current distribution of cross border traders, whether they follow the historical settlement patterns, social ties and the lingua franca used especially with the emergence of ICBT.

#### **2.4 Regulation of cross border trading commodities**

Although ICBT information at Sarusungu Border Post is scant, seasonal surveys (carried out between September and November) give a glimpse in the trading patterns. The surveys reveal that in years before 2017, people from Calai were mainly importing building materials, car parts and most of the processed basic amenities from Rundu. For instance meat, toiletries,

clothes, footwear, Clothing, jewellery, toiletries, mahangu and maize meal, fuel and gas. While Rundu traders were mainly importing raw goods such as vegetables and fruits, beverages and maize meal. There was a gradual change, that towards 2017, both towns began to supply diversified processed goods (NSA, 2014, 2015, 2016).

At formal border posts, price on rate of duty/customs tax depends on whether the goods are in a raw state, processed, cooked or preserved with certain additives, composition, quantity and purchasing cost prices. Customs tax is charged based on receipts showing cost prices of the goods whether it was wholesale or retail purchased. From the goods traded at Sarusungu Border Post, several commodities cross borders free of charge, which are eligible for classification as ICBT. However, processed goods (such as cereals) are charged based on ash and starch content. For example Maize (5%), Rice (20%), Wheat flour (50%), Margarine (10%), Cane sugar (48,3c/kg), Pasta (20%), Bovine meat (40%), Fish (Horse mackerel and hake) (25%), Tomatoes and onions (15%) of the cost price. This makes several goods to have varying customs charges. For example fresh onion is charged 15% whereas onions preserved in brine or dried are charged 20%. Processed fruit and juices cost about 20-25%, alcoholic beverages (25%) and cigarettes containing tobacco (45%) (Ministry of Finance, 1998). Household goods are eligible for full tax rebates, but the percentage varies with alcoholic beverages. Despite being inclusive, there are assertions that such policies are meant to hamper progress of small scale and informal traders, which this study sought to investigate (Nickanor et al., 2007). What is not clear is how and why do cross border traders avoid trading as small scale formal traders at this Bridgehead.

## **2.5 Features of Urban Bridgeheads**

Urban Bridgehead towns have similar features, despite varying geographical locations. Barriers such as rivers, mountains, valleys and fences usually separate them (Howcroft, 1999; Jordan

& Klemenčić, 2003; Daimon, 2016). The local examples of such towns are Sesheke-Katima Mulilo and Rundu-Calai, with both Bridgeheads separated by rivers. A fence separates others like Oshikango-Santa Clara. Such Bridgeheads serve as uninterrupted conduits of trade, which affords small-scale traders opportunities to earn a living and allow informal markets to flourish (Zeller, 2009).

Despite the differences in barriers that separates these towns, Bridgeheads seem to be prone to weaker developments because they are usually on countries' periphery (Jordan and Klemenčić, 2003). Rodrigues (2010) concurs by exemplifying that towns in southern Angola were left out of development during the civil war, hence, they are smaller and less complex compared to towns in the interior of the country. This is inclusive of towns like Calai, Santa Clara and Mavinga found in southern provinces of Cunene and Cuando Cubango. In addition, Bridgeheads share close relations with the surrounding societies that often calls for cooperative measures and discourses, which at times result in arguments about identity and nationalism. Such social pressures exist due to issues such as being descendants and language differences that comes from higher ethnic variations at these towns (Alusala, 2010). The assertions of under development at Bridgeheads, relationships among the communities living in adjacent towns and how it impacts ICBT landscape especially in Rundu is a niche with less academic discussions. Therefore, it is one of the aspects that inspired the execution of this study.

## **2.6 Brief history of Cross Border Trade between Namibia and Angola**

Thus far, Cross Border Trading eras between Namibia (Rundu) and Angola (Calai) can be divided into four phases. The initial pre-colonial phase had unrecorded cross border trading activities, mainly limited to bartering. The subsequent phase was before 1990 when Namibia was under colonialism, whereas Angola had civil war. This phase had limited trading channels

and networks of exporting small amount goods from Namibia to Angola. The aim was to extract resources (including smuggling) and expand imperial Bridgeheads to supply the growing markets in the colonising countries (Ndhlovu, 2013). ICBT was hampered by instability resulting in ambushes and limited contact with buyers in Angola and poor supply chains in Namibia (also due to war with Apartheid South Africa) (Rodrigues, 2010). After Namibian independence (1990-2002), civil war continued in Angola but it became much easier to establish good supply chains of goods in Namibia. Therefore, some cross border traders commenced setting up warehouses on the Namibian side of the border and trading outlets in Angola, but ambushes, UNITA attacks, smuggling and mistrust between cross border traders continued to retard such efforts and disrupt the trading networks (Dobler, 2008). Except for the fewer traders who were close monitored by the military that controlled the specific town in which they traded, especially in Angola. Hence, it was risk based cross border entrepreneurship. Moreover, whenever people attempted to return to towns in Angola to resume with socio-economic activities, the political scene changed, pushing them away. This made it difficult for repatriation of Angolans and sustenance of cross border trade during Angolan civil war. This was the third phase.

Peaceful returns to Angolan towns such as Calai resumed in 2002, after the end of the war, which saw huge migrations to border towns. This era marked “new beginnings, entailing reconstruction from scratch or rebuilding from what remained in the cities, in physical, social and economic terms” (Rodrigues, 2010, p. 470). This intensified engagements in cross border activities since by then Namibian towns were already established with diversified shops, which marked the genesis of the fourth phase. This availed markets for establishment of new trading outlets, which saw a higher traffic of buyers from Angola shopping in Namibian towns (Nangulah and Nickanor, 2005; Rodrigues, 2010). In addition, it made Rundu the major hub of local and trans-border commerce with Angola (Mendelsohn and Obeid, 2006; Röder,

Pröpper, Stellmes, Schneibel and Hill, 2014). Therefore, the border was being crossed for economic activities such as shopping carried out mainly in Namibian towns.

With this boom, regulatory measures were put in place to promote international, regional and national trade and cross border cooperation. Among others, Namibia registered as a signatory to facilitating organisations such as World Trade Organization (WTO), Southern African Development Community (SADC) and the Southern African Customs Union (SACU). Among the protocols from these organisations, Namibia has signed and ratified agreements intended to ensure barrier free conducive trading environment with its neighbouring countries such as Angola (Nickanor et al., 2007).

In 2004 agreements on trade and economic cooperation were ratified, among them was to extend the use of border passes (implemented in the 1990s cross border agreements) from 30 to 60 km in 2005 (Hamutenya, 2014). Considering that Southern Angola had, at that time, poor infrastructure that could enhance cross border trade, a memorandum of understanding to erect a permanent bridge, inter alia, at the Sarusungu Border Post was signed between Namibia and Angola in 2015. The 300 metres long and 16 metres wide bridge was meant to facilitate the flow of products and services and improve interstate communication to fortify bilateral cross border trade relations (Macauhub, 2019). In addition, the secure and stable economic system in Namibia, development projects (erecting open markets, provision of good sanitation facilities and formalisation of informal settlements) and reconstruction in Angola began to avail trading opportunities where traders could earn income (Proman, 2006; Dobler, 2008). Such social and economic advancements in the development of infrastructure were viewed as being in tandem with regional (SADC) and continental (Africa's Agenda 2063) visions of linking neighbouring states like it happens through Wenela and Katima Mulilo between Zambia and Namibia (NAMPA, 2015; New Era, 2015). In addition to agreements and infrastructural development, border towns such as Oshikango began to intensify cross border security systems

by hiring the British Crown Agents to supervise customs activities (Dobler, 2008). The motive was to reduce meddling with regulations, corrupt customs activities and smuggling that was rife.

However, the emergence of strict regulations, economic downturn in Angola and the gradual decrease of opportunities in towns like Oshikango and Santa Clara has prompted mobile cross border traders to start populating and seeking for trade opportunities at other Bridgeheads such as Katwitwi and Rundu-Calai Bridgehead (LeBeau, 2008; Rodrigues, 2010). In view of this, there was a need to investigate (1) the current patterns of ICBT, (2) ways of regulating cross border trading, (3) benefits and challenges faced by the traders especially after shifting the Sarusungu Border Post.

## **2.7 Informal Cross Border Trade driving factors**

Synthesis of inputs from several studies reveal certain factors that are essential in promoting and sustaining ICBT at Bridgeheads. First, there is consensus that a peaceful environment does not only attract cross border traders but also ensures continuity and expansion of the informal cross border trading sector (Dobler, 2008; 2009; Rodrigues, 2010). It is peace, such as the end of civil war in Angola that availed room for planning (like drawing of memorandum of understandings), mobilising of funds and human resources to develop infrastructure that enhances ICBT. For example, the construction bridges, roads and market places (NAMPA, 2015; New Era, 2015). When these structures are in place, the influx of people to the Bridgehead towns then creates opportunities for more investments by cross border traders. Such instances are evident in towns like Katima Mulilo-Sesheke and Oshikango-Santa Clara (Dobler, 2009; Zeller, 2009; Noyoo, 2016).

In addition, ICBT is steered by differences in employment levels, currency strength and availability in the adjacent towns (Brock, 2015; Phiri, 2016; Macaueh, 2019). The difference in currency values between adjacent towns contributes to affordability, inflation and demand, motivating people to engage in ICBT more in one of those towns than the other. For instance, at the border between South Africa and Malawi, more Malawians engage in cross Border trade of importing goods from South Africa (with stronger currency) and resale in their country (Phiri, 2016). In this case, more trade occurs in towns with higher currency value. On the contrary, Rundu was the main centre of commerce than Calai, when Angola had US\$, which had higher value than Namibia dollar (NAD) (Röder et al., 2014). This proffers that currencies play a significant role in carrying out ICBT, but the contradicting scenario on which town do people prefer to trade necessitated an enquiry.

Another crucial aspect in ICBT is language in which the buyer and the seller converse during transactions. Languages serve as vital social capitals at various Bridgeheads. Ndhlovu (2013) exemplifies this with Afrikaans and English, among others, which are crucial for cross border trade in societies around the Namibian and South African border, Kiswahili in west African countries and Kalanga between Botswana and Zimbabwe borders. Similarly, literature in publications by Brinkman (1999), McKittrick (2008) and The World Factbook (2020) reveals overlapping languages between Rundu and Calai hinterlands and existence of socio-cultural ties that encourages cross border interactions but lacks identification of the local lingua franca and how it is used in ICBT.

## **2.8 Socio-economic impacts (benefits) of trans-border trading on residents**

The conceptual framework of this study outlines that ICBT benefits traders and residents in several ways. Informal cross border trading has been “a major source of wealth for the well-

connected establishment and a playground for young urban entrepreneurs” (Dobler, 2008, p. 412). This makes ICBT crucial for the local economy due to benefits such as income and investments in the socio-economic development of local people, contributes to continued cross border flow of goods and plays a crucial role in the trade of agricultural goods (Nickanor et al., 2007; Rodrigues, 2010). Several researchers are in accord that the earned income plays a crucial role as investment into construction and reconstruction of infrastructure. Instances include construction of warehouses, industrial centres, guesthouses and truck terminals in prime towns such as Oshikango, Wenela and Katima Mulilo, which are aimed at improving cross border trade through import or export and tourism activities (Dobler, 2009; Noyoo, 2016). This leads to the expansion of markets, increased accessibility of local people to goods, increase supplies, avail higher quality technology, rise in specialised production and ultimately increasing CBT (Zeller, 2009; Jordaan, 2014). Which contributes in promoting economic growth and improves the living standards (Phiri, 2016).

The contributions of ICBT to regional and national income has been significant even though it is not recorded for official statistics. This activity “has become a major part of... national economies, sustaining individuals, families and communities ... especially in sub-Saharan African countries” (Ndhlovu, 2013, p. 26). This significance can be confirmed in countries like Angola where the informal market accounts for up to 36 percent of the gross domestic products (World Bank Group, 2019). Therefore, ICBT has contributed to development of towns and regions that without the Bridgehead trades, it would have been impossible for them develop (Walther (2015).

## **2.9 Challenges and criticisms associated with informal cross border trading**

Despite its advantages, ICBT has faced challenges and criticisms that hamper its progress. Challenges arise from competition with large-scale companies that are “dominated by political

elites... [which results in] informal business sectors having been ignored, marginalised and reduced to mere spectators” (Zeller, 2009; Ndhlovu, 2013, p.19). Domination of large-scale businesses (through corruption) and poor access to banking services (only 10% have bank accounts) have made it difficult for Small and Medium Enterprises (SMEs) to thrive in Angola (World Population Review, 2020). Leading to low income countries suffering losses as their members’ income is pulled up by high income countries, therefore, natural trade may not be the best between neighbouring towns (Jordaan, 2014). Females are also discouraged to engage in informal trading because it is dominated by males (Nickanor et al., 2007; Rodrigues, 2010; NSA, 2016). Moreover, due to the continuous influx of Angolans to Rundu it has led to contestations with the early settling tribes through various xenophobic abuses and segregation of cross border activities to engage in and location to settle (Brinkman, 1999; 2019). This has resulted in Angolan descendants inhabiting distant locations from the CBD like Kaisosi.

The criticisms also arises due to some of the activities that occur alongside ICBT as Bridgehead towns develop and become complex. There is a school of thought, which asserts that ICBT contributes to smuggling since some informal traders conceal the existence of their illegal or informal businesses to avoid taxes (Jordan & Klemenčić, 2003; Alusala, 2010). The smuggling may be deliberate or associated with the difficulty for customs officials in ruling on goods that are illegal on one side of the border and legal on the other side (Igue & Soule, 1993 as cited in Walther, 2015, p. 609). For instance, Angolan traders who buy goods from Namibia unpack them into small units and give to couriers (young men who serve as human taxi) to carry the goods across as a way to circumvent customs payments (Nickanor et al., 2007). Since the border between Namibian and Angolan towns is permeable, its prone to smuggling (Rodrigues, 2010).

In addition, ICBT is a contributing factor to several socially controversial cross border endeavours such as prostitution, sex work, theft and human trafficking for sexual exploitation

or harassment (Zeller, 2007; Sechogege, 2008; Noyoo, 2016). Noyoo (2016) further asserts that the catalyst of such endeavours is the establishment of a bridge back in 2004 at Wenela. This notion proffers that ICBT is a catalyst for the spread of diseases such as the Human Immune Virus and Acquired Immunodeficiency Syndrome (HIV/AIDS) due to close socialisation of cross border traders, truck drivers, businessmen and tourists (LeBeau, 2008; Zeller, 2009; Phiri, 2016). With the existence of sex tourism and exploitation, chances of disease outbreaks could increase while towns undergo different changes of development. It is for such reasons that “informal activities [are] perceived as a threat to economic growth and political stability” (Meagher, 2010 as cited in Walther, 2015, p. 604).

## **2.10 Role of integration and trade networks in ICBT**

Networking between suppliers, retailers, consumers and state officials is crucial at Bridgeheads that are dominated by informal businesses. Trade networks are links between the stakeholders of ICBT that ensures smooth flow of commodities from the supplier to the end user. Finished goods traded between Namibian and Angolan towns are supplied by companies based in countries like China, South Africa, Japan and Pakistan. One group of traders, mostly descendants from these countries, import goods to warehouses located in Namibian border towns such as Oshikango. The descendants serve and seek to maintain their historical, religious, ethnic and tribal ties. Such networks, “provide access to all kinds of business resources, including social security, training of newcomers, procurement of credit and business contacts and supply of spare parts” (Dobler, 2008, p. 427). The disadvantage of these type of networks is that they mainly promote those with goods and many connections instead of trading capabilities. Therefore, it limits chances of traders in getting “external resources like foreign partners of different ethnicity and religious background” (Walther, 2015, p. 606). The second group trades goods from any other part of the world, regardless of the ethnical similarities and

differences. This group has fewer limitations based on tribe, religion and other social groupings.

Dispatching to retailers involves re-exporting and distributing of the received goods to other Angolan and Namibian towns. Dispatching includes communication and arrangements made between wholesale owners and retailing traders telephonically and in person. Trading has been mainly in US\$, where traders make large payments in cash, for example, “often, traders will pay for a shipment worth US\$100,000 literally out of their pockets” (Dobler, 2008, p. 416). After which, the goods are sent with trucks or picked up by the buyers. The amount of goods sold to each retailer depends on the retailer’s affordability, which has led to formations of social castes (Rodrigues, 2010). The castes are between small-scale formal and informal traders who buy fewer boxes or number of goods and large-scale formal traders who order larger shipments of goods (Dobler, 2008). The retailing traders also rely on trade networks, composed of family dynasties with parents educating and recruiting their own children, which ensures continuous ICBT. Altogether, the trade networks ensure continuous supply of goods to Bridgeheads, which sustains ICBT and the development of several Bridgehead towns which could be impossible without national borders (Walther, 2015).

The networks are negatively impacted by the poor state of Angolan road infrastructure, causing transport prices to rise to an extent that it is higher even for other SADC countries to use Angola as a gateway (World Bank Group, 2019). In addition, competition between state parastatals, small scale and large scale traders have contributed to escalation of corruption (Walther, 2015). Ultimately resulting in lower regional (SADC) trade levels (Jordaan, 2014).

For the discussion on Rundu and Calai, the inputs from scholars thus far seems partial. There is yet no expounding on networks about primary goods produced within Bridgehead towns. In addition, the literature raises consensus that the networks formed out of cross border trading

are bound to evolve and reshape constantly from the traditional way, which paves way for enquiries within the context of Rundu and Calai (Rodrigues, 2010; Walther, 2015).

### **2.11 Role of commuting in ICBT**

Informal cross border traders usually commute through legal or clandestine modes to markets on a daily basis. Legal commuting refers to the obeying of border legalities when crossing to another country or town. Clandestine commuting means that even though people are aware of the existence of legal crossing points along the border, they “consciously and systematically choose to ignore its juridical functions so as to exploit the various socio-economic and cultural benefits found on either side” (Daimon, 2016, p. 464). These modes of commuting, according to Hu and Wang (2016) are impacted by socio-demographic features and reasons such as race, gender and income level. These factors determine the distance an informal trader is willing to commute for work or business endeavours. Passive commuters resort to using cars whereas active commuters either cycle or walk. The latter does so for reasons attributed to health, saving finances and promoting social connectedness when done in groups (Mckim, 2014). The dearth of discourses on voluntarism of commuting in ICBT leaves a question, whether the destitute informal traders at the Rundu-Calai Bridgehead engage in commuting for same reasons in similar ways.

### **2.12 Gap in literature**

Past research papers, books and the internet were reviewed to arrive at the gap in academic discourse on ICBT. The sources reveal that CBT and ICBT have been widely investigated by academics and there is no dearth of information about cross border trade between Namibia and Angola. However, it is very rare to come across studies conducted at informal border posts like

Sarusungu that investigates ICBT after the beginning of the Angolan economic downturn and loss of a stronger US\$ currency buying power. Therefore, the intentions of conducting this study were to investigate cross-border trading regulations; find out how social ties such as politics and languages, and labour force impact ICBT and networking; contributions of ICBT to settlements progression; investigate impacts of currency exchange rates/devaluation, underdevelopment of Bridgeheads and shifting of the Border post on ICBT; and voluntarism in ICBT commuting. Results of the study would inform spatial planners about ICBT dynamics and contribute to decision making about siting of Border posts and implementation of policies. In addition, since current literature seems partial for this Border post, these results would form a basis for further investigations.

### **2.13 Summary**

Chapter two was a synthesis of discussions and assertions of various scholars on Bridgehead ICBT. The Chapter outlined the conceptual framework which guided this study and assessed various activities that have been discovered at other borders. The discussions showed that ICBT is beneficial as it helps with income opportunities for local residents. On the contrary, the literature shows some negative aspects of ICBT and factors that hamper its progress. With such an understanding of contrasting academic inputs, it is evident that a study that is specifically tailored for Rundu and Calai was necessary.

## **CHAPTER 3: RESEARCH METHODS**

This chapter explains the paradigm and approaches that were used in the collection and processing of data, and the presentation of results. Variables and attributes that were sourced from the conceptual framework aided this chapter in giving guidance to the design, appropriate research techniques together with their tools and statement of the procedures to carry out the study. As a result, this helped with the investigation on the focus and case of the study. The focus is local urban Bridgehead while the case is CBT. The chapter concludes with ethical issues that were considered before, during and after conducting the study.

### **3.1 Research design**

The research design refers to a procedural plan, blueprint or system of inquiry used to carry out a study (Angula, 2014; Creswell, 2014; Mouton, 1998). In this study, a mixed method was employed. The qualitative system of enquiry was used because it offered a platform where narrative data about respondents' experiences with the impacts of ICBT at Rundu-Calai Bridgehead could be collected. The quantitative was used in terms of compiling and presenting the data.

The strategy of enquiry was a case study. This systematic inquiry into an event (ICBT in this case) was aimed at describing and explaining ICBT as the phenomenon of interest (Angula, 2014). The purpose of the enquiry was to obtain explanations based on local knowledge about ICBT at Rundu-Calai local urban Bridgehead. The emergence of different socio-economic activities in the research also permitted for the exploration of the multifaceted nature of ICBT at local urban Bridgeheads.

The approach was both descriptive and interpretive with cross-sectional questions for respondents to express their history, perceptions and experiences of ICBT. This permitted the

researcher to trace the trading history and current trends which it aided in answering the research question, which is the impact of ICBT at the Rundu-Calai Bridgehead (Kumar, 2011). In addition, it aided in interpreting and explaining in detail the variables and attributes of this study as guided by the conceptual framework.

The rationales why this strategy was selected include the fact that it permitted the conducting of an in-depth study using multi-method system of data collection, processing and presentation (Maree & Van Der Westhuizen, 2009). These included semi-structured interviews and observations; thus using a case study allowed the researcher to determine the focus of the study, which was local urban Bridgehead, and singling out ICBT at Rundu-Calai Bridgehead as the case to be investigated availed room for direct interaction with key informants (mayors) and local people, which assisted in exhaustion and saturation in answering the research questions. This was a process which afforded every ICBT stakeholder from the sample an opportunity to share the role they play and how ICBT has impacted them socio-economically. Moreover, the descriptive and interpretive approach with cross-sectional questions enabled the collection of data within a short period of time.

### **3.2 Target population**

The target population of the study was all users of the Sarusungu Border, and these are about 5000 people per month. Young people that were older than 18 years of age were also interviewed. The aim was to have an equal ratio of respondents from Rundu and Calai.

### 3.3 Sampling procedure

#### 3.3.1 Sampling

Stratified random sampling was applied in this research. Firstly, the population was divided into strata based on their role in ICBT at Rundu-Calai Local Urban Bridgehead. The role they played also meant that they could provide some insights into the activities conducted within the ICBT sector. Each stratum was then given a specific number of respondents, which summed up to 55 respondents. Considering that the study was focused on local informal trading, a high number (71%) of informal traders was involved.

Subsequently, participants were randomly selected from within the strata based on willingness to take part at the border points. Although it was randomly done, the aim was to have equal representation of males and females. Table 1 summarises the strata that formed the sample.

**Table 1: Schematic presentation of the strata that formed the sample**

<b>Strata</b>	<b>Total no.</b>	<b>Rationale for selection</b>
Informal Cross Border Traders (local border travellers who are in transit, buyers and sellers)	19	<ul style="list-style-type: none"> <li>• They are residents of Rundu and Calai with knowledge about the history of ICBT at this Bridgehead</li> <li>• They carry out different ICBT activities which impacts the development of Rundu and Calai.</li> </ul>
Goods and service providers (shop owners, taxi drivers, a religious leader and a cross border relay agent)	13	<ul style="list-style-type: none"> <li>• They serve as suppliers of goods. Helped to investigate ways in which informal traders access or procure the products they retail.</li> <li>• Hold knowledge about conveyance and sustenance of the supply chain of goods and services between Rundu and Calai.</li> </ul>
Money exchangers	7	<ul style="list-style-type: none"> <li>• Gave insights on how local forex in microcosm is carried out between people in Rundu and Calai.</li> <li>• Provided explanations about impacts of market forces of demand and supply on exchange rates.</li> <li>• Gave narrations about the impact of US dollar withdrawal from Angola on local trading systems.</li> </ul>

Commuters	4	<ul style="list-style-type: none"> <li>• Explained reasons for residing either in Rundu or Calai but working or doing business in the other town.</li> </ul>
Key informants	6 (4 referrals to different departments)	<ul style="list-style-type: none"> <li>• Explained some future development plans of Rundu and Calai.</li> <li>• The researcher obtained an understanding about how some officials view or feel about ICBT.</li> <li>• Explained reasons for Bridge relocation.</li> </ul>
Customs, immigration and safety officials	6 (1 referral)	<ul style="list-style-type: none"> <li>• Explained ways through which goods are regulated at Sarusungu Border Post.</li> <li>• Assisted in determining loopholes and weaknesses in the control system that requires improvements.</li> </ul>
<b>Total Sample</b>	<b>55</b>	

The initial plan (in the research proposal) was 50 respondents, but in the end, the study included 55 participants, 5 more than planned in order to accommodate the referrals. For instance, an official responsible for social services in Calai referred the researcher to a certain administrator (specific rank withheld for ethical reasons). Similarly, Rundu Town Council also made several referrals. In total, referrals summed up to five. Therefore, referrals involuntarily introduced several aspects of snowballing to the data collection method of this study. In addition, the study aimed to have an equal gender representation, hence for every two people, in cases where it was possible, was a female and a male, which allowed the covering of various parts of ICBT in the research.

Key respondents emerged in all strata. From informal traders, some of them are retired informal traders who gave extensive explanations about the evolution of ICBT and the Rundu-Calai Bridgeheads. Service providers and money exchangers included well networked shop owners, experienced forex traders and taxi operators who also gave insights on ICBT. Among the interviewed officials, some of them have also worked at the Border for a number of years. All in all, each stratum had people that had a rich history about ICBT at the Rundu-Calai Bridgehead.

### **3.4 Data collection**

#### **3.4.1 Data collection methods**

With the guidance of the conceptual framework, the qualitative system enabled the interrogation of ICBT at local Bridgehead as a case for this study. This assisted in mapping out the features and activities under land use, changes in development, social and economic activities as categories. Henceforth, data collection methods used were face to face semi-structured interviews, non-participant observations, reviewing of documents and lists of goods from customs officials.

#### **3.4.2 Data collection tools**

In order to collect sufficient data, the following tools were used; multipurpose questionnaires that served as semi-structured interview guides or complete questionnaires in cases where respondents chose to write, digital voice recorders, list of goods and a recording notebook.

#### **3.4.3 Procedure**

Data collection was done at the border except for the key informants who were interviewed in their offices. The interview guides was made of pre-planned questions to be asked during interviews while recording on the digital voice recorder in situations where the respondent was willing to be recorded. While in the interview, respondents were asked to draw mind maps (does not require writing skills) where they showed the routes they follow. This strategy did not work out because most of the respondents were in a hurry. The researcher then tallied several goods crossing the border.

Observations were done by standing at the border to record the goods and respondents' sex in the record book. Interviews and observations were done daily, from 6am to 5pm. The study lasted for four weeks.

To have in-depth interviews and in-depth information, the interviews were planned to last up to about 30 minutes. To achieve exactly 30 minutes or more was also a challenge. It was noticed that most of the border users were accessible during the rush hour when they were rushing to get to different places on time. About 50% of participants availed their time, although the rest could only talk in a range of 20 to 25 minutes before they decided to leave. Several shops too were visited to confirm prices in Rundu and Calai. The study did not directly delve into illegal cross border trading activities because those who carry out such activities might not have been keen to be interviewed and could have posed a threat to the student's safety, police intimidation and arrests which are prevalent for investigative foreigners in Angola (Sylvester, 2015; OSAC, 2019; GOV.UK, 2020). However, illegal activities that participants of the study referred and admitted too are included in the presentation of results.

#### **3.4.4 Data analysis and presentation**

The analysis was carried out in order to investigate the socio-economic impacts of ICBT on Rundu and Calai residents. The conceptual framework helped to guide the study in the identification of the ICBT variables and activities, which were used in forming priori codes and themes to process, present and discuss the results. In doing so, questions emanating from objectives of the study were answered, which includes:

- What are the main ICBT activities do informal traders engage in?
- How do informal traders engage in these activities; do they follow the historical settlement patterns and social ties?

- How does forex in microcosm and currency devaluation impact ICBT?
- What are the socio-economic benefits and challenges faced by the informal traders, especially after shifting the Sarusungu Border Post?
- How does networking and commuting impact ICBT?

The data corpus consisted of primary and secondary data. Primary data was composed of responses in vivo, on the questionnaires and audio recordings. Secondary data sources were regional development profiles, the 2011 National Census results (NSA, 2011), SAD and the lists of goods from customs officials. The selection and analysis of literature was guided by the categories and concepts from the conceptual framework. The criteria for selection were as follows: The journal, book or website should have information on definition of ICBT/Bridgehead, state benefits and hindrances to explain features of Bridgeheads and give demographic information. Literature analysis was done manually, using high lighters to classify views from different scholars. In the end, a corpus of literature was synthesised for the study.

The data analysis began with data entry of all interview responses on Microsoft Word in verbatim. The entered data was then exported to excel spreadsheets and then transcripts were coded to form categories (Galletta, 2013; Magnusson and Marecek, 2015). Short phrases were formulated as priori codes from the reviewed literature and from the respondents' answers which were further refined to produce more specific or more focused codes (tags). Using excel, the codes were then grouped into main descriptive analytical categories that were guided by the objectives of the study and the conceptual framework. The categories consisted of demographic attributes like age, gender, town of residence and cross border frequency, for analysis. In the end, data with similarities was grouped together under similar codes for the next phase of analysis.

The second phase of analysis was mainly the identification and extraction of patterns and categories from the data coded in the first phase. At this juncture, values and attitudes based on respondents' beliefs, understanding and experiences of trade between Rundu and Calai were discovered. The patterns were based on assertions and explanations from residents, authorities and all other respondents towards cross border trading. Contradicting and concurring statements too formed part of the patterns. In addition, verbatim phrases from participants were also grouped based on cross border frequency and significance towards the assertions or points that the participants were clarifying. Such phrases were included in the data, which afforded some voiceless (mainly low-income residents) respondents in their respective towns to be able to give their views in vivo. Altogether, codes were merged to form categories, concepts and themes. The categories and themes were then condensed into descriptions that led to the general conclusion and recommendations of the study.

Lastly, to ensure that all content was captured, transcribed and coded correctly, the researcher repeatedly went back to the initial answers and at times to the recordings. The typed data corpus was also printed and then manually and repeatedly coded using highlighters (with different colours) in order to ensure the inclusion of all relevant data to the final report. This also helped with the identification of which data to include under each code on the spreadsheet.

### **3.5 Research ethics**

Only people older than 18 years of age were interviewed. Participants' permission was sought since interviews were recorded, maps drawn (by some participants) and goods counting was done. In situations where participants refused to be recorded, the researcher asked for permission to note down the responses and 93% of participants preferred this method.

In the event that illegal goods were traded across the border, the people with illegal goods were not interviewed. To ensure safety for the student researcher, all interviews and

observations were done within the perimeters of the border, which were guarded by police officers, in exception of cases like checking prices in shops and the observation of the towns' perimeter. Permission from officials was, however, sought before engaging in off border observations. In the case of key informants, a legal procedure of appointments was done in advance so that interviews were held in the offices of the key informants.

For anonymity and confidentiality, the researcher did not use the real names of the participants, but set up a consent form for participants to sign which shows that they agreed to participate in the study. The consent form explained the purpose of the research and also informed the participants of the right to refuse partaking in or withdrawing from the study without any negative consequences. When referring to certain places, the researcher made use of pseudonyms or coded the names of the areas of concern where necessary, to make sure that they do not expose the participants in anyway but to be more of a general knowledge of the area. Furthermore, the recorded interviews were only to be used by the researcher and the supervisor. The recorded data will be kept for 3 years and then get disposed off either by burning or by any other method that the University of Namibia might deem fit. To carry out the study at the border, authorisation was sought from Rundu and Calai Town Council, Ministry of Home Affairs' Customs Department and the Namibian Police (border control section) which was granted.

### **3.6 Summary**

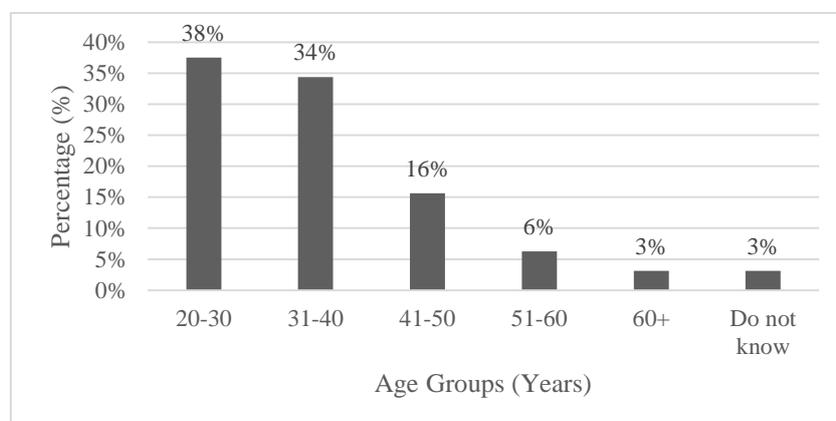
Chapter 3 forms the backbone of this study. This chapter gave the road map of the planning, collection and handling of data. It pointed out the number of respondents who partook in this study and outlined the reasons for their selection. The Chapter concluded by explaining the ethical rights for respondents as they partook in the study. Chief among the rights is voluntarism to partake or withdraw at any time without being questioned for reasons by the researcher.

## CHAPTER 4: PRESENTATION OF RESULTS

This chapter presents the data condensation of responses from respondents in the study and observations made by the researcher during the period of data collection. The data are analysed and presented in different ways. Since it is a qualitative study, results are presented in descriptive formats. To make certain results more reader comprehensive, basic numerals, tables and graphs are included in the presentation. The presentation gives an inductive overview, setting off with demographic statistics of the study and concluding with the crucial impacts that ICBT has on the communities of Rundu and Calai Bridgeheads and their socio-economic hinterlands.

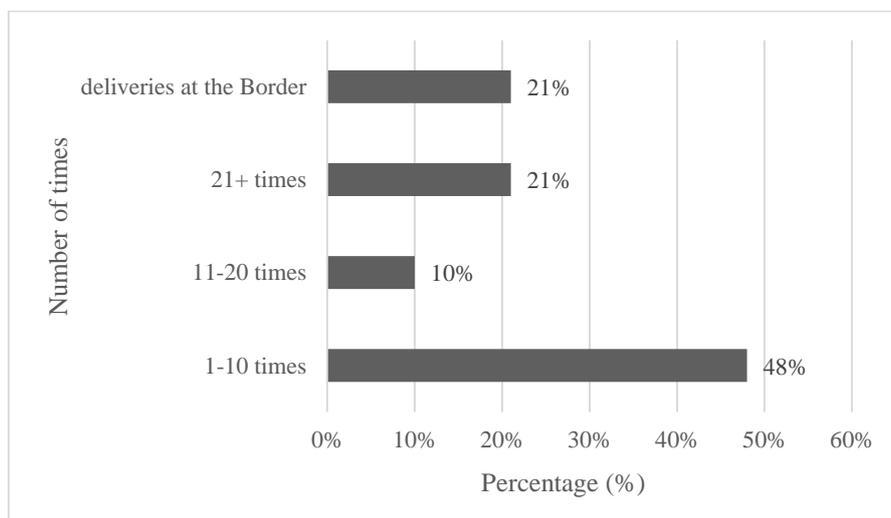
### 4.1 Socio-demographic information

This section presents results about the age, frequency of crossing the border and years of informal trading experience from respondents. In this study, 55% of respondents were from Rundu and 45% from Calai. Among them, 31% were females and 69% males. Females, especially from Calai, were quite sceptic and fearsome of consenting for their participation in the study, hence, the reason for their low representation. It was, however, observed that 7 out of 10 informal traders crossing the border were females.



**Figure 6: Respondents' age distribution**

From the 55 respondents, 32 were required to state their age group. These were mainly informal traders. Figure 6 depicts that among these participants, the mode was 38% who were the youth/young adults between the ages of 20 to 30 years. The next age group with a fair share of the sample was those who are 31 to 40 years of age, representing 34%. The remaining age groups' representation was each below 20%, with those who are 41 to 50 years being 16%, 51 to 60 with 6% and lastly were the elderly, above 60 years with 3%. Only 3% of people interviewed could not be able to recall their current age. These findings show that the youth forms majority of the informal traders at the Rundu-Calai Bridgehead.



**Figure 7: Number of times that informal traders cross the Border**

Border crossing is a daily activity at Sarusungu Border Post. From respondents who cross the border, 48% of them cross for at least 10 times a month. Subsequently, about 21% crosses the border for more than 21 times a month. This largely includes commuters and sellers who are obliged to cross the border on a daily basis for work or business endeavours. The lowest count of those who cross the border was 11 to 20 times a month with 10%. It also emerges that 21% of border users do not cross but rather deliver goods to people at the border. All in all, Figure 7 depicts existence of in invisible trade and a high share of people

that cross the border on a daily and weekly basis to carry out several activities in Rundu or Calai.

**Table 2: Years of experience of the people involved in ICBT**

Strata	Experience (in years) shown in percentage (%)											Total
	1	2	3	4	5	6	7	8	9	10	Don't know	
ICBT Sellers	0	46	0	8	0	0	0	0	8	0	38	100
ICBT Buyers	0	50	25	0	0	0	0	25	0	0	0	100
Officials	25	0	50	0	0	0	0	0	25	0	0	100
Commuters	0	25	0	25	25	0	25	0	0	0	0	100
Goods & Services providers	0	20	40	0	20	0	0	0	0	20	0	100
Cross border travellers	0	0	50	0	0	0	0	0	50	0	0	100
Transport services	17	0	33	17	17	0	16	0	0	0	0	100
ICB Relay agents	100	0	0	0	0	0	0	0	0	0	0	100
<b>Total</b>	142	141	198	50	62	0	41	25	83	20	38	800
<b>Total (%)</b>	<b>18</b>	<b>17</b>	<b>25</b>	<b>6</b>	<b>8</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>10</b>	<b>3</b>	<b>5</b>	<b>100</b>

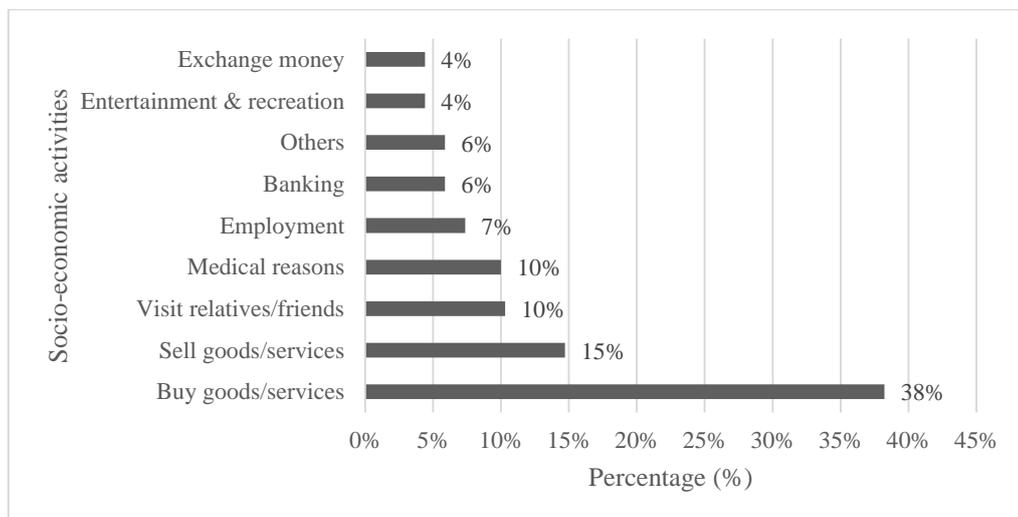
Table 2 illustrates that a high share of people engaged in ICBT (66%) have 1 to 4 years of experience. Next, 29% of them have at least 5 to 10 years of experience in ICBT. These tappers down to 5% of those who do not know the period they have been involved in cross border trading. The statistics in Table 2 are in line with findings depicted in Figure 6, that the majority of the participants have less than five years of informal cross border trading experience because of their tender age. Those with more experience are mostly old (Figure 6 and Table 2), hence, they are few. The table sums up that a fair share (5%) of people involved in informal selling do not recall how long they have been doing business.

## 4.2 Cross border activities carried out at the Rundu-Calai bridgehead

Section 4.2 presents various cross border activities carried out between Rundu and Calai. The focus is on ICBT, specifically referring to types of commodities and how they are traded. This is inclusive of marketing strategies, transportation methods, motives/benefits and challenges that are faced by the informal traders.

### 4.2.1 Socio-economic activities that are carried out at the Rundu-Calai bridgehead

The Sarusungu Border Post is the only conduit between Kavango East and Cuando Cubango Province that has a pontoon for vehicles and people to cross (Figure 4). This has made it viable for people with different motives and socio-economic activities to use this Border Post. Figure 8 presents the socio-economic activities.



**Figure 8: Cross Border activities**

People in Rundu and Calai mainly cross the border to buy goods or have access to needed services, as represented by 38% of the respondents (Figure 8). The second reason is to sell their goods or services in the opposite town with 15%. This sums up to 53%, making commerce the main cross border activity at Sarusungu Border Post. Additional findings depict that people

also cross the border to visit family members/friends who live in the opposite town (10%), visit hospitals (10%), go to work (7%), to access banking services (6%), attend concerts and other recreational/entertaining activities and foreign currency exchange, each with 4%. The last and minor category of reasons is others. This category is composed of motives such as to harvest river resources, in transit, and to receive goods from Calai and education, each with 1.5%.

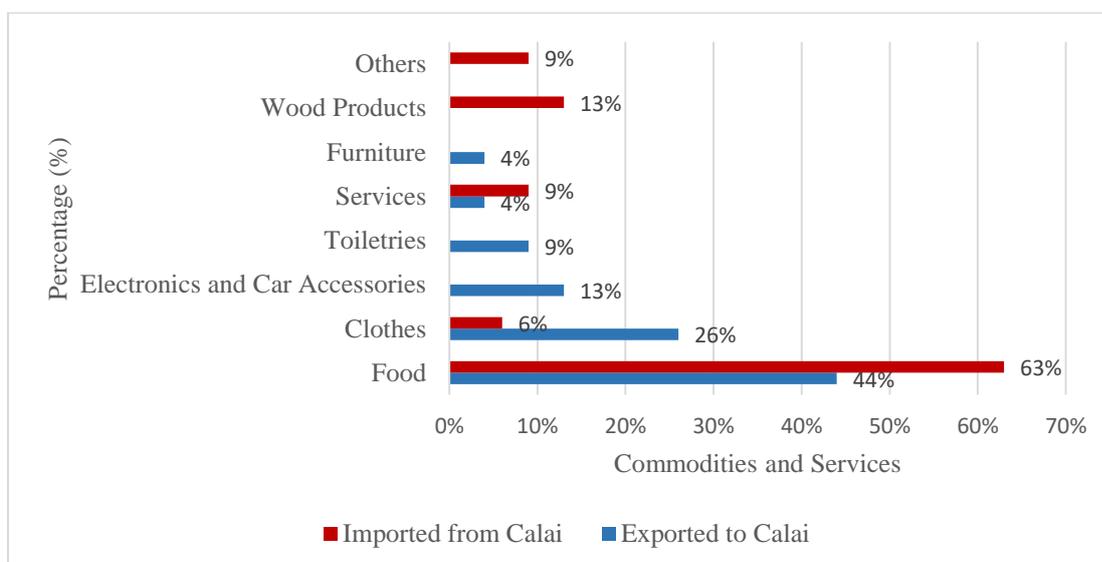
#### 4.2.2 Commodities traded at the Rundu-Calai Urban Bridgehead

Since cross border trading dominates the activities at Sarusungu Border Post (Figure 8), the commodities traded were identified. Table 3 classifies these commodities and shows collective names used in figures that follows.

**Table 3: Categorisation of commodities**

Category	From Calai	From Rundu
Agricultural commodities	Vegetables like Mutete (traditional vegetable), seasonal pumpkin leaves, cereal (maize), firewood, tomatoes, cassava, sweet potatoes, onions, legumes (beans), cabbages and seeds	Fish, meat, vegetables, onions, maize, potatoes and eggs
Processed food	Rice, sugar, cooking oil, maize meal, spaghetti, cool drinks (Blue brand), bread, alcohol (such as Indika, Cuca, Whiskey sachets and Nocal), fish (canned and horse mackerel), milk, macaroni, tomato sauce (paste), cigarettes (Yes brand)	Maize meal, Namibian cool drink brands, cakes and bread
Electronics	UNITEL airtime and Old damaged batteries	Cellular phones and laptops
Wood carvings	Cooking oars, mortars, pestles and black smith charcoal	
Services	Taxi (motorbike/car) and church service (pastor)	Music gigs, taxis and hospital visits
Clothes	Sandals, hair (weaves) and clothes (like branded jeans)	Clothes and shoes
Toiletries	Body lotion	Soap and lotion
Furniture		Sofas, TV sets and stands

Table 3 shows that Calai supplies many varieties of raw food stuffs such as vegetables and processed food than Rundu. It also illustrates that some wants like electronics and preferred brands of food are still imported by Calai residents from Rundu. From the goods in table 3, women mostly sell household consumables like sugar. These commodities are procured from retailing and wholesaling shops in Rundu and Calai, fields, riverside and irrigated gardens in Rundu and Calai, ordering from distant towns like Tsumeb (Namibia) and Menongue (Angola). Re-exports such as sugar, rice and beverages are procured from distant towns like Menongue and Santa-Clara, delivered by trucks and then resold to informal traders by retailing shops in Calai. Whereas in Rundu, these goods are sold in wholesalers and retailing shops and individuals. Informal traders acquire these goods by cash payment, telephonic orders or bank transferred payments based on quotations from shops especially when Kwanzas is in short supply. Calai based shops accepts both NAD and Kwanzas. On the other hand, men who specialise in wood products and charcoal chop and produce their goods in bushes surrounding Calai, where the required trees species are in lush abundance compared to Rundu. Using categories in Table 3, Figure 9 displays the most imported and exported goods between Rundu and Calai (in percentages).

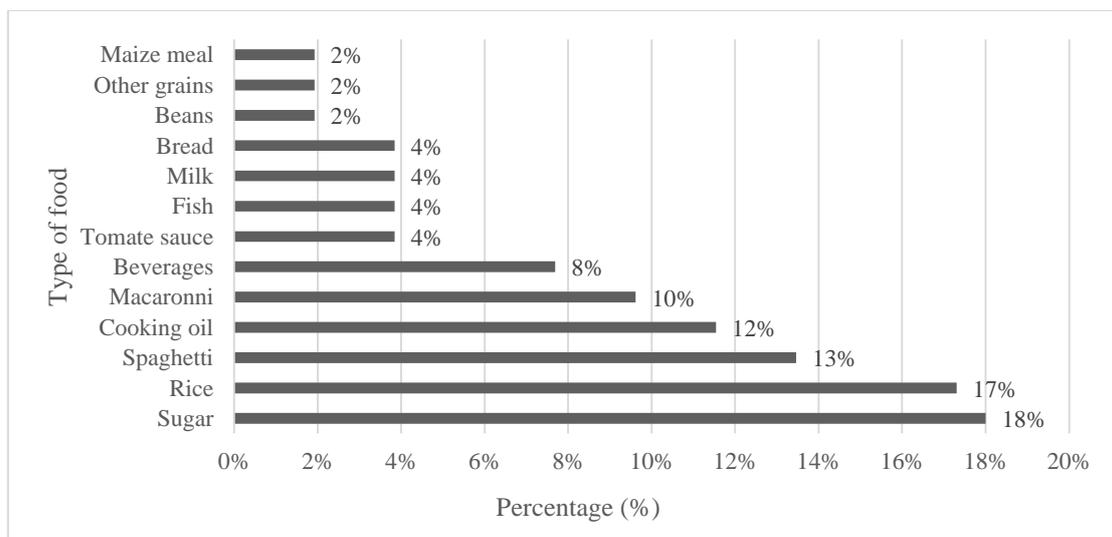


**Figure 9: Commodities and services exported to and imported from Calai**

The main group of commodities that is exported to Calai is food, with 44% (Figure 9). This is followed by clothes (26%), electronics and car parts (13%). People from Calai also buy toiletries (9%), furniture and pay for services, but with a decreased quantity of 4%. Services accessed in Rundu (by Calai residents) includes the use of taxis and hospital visits.

Subsequently, Figure 9 also illustrates the imports from Calai to Rundu. Just like from Rundu, the largest share of goods from Calai is food (63%), followed by a variety of wood products (13%). Rundu residents also use services (9%) like taxis in Calai and buy branded clothes (6%) too. Lastly, the category others (9%) includes UNITEL Airtime, toiletries and old batteries, each with 3%.

Findings in Figure 9 are in tandem with depictions in Table 3 that Calai supplies a high quantity of processed and raw food to Rundu with a difference of 19% (63%-44%). It is a similar pattern with goods such as furniture and services (difference is 1%) and wood products (difference of 13%). From this trend, findings still reveal that those in Calai still import most of their car parts and electronics from Rundu (difference of 11%) and their clothes (with a difference of 21%). Since Rundu residents import higher amount of food related goods from Calai, than vice versa, Figure 10 shows the most imported food stuffs.



**Figure 10: Most imported type of food by Rundu residents**

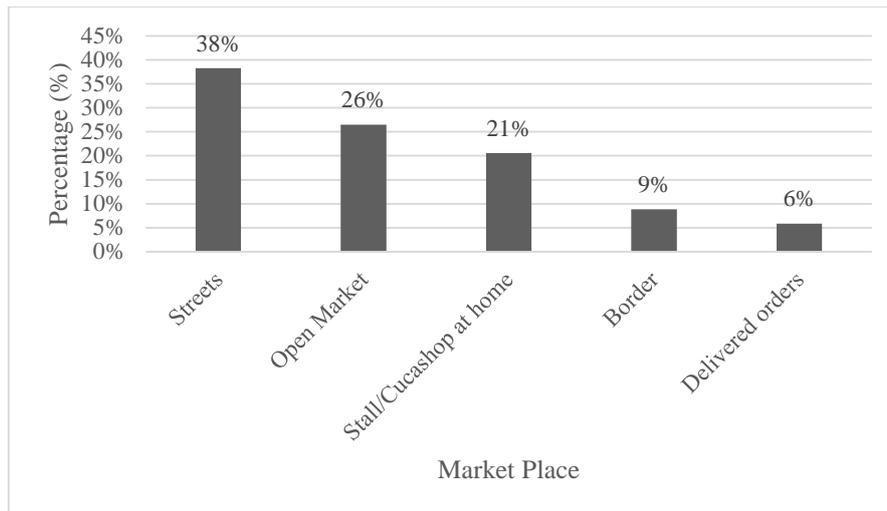
In Figure 9 and Table 3, it is evident that food related commodities from Calai are on higher demand in Rundu. Figure 10, therefore, presents the commodities from the highly to the least demanded type of food. Leading the pecking order is sugar (18%), followed by rice (17%) and spaghetti (13%). Cooking oil sits fourth with 12% and beverages with 8%; while fish, milk, bread, tomato sauce follows, each with 4%. Last is maize meal, grains like mahangu (millet) seeds and beans (each with 2%). This ranking is in line with inputs from the customs regulators who asserts that the commonly traded commodities are sugar (50 kg bags), rice (25 kg bags), loaves of bread (in large quantities), beans (25 kg bags), cuca beer cases, macaroni boxes (20 x 400 g), cooking oil box (12 x 1 litre) + 5 litres and 20 litres, baking flour, cool drink cases and spaghetti boxes. These findings demonstrate one aspect of the framework of this study that people in Calai are implementing import substitution by specializing in the trade of goods that they have in abundance whether re-exports or raw goods, which are also on higher demand in Rundu. In addition, the only regulation for imported or exported goods currently exercised at the Rundu-Calai Bridgehead is customs taxing for formal traders, inhibition of raw meat (by a Namibian meet board official) and Yes cigarettes from entering Rundu. The Border post has no environmental health officials, experts to test goods and documents clarifying food stuffs from Angola that are viable for human consumption. However, findings presented in Table 3, Figure 9 and Figure 10 depicts that the highest volume of the commodities exchanged between the two towns is food stuff. Therefore, this existing weakness in the regulation measures exposes ICBT goods consumers to a risk of consuming hazardous (with higher sugar and chemicals content) and expired food stuff that could contribute to non-communicable diseases and possibility of bio-accumulation and bio-magnification of toxins.

### **Clandestine trade of Yes Cigarettes**

This study was carried out with exclusion of illegal goods investigation. However, several participants constantly referred to the Yes cigarette brand being exchanged between Rundu and Calai, which was later identified as a special case that needed to be mentioned in the report of this study. This brand is one of the goods that are legal products in Calai and classified as illegal in Rundu and it is ferried to Rundu by concealing boxes of Yes cigarettes in 50 kg sugar bags or through illegal marinas. The close proximity of Rundu and Calai leads to its massive inflow to Rundu where it trades cheaper than local cigarette brands like Dunhill. Participants explained that while Dunhill and other Namibian based cigarette brands cost about N\$ 3, Yes brand costs only N\$1 per cigarette stick. The cigarette boxes are sold while concealed in newspaper wraps to prevent being caught. This shows that clandestine comparative advantage at the Rundu-Calai Bridgehead prevails as several customers prefer to buy cheaper goods in streets even if they are illegal.

#### **4.2.3 Accessing markets in Rundu and Calai**

The goods procured for informal trading are transported using different methods based on affordability and choices of the traders. Similarly, places where goods are sold are chosen based on factors such as customer base and proximity. Therefore, this section presents how markets are accessed.

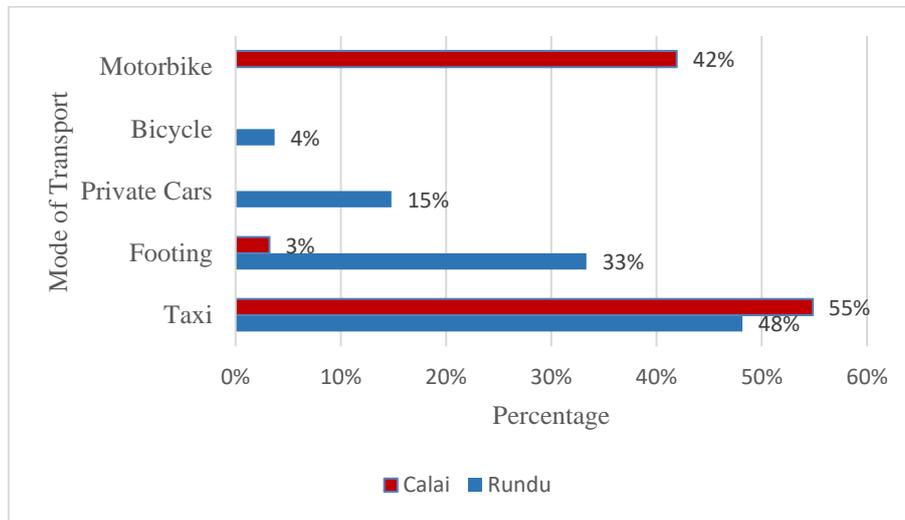


**Figure 11: Places where goods are sold in Rundu and Calai**

One of the aspects of ICBT is that a market or place of trading is essential for maximisation of profit. Informal trading is usually in Nyemba (Angolan language) and Rukwangali (Namibian language). Unless the traders know each other's language, English or Portuguese then they use it to communicate. Majority (38%) of the vendors between Rundu and Calai sell their goods in the streets (Figure 11). They walk around with goods carried either on heads (with large bowls especially women) or parked in carrying bags. Following that is the Open Market (26%). It is only in Rundu where traders sell in the Open Market because the Calai based Open Market has been abandoned. Other (21%) of microbusiness owners (in both towns) have erected stalls and Cuca shops at their homes where they carry out informal trading. Service providers like taxis carryout their business activities at the border (9%) where they drop and pick clients. Lastly, 6% of people from Rundu order goods from Calai which are delivered at their houses by Calai based business owners. This shows that cross border informal traders also contribute to street vending.

The distance from the Border to market places such as the Open Market either in Rundu or Calai contributes to determining the mode of transport to be used by the informal traders. On average, it takes about 39 minutes to walk, whereas with a bicycle it is an average of 30

minutes, while by a car it is 29 minutes due to a bumpy road condition from the border in both towns. Figure 12 shows the modes of transportation used by informal traders.



**Figure 12 : Mode of transport in Rundu and Calai**

The majority(48%) of the research respondents (Figure 12) who headed to or away from the Sarusungu border post in Rundu indicated to have used taxis. This is followed by footing (33%) and the use of private cars with 15%. A minority of 4% use bicycles to travel to the border. Whereas in Calai, respondents indicated that 97% of them either use taxis or motorbikes. This percentage can be fractured as 55% are those that use automobile taxis with a fair share of motorbikes at 42%. It was discovered that only 3% indicated to have walked to or from the border on the Calai side. This outcome contrasted with assertions from transport service providers in Calai. They affirmed that 88% of customers who make use of transport services come from Rundu and only 12% is from Calai.

To reach consensus regarding the disagreeing findings, the researcher crossed over to the Angolan side of the border in order to observe the common mode of transport mainly used by people involved in ICBT from Calai. In line with service providers, a tally count showed that most of the customers for transport services in Calai come from Rundu, and Calai based informal traders mainly foot to the border. It was observed that only about 3 (30%) of

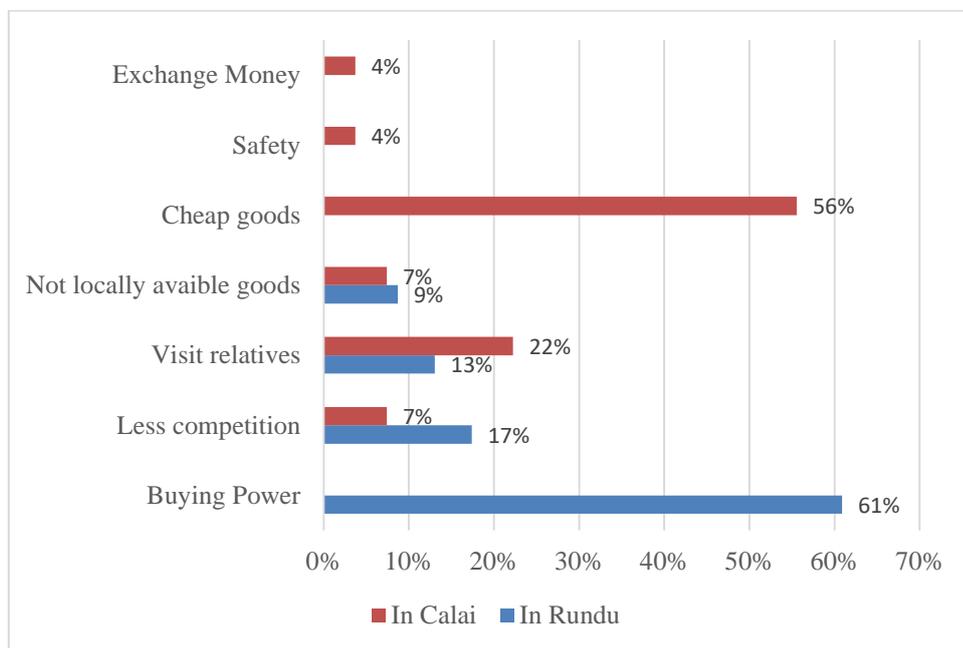
participants in 10 ICBT traders from Calai arrived either in taxis or on motorbikes and the rest were footing with their goods carried on their heads. This discovery fortifies assertions by transport service providers. The high percentage of cars or motorbike usage to and from the Sarusungu Border Post depicts that distance is long and not everyone can manage to walk for about 7 kilometres.

In cases where traders are in cooperatives, people in transit or commuters are required to cross the border with a car, a Road Fund Administration Office has been installed at the Sarusungu Border post. Payments for cars that are made by motorists are valid for 3 months. However, commuting everyday requires daily payment on the Namibian side. Due to that, many Rundu residents who work in Calai prefer to leave their cars at the border daily and they find them after work. Requirements for a crossing vehicle are documentations of the car and the owner. Police clearance is not needed. Bicycles do not pay road tariffs. Foreign cars with goods are allowed to drop goods within the jurisdictions of the border for free.

The challenge for cars is the landscape of the pontoon bridge. It is constructed to rise and drop with water levels. When water levels are high, cars flow smoothly. However, when the river begins to dry, the pontoon's edges become too steep (Figure 4). Cars struggle to cross in extreme times like December when water levels are very low, and trucks do not cross and they are forced to deliver goods at the border. Alternatively, human couriers are used. This is a group of local boys permitted by border officials to engage in carrying people's goods from one side of the border to the other. They do so using wheelbarrows and they are paid a fare ranging from N\$10 depending on the load. In cases where goods cannot fit in the wheelbarrow or the person does not own one, they basically lift the load on their shoulders. The activity is profitable and gaining momentum which attracts a lot of young men to join the trade.

#### 4.2.4 Reasons and benefits of carrying out ICBT

Preceding figures (such as Figure 9 and 10), shows that several goods are on demand in Rundu and not in Calai or vice versa. Figure 11 gives insight about places where informal trading occurs in Rundu and Calai. In addition, this section presents motives for selling in these towns and overall benefits from ICBT.



**Figure 13: Reasons for trading**

Calai residents (Figure 13) are attracted to do business in Rundu, mainly due to Rundu’s buying power (61%). Secondly, Rundu has less competition for goods coming from Angola (17%). Moreover, it was discovered that trade has been steered by reasons to strengthen a good existing relationship by visiting relatives (13%) among residents of the two towns. Lastly, they trade in Rundu in order to have access to goods that are not available in Calai (9%).

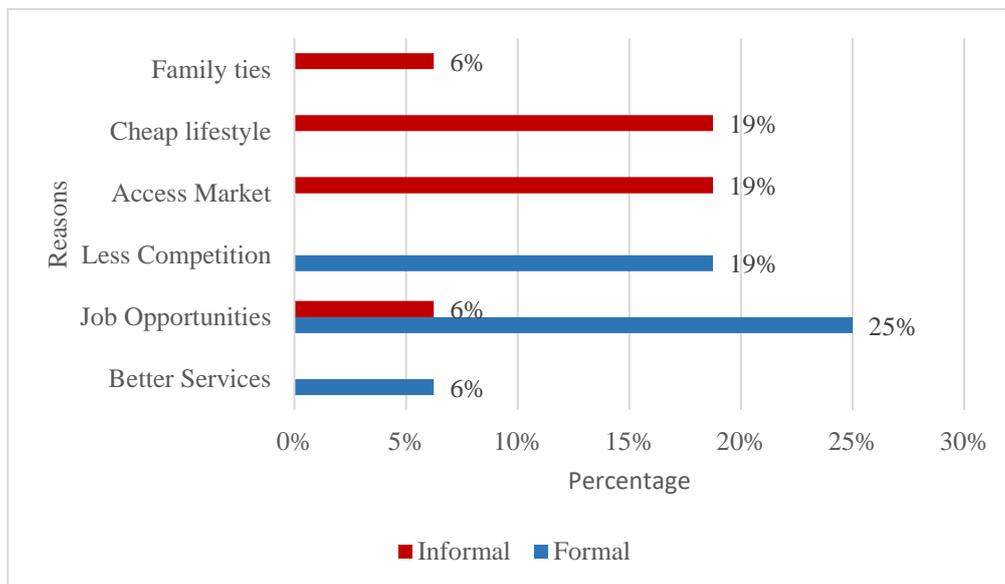
The informal traders from Rundu have several reasons which motivates them to buy goods from Calai based shops and suppliers (Table 3, Figures 9 and 10). The overview in Figure 13

depicts reasons such as cheaper goods in Calai (56%). In addition, Calai hardly run out of supplies, therefore, wanted goods are found in most of the times and there is less competition when these goods are resold in Rundu, each with 7%. The last category of reasons is others, with 10% representation, which includes motives such as safety and gaining forex, each with 4%.

**Table 4: Social and economic benefits**

<b>Social benefits</b>
<ul style="list-style-type: none"> <li>• Promotes nationalism and tribal infusions</li> <li>• Leads to the development of ICBT lingua franca</li> <li>• Allows reunions of tribes and families divided by state boundaries</li> <li>• Causes the emergence of humanitarian Bridgeheads besides the economic Bridgeheads</li> <li>• ICBT opens up opportunities to visit relatives, acquire documents &amp; land, send children to school and access to health facilities</li> <li>• Provides platforms for entertainment and socialisation</li> <li>• Offer chances to get spouses (intermarriage) for people from the two towns and beyond</li> <li>• Helps informal traders in learning new languages</li> <li>• Allows local traders to form networks with cheaper suppliers, customers and good chain for the flow of goods. For example, from Menongue (mid-Angola) to Rundu via Calai or Katwitwi (a border in Kavango West)</li> <li>• Promotes women empowerment and self-sufficiency</li> </ul>
<b>Economic benefits</b>
<ul style="list-style-type: none"> <li>• Avails opportunities to buy and sell locally (import substitution and genesis of micro intra-African trading)</li> <li>• Creates platforms for entertainment such as music gigs and cheap exchange rates</li> <li>• Promotes commuting, emergence of invisible trade opportunities and cross border ordering of goods without directly paying customs charges</li> <li>• Increases accessibility to health facilities and safe transport routes</li> <li>• Self-employment/employment/source of income</li> <li>• Genesis of big business ideas and visions (One participant elucidated that; “Trade and commerce is the beginning of satisfying basic needs. It is too early to say it has economic influence but it is a good start which could expand in the future”)</li> <li>• Provides opportunities to harvest river/aquatic resources</li> <li>• Avails accessibility to quality education for informal traders’ children</li> </ul>

#### 4.2.5 Commuting at the Rundu-Calai Bridgehead



**Figure 14: Reasons for commuting**

Commuters at the Rundu-Calai Bridgehead are either formal traders and employees or informal traders and employees. Figure 14 shows that formal employees and business owners (bank managers and owners of fully diversified shops) choose to reside in Rundu due to better sanitation and basic services (6%). Majority of them work in Calai due to more job opportunities (25%) and less competition to run businesses (19%) such as retailing shops in the CBD. On the other hand, informal traders and employees (such as maids and ICBT retailers) reside in mostly Calai or informal locations in Rundu due to a cheaper lifestyle (19%) and to live closer to relatives (6%). They commute for reasons such as accessibility to customers and market for Angolan goods in Rundu (19%) and work in the informal sector (6%).

### 4.3 Forex in microcosm

The exchange of money between Namibian and Angolan informal traders is one of the activities (in Figure 8) that contributes to the patterns of trade at the Rundu-Calai Urban Bridgehead. In order to carry out the local forex activities, money exchangers have selected sites and set exchange prices based on several factors. This section presents the places and ways that money used in ICBT is exchanged. In doing so, the impacts of factors such as Angolan Kwanzas devaluation and withdrawal of US \$ from Angola on ICBT is narrated.

#### 4.3.1 The patterns Forex in microcosm

People who exchange Kwanzas and Namibian dollars in Rundu and Calai do not make use of a bureau de change. Exchanges are carried out by informal forex exchangers who operate without approval or certification from authorities, operating at different places (Table 5) and exchange in different ways (Table 6).

**Table 5: Sites for money exchange**

Place	Percentage (%)
Open Market	58
Streets	26
Friends/family	9
Shops in Calai	5
With Angolan employees	2
<b>Total</b>	100

Table (8) summarises that majority (58%) of the people exchange money at the Open Market in Rundu. In addition, 26% of the exchange rate happens in the streets (usually next to the BPC in Calai). Up to 9% of the participants indicated that they exchange money with friends or relatives. Those with Namibian dollars also buy goods using dollars in Calai based shops, as

represented by 5% of the respondents. Lastly, 2% of the people exchange money with Angolan employees who may have Kwanzas but need Namibian dollars. Based on findings in Figure 11 and Table 5, it seems that the streets in locations and the Open Market are the centres or hubs of informal trading that involves money exchanging and cross border export or import. As a result, the forex activities at these places have led to an emergence of certain patterns (Table 6) that characterises how and why people exchange money at this Bridgehead.

**Table 6: Summary of money exchanging patterns at Sarusungu Border Post**

<b>Participants</b>	<b>Years of Exchanging</b>	<b>Buying Kwanzas in Namibian dollars</b>	<b>Selling Kwanzas in Namibian dollars</b>	<b>The last time exchange rates changed</b>	<b>Price of buying Kwanzas before exchange rate changed</b>	<b>Price of selling Kwanzas before exchange rate changed</b>
Rundu Money exchanger	7 years	1000 Kz for N\$ 35	N\$ 40 for 1000 Kz (N\$ 5 profit per transaction)	Different months	1000 Kz for N\$ 25-30	1000 kz for N\$ 30-35
Rundu Money exchanger	8 years	1000 Kz for N\$ 35	N\$ 40 for 1000 Kz (N\$ 5 profit per transaction)	September 2018	1000 Kz for N\$ 25-30	1000 kz for N\$ 30-35
Calai Money exchanger	14 years	1000 Kz for N\$ 40	N\$ 38 for 1000 Kz (N\$ 2 profit per transaction)	September 2018	1000 Kz for N\$ 25	1000 Kz for N\$ 20
Calai Money exchanger	10 years	1000 Kz for N\$ 36	N\$ 40 for 1000 Kz (N\$ 4 profit per transaction)	August 2018	1000 Kz for N\$ 20	1000 Kz for N\$ 25
Calai Money exchanger	5 years	1000 Kz for N\$ 35	N\$ 45 for 1000 Kz (N\$ 10 profit per transaction)	September 2018	1000 Kz for N\$ 20	1000 Kz for N\$ 25

The process of exchanging money is quite direct, the person desiring a certain currency (the buyer) visits a site where exchangers are usually gathered. He/she gives the currency carried and then the exchanger returns a net of the desired currency, with profit already taken by the exchanger. The currencies exchanged are Namibia Dollar, US\$ and Kwanzas. The profit earned is variable (Table 6), with each exchanger having their own exchange rate. This is more evident with Calai money exchangers. The profit varies from N\$2 to N\$10 per transaction.

Profit was constant at N\$5, until the hike in exchange rates in September 2018 (Table 6). At the juncture when profit was constant, exchange rates were higher/expensive in Rundu, ranging from N\$30 to N\$35 dollars per 1000 Kwanzas. While in Calai, it was lower/cheaper ranging from N\$20 to N\$25 per 1000 Kwanzas. The current exchange rate shows a reverse of the old pattern, where it is expensive for an informal trader to exchange in Calai than in Rundu, with N\$10 being the highest net profit from 1000 Kwanzas recorded.

The cost price during the exchange rate is affected by devaluation and scarcity of currencies in Calai and the Rundu Open Market. Each devaluation of Kwanzas requires an increase in the amount of Kwanzas for the same value of US\$ or Namibia Dollar. For instance, if the exchange rate is N\$ 20 for 1000 Kwanzas, it would change to N\$ 20 for 1500 Kwanzas. In addition, scarcity of currencies is a result of (as one respondent puts it across):

Money increases in the market if employees in Calai [mainly police officers and teachers] have been paid their monthly salaries. However, in certain instances, the Government of Angola skips payments of employees during several months which makes the Kwanzas scarce and raises its demand. As a result, those with Kwanzas at that stage can set an exorbitant exchange price, which hardly decreases because people are desperate to get the currency and go buy basic amenities.

Table 6 shows that money exchangers have been offering services for several years at the Rundu-Calai Bridgehead. The average experience of money exchangers in these towns is about 8 years, therefore, about 80% of them began to exchange in the era when Angola had US dollars, Kwanzas not yet devalued and the Border Post was at the old site. One respondent narrated that, “the withdrawal of US\$ from Angola also means that other foreigners like medical doctors from Zimbabwe who used to exchange in the open market can no longer do that”. As a result, many cited to have lost clients and continue to experience decreasing profits. In order to increase profit, young exchangers with 5 years or below of experience charge high rates to clients. From figure 9, the youngest trader earns N\$10 per 1000 Kwanzas transaction. Whereas more experienced traders earn N\$5 and below, an indication that young informal forex traders seek to scalp quick profit, which can be attributed to theft from clients.

Findings shown in Table 6 about money exchangers display a contrasting scenario with other informal traders such as sellers as shown in Table 2. Table 2, for example, depicts that the majority of informal traders are the youth between 20 to 30 years of age. In contrast, Table 6 displays that 80% of informal traders have at least 7 or more years of experience. Such a display is in tandem with their age which ranges between 30 to 40 years. This seem to indicate that forex in microcosm has been ongoing for a long time while the higher demand for more goods from Calai is a nascent trade pattern.

#### **4.3.2 Cost prices of commodities**

Figure 13 shows that buying power and cheaper goods are some of the reasons why ICBT is carried out. In determining the town with cheaper goods, Figure 10 gives a general overview of prices of goods sold in Rundu and Calai. With the latter presentation of factors such as devaluation (Table 8), this may help in find out which town supplies a higher quantity of goods.

**Table 7: Comparison of cost prices of commodities from Calai and Rundu**

Commodity	Average Cost in Calai (N\$)	Average Cost in Rundu (N\$)
20 litre cooking oil	300	421
50 kg Sugar and baking flour	350	520
25 kg rice, sugar and beans	175	374
Spaghetti box	75	239
Macaroni box	90	183
Blue Cool drink case (x24)	126	288
Cuca beer cases (x24)	106	360
Cooking oil box (6x 1 litres)	160	125

For the most demanded goods between Rundu and Calai (Table 3 and Figure 10), Table 7 shows that on average, goods are cheaper in Calai. For instance, Angolan macaroni costs N\$90 dollars in Calai. When Calai shop owners deliver to their customers in Rundu, it costs N\$127. N\$37 becomes the transport and the customs fare charged. This act is also similar with local retailers in Rundu and Calai who sell the Angolan blue cool drink. In Calai, a can costs about N\$5.25, while in Namibia it is N\$11.99. When compared to Namibian based brands of goods, it was evident that Calai still offers a cheaper option of goods. In Rundu, 8kg of Angolan macaroni is N\$127 while the same quantity of local brands costs an average of N\$183, which is a difference of about N\$ 56, in exception of cooking oil that is cheaper in Rundu. Therefore, people tend to look for and buy from places with cheaper goods mostly found in Calai.

The shop owners in Calai also contribute to exchange rates when selling goods to Namibian dollar bearers. The charged fees (to the customer) in these transactions are usually higher than exchanging to Kwanzas before purchasing. An enquiry done showed that in one shop the cost of spaghetti was 2250 Kwanzas (equivalent to N\$75 at 1:30 exchange rate). When a subsequent shop was approached, the cost in Kwanzas remained 2250 Kwanzas, but in Namibian dollars it was N\$100 or 3000 Kwanzas (at an exchange ratio of 1:40). This was an indication that basic exchange rate knowledge is essential for informal cross border traders to avoid losses when

buying goods that could cost cheaper. Therefore, when buying goods in Calai, it is much better to use Kwanzas.

**Table 8: Impacts of currency devaluation**

<b>Calai Residents</b>		<b>Rundu Residents</b>	
<b>Effects</b>	<b>Percentage (%)</b>	<b>Effects</b>	<b>Percentage (%)</b>
Increased prices	72	Cheaper goods	50
Few Calai based customers	12	More affordability	50
More income	8		
Reduced border frequency	4		
Reduce laziness	4		
<b>Total</b>	<b>100</b>	<b>Total</b>	<b>100</b>

Table 8 summarises that currency devaluation has positive and negative impacts on citizens who trade with the devalued or the stronger currency. In Calai, people use the devalued Kwanzas and 84% of respondents indicated that devaluation has a negative impact on them or their business. That sum consists of 72% that indicated that devaluation has resulted in increased prices and 12% who reported that devaluation has led to fewer Calai based customers. The smallest group of 4% of the respondents linked it to the notion that cross border frequency has reduced due to devaluation.

On a positive end, transport service providers hail the new trade pattern and they all independently concurred that devaluation has increased the number of customers in their sector. These results settle the argument that arose in Figure 12), acknowledging that more clients for the transport service are from Rundu. Table 8 also shows the attitudes of officials who believe that such an existing trend of relying on Rundu will reduce laziness (4%) among Calai based residents.

Devaluation has also offered a favourable trading ecosystem for Rundu residents or any Namibian dollar bearer. Findings in Table 8 show that 50% of the respondents stated that goods in Calai have become cheaper and affordable. Which contributes to the expansion of sphere of influence of the Rundu-Calai Bridgehead to surrounding and distant villages such as Shambyu (about 35 km) Kavango East, Katjina Katji (about 100 km) in Kavango West, Cipema (Cuando-Cubango Province) and residents living along the Cuito Cuanavale River. Results in Table 8 can be summed up that while several informal traders are disadvantaged by currency devaluation, some of them have seen an emergence of trading opportunities, especially in the service providing sector.

#### 4.4 Customs payment

The Sarusungu Border Post has officials who collect customs revenue from small scale and large scale formal traders. The reason for collection includes contribution to national revenue, inhibit financial outflows from a country, protection of local informal businesses from “unfair” competition with cheaper Angolan goods and motivate people to engage in import substitution. Some informal traders view this as a barrier/challenge because it qualifies into small scale formal trading were they are required to pay taxes. In quest to continue with informal trading, Figure 12 shows how informal traders react in response to customs payment.

**Table 9: Impacts of customs charges**

Classification of goods	Customs charges	Consequences
Re-exports	20% of the cost price, except food for funerals which is exempted	<ul style="list-style-type: none"> <li>• Deviation to non-formal crossing points</li> <li>• Fraudulent trade</li> </ul>
Raw goods (vegetables and wood products)	Exempted (still no gauging system and a way to assist informal traders to earn income)	<ul style="list-style-type: none"> <li>• Boom in trade of seasonal crops or products</li> </ul>

**A selection of in vivo quotes about fraudulent/corrupt informal trade activities at Rundu-Calai Bridgehead:**

- “N\$30 per crate is given to Angolan Police for *gazoza* (bribery for cool drink)”.
- Considering that there are Angolan police at this border (Damu Damu), one needs to have an identity document and a yellow fever certificate to cross to Calai through Damu. However, if the person is well known (as in the case of this respondent), he does not need to carry documents. Also, even when one is unknown, as long they are accompanied by a known person and has money for *gazoza*, they are allowed to cross the border (cronyism with friends)
- The withdrawal of US dollars from Angola also means that other foreigners like medical doctors from Zimbabwe who used to exchange in the open market to avoid and escape tax charges in banks’ bureau de change can no longer do that.

Table 9 shows that even though several traders could qualify for formal cross border trading, they circumvent and implement measures that ensure they remain in the informal sector where they do not pay taxes. They do so by crossing through illegal marinas, through Damu Damu or by unpacking goods into smaller quantities that do not qualify for tax charges. The scenario on fraudulent activities summarises some of these activities.

### **Scenario of fraudulent trading activities**

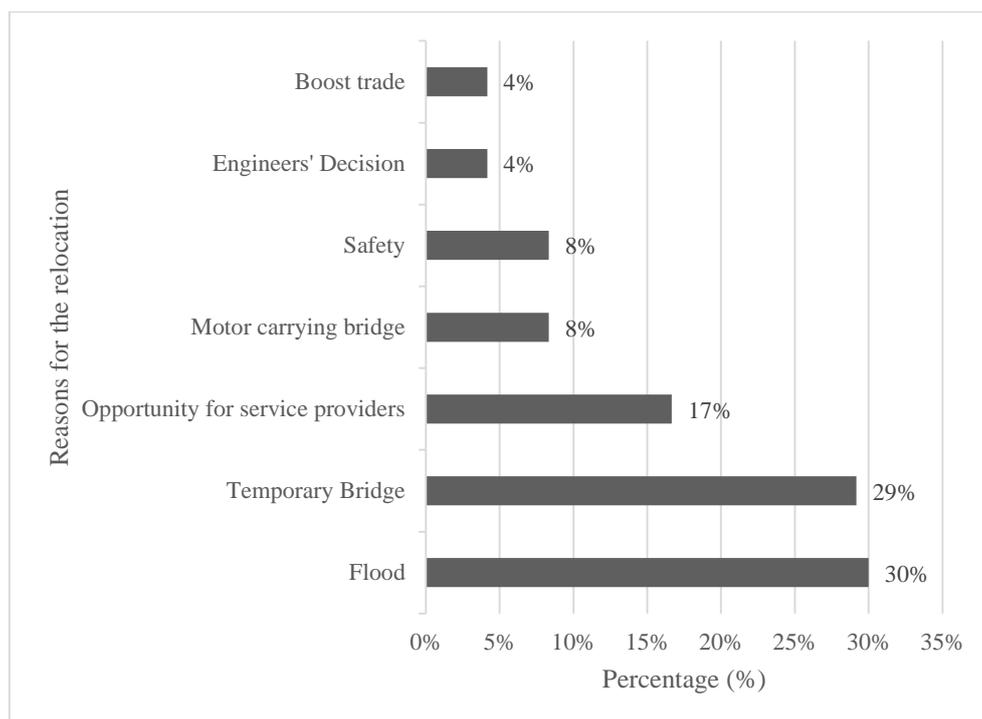
Mr Katjanga Yindindo (pseudonym) is a tuckshop owner in Rundu who sells goods from Calai. On a monthly basis, he visits a local wholesaler in Calai to purchase his stock. Depending on the exchange rate, he can buy either in Kwanzas or in Namibian dollars.

After purchasing, he hires a taxi to deliver his goods at Damu Damu. At Damu Damu, he bribes (*gazoza*) the officials and pays for a canoe or motor boat to ferry the goods. At that moment, a taxi waits on the other side of Damu Damu to transport the goods to his retailing place. Depending on which route he took when he crossed to Calai, Mr Katjanga can cross at Damu Damu, cross through Rundu Beach (walk across) or return to Sarusungu Border post to have his passport stamped. In this way, he escapes customs charges, strengthens his relationship with the Damu Damu Angolan guards and creates a job opportunity for canoe transporters.

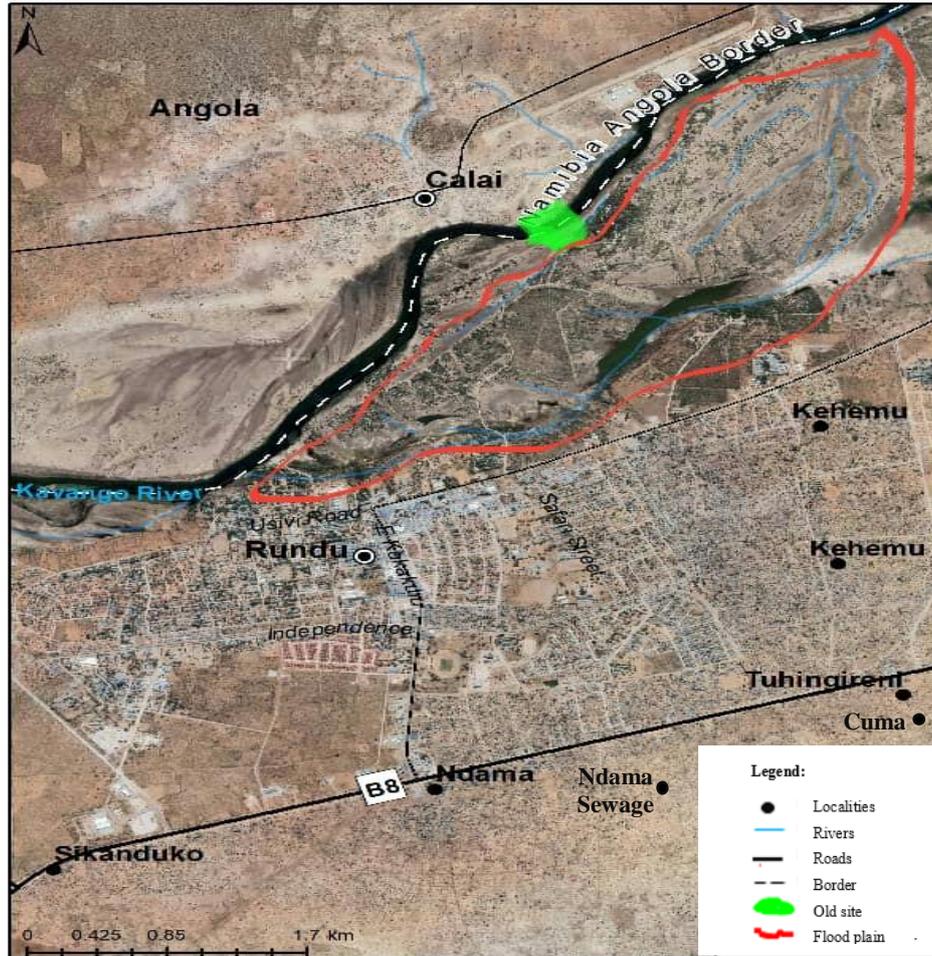
Such activities also happen with fresh goods, wood and river resources. When floods are low, some traders risk crossing on foot with their goods. Such clandestine activities are becoming prevalent due to the absence of border patrols, porous river and non-stringent border control measures.

#### 4.5 Bridge relocation

The Sarusungu Border Post was relocated in 2015, from the old site which was closer to the CBDs of Rundu and Calai to the current distant location. This section presents relocation reasons (Figure 15) and impacts as viewed by the informal traders and border officials at Sarusungu Border Post (Figure 16).

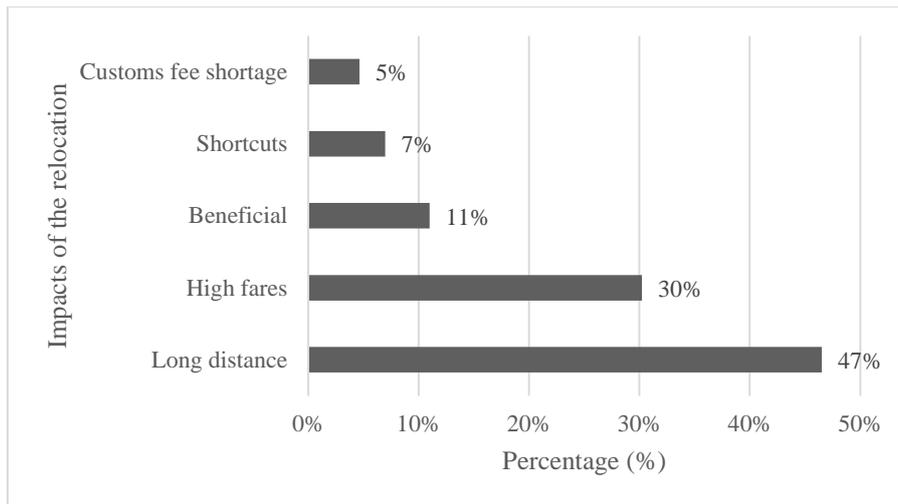


**Figure 15: Reasons for relocating the bridge to the new site**



**Figure 16: Flood prone areas in Rundu** (Satellite images, Google Earth)

The main reason for bridge relocation was flooding (30%) of the old border area (Figure 15). The floodplains (encircled in red) surround the old border site which is marked in green on Figure 16. In order to build a permanent bridge that could not flood, 29% of the respondents stated that the pontoon currently used at Sarusungu was erected as a temporary bridge. Other respondents (17%) believe that it was relocated to provide income opportunities for service providers, to create a safe border post (8%) and create a bridge that allows motors to cross. A minority of respondents (4%) stated that it was the engineers' decision without consulting local people which was aimed at boosting trade between Rundu and Calai.



**Figure 17: Impacts of the Bridge relocation**

The impact of relocating the border has been both disadvantageous and advantageous for informal traders. Shifting of the Sarusungu Border Post from its old site to the current place, next to Kaisosi Feeding Lot, has led to long distances (47%) for informal cross border traders (Figure 17). This has resulted in higher transport fares (30%) to the Sarusungu border post that can amount to N\$ 112 for a return trip without goods carried, hence, people take shortcuts (6%) which has led to deprivation of customs fees at the Border (5%). With only 11% of the respondents indicating that the relocation has been beneficial (especially service providers), this suggests that the majority (89%) are disadvantaged by the relocation.

#### **4.6 Developmental changes in Rundu and Calai**

Rundu and Calai have undergone different developmental changes over the years. These changes have been infrastructural and socio-economical with activities such as ICBT being part. This section summarises these changes as explained by the respondents who have inhabited the towns for many years.

#### 4.6.1 Developmental changes in Rundu



**Figure 18: a) Rundu in 2004, b) Rundu in 2019** (Satellite images, Google Earth)

During colonial times, Rundu was a point of attachment used to convey ammunition to Angola and other parts of the then Kavango Region. It was at its developmental infancy, that around the 80s (colonial era) to the early 2000s (Figure 18a), it only had Nkarapamwe, Safari, Kehemu and Sauyemwa as locations surrounded by “buffer zones with villages or pure villages [and jungles]” (North East and South on Figure 18 a). Shops were only Oceano Atlantico Fish market, OK Foods, Power save and Metro which were mainly accessible by substandard roads

made of gravel and loose sand (fewer tar roads). Cross border trade was low due to civil war and Calai only being accessible with canoes.

From 2005 onwards, locations and townships have increased to Kaisosi, Tuhingireni, Kehemu, Ndama Sewage, Ndama, Sun Seat, Sikanduko, Sauyemwa, Kasote, Rainbow village, Sunshine Village, Safari, Katutura, Queenspark, Tutungeni, Kaisosi 10, NHE and New NHE. Many people in locations like Kaisosi have now built walled or corrugated houses and formed gated communities (North East and South on Figure 18 a). The UNAM Campus and local schools have been expanded and increasing in number together with roads. In addition, fully fledged complex malls like Mangetti, Galaxy and Rundu mall, retailers such as Edgars, Clicks, boutiques and Kentucky Fried Chicken (KFC), wholesalers and banks have been brought to the town. Changes continued with the decentralisation and expansion of public offices, erection of the Sarusungu Border Post and revamping gravel roads that links it with locations and the CBD.

#### 4.6.2 Developmental changes in Calai



**Figure 19: a) Calai in 2004, b) Calai in 2019** (Satellite images, Google Earth)

About 20 years ago, Calai was a village and the continuum into urbanity began around 2004 (Figure 19a), which has seen the number of locations increasing to Damu Damu, Tjindindi and Vanda (Figure 19b). The population, houses and shops have also increased in number with foreign shop owners (mostly Malians) and local people have introduced diversified businesses. Infrastructure wise, Calai now has roads, a bridge linking it to Rundu, an open market (although abandoned), electricity, UNITEL network (Angolan Telecommunications Company) which

has enhanced communications, clean water taps that cost 95,000 Kwanzas, a bank and public offices.

#### 4.6.3 Contribution of ICBT to the progression of locations and settlements

**Table 10: Contribution of ICBT to the progression of locations and settlements**

<b>ICBT Contribution settlements progression</b>	<b>Percentage (%)</b>
Informal SMEs create jobs which attract village dwellers to town	38
The income earned is used to build or extend corrugated houses and homes	26
Parents involved in ICBT secure land for the settlement of their school-going children in towns	16
Informal business operators build new Cuca shops in unoccupied areas	10
ICBT partially contributes to the revenue of the towns, creating financial ability for town councils to survey and service new settlements	10
<b>Total</b>	<b>100</b>

#### Disadvantages of the boom in settlements

- High competition for and shortage of services such as water
- Land servicing is outpaced by the urban sprawl
- Not all informal traders who settle in informal locations contribute to urban services revenue like water, electricity and refuse collection for the town council to collect significant amounts of revenue
- Traffic and pedestrian congestion rises
- Illegal land grabbing

#### 4.7 Summary

Chapter 4 presented results from the data collected in this study. The results show that ICBT is mainly carried out by the energetic youth who constantly cross the border. Among the findings,

it was evident that ICBT has symbiotic socio-economic benefits for Rundu and Calai residents. It creates platforms for self-employment and poverty alleviation for marginalised people such as women. In addition, the findings show that traders mainly benefit due to cost saving measures in the production and sales of goods. As a result, they mostly choose to vend in streets which affords the sellers close proximity to buyers. Among the activities carried out at this Bridgehead, the trading of food stuffs is the highest between Rundu and Calai residents. This is boosted by the fact that goods are much cheaper in Calai than in Rundu. On the other hand, such ICBT activities have created platforms for forex activities to be carried out by local residents. All in all, ICBT's benefits outweigh the negatives; however, the relocation of the bridge, corruption and customs charges seem to impede the progress of legal informal trading as the towns develop.

## **CHAPTER 5: DISCUSSION**

This chapter is a discussion of results reported in Chapter 4. It sets off by critically discussing the socio-demographic characteristics of Rundu-Calai Bridgehead, activities carried out by informal traders and motivating factors that have led to the sustenance of ICBT through the Sarusungu Border Post. The body also gives arguments and agreements between different findings within this study and other researches from the literature reviewed. Among them, are challenges of ICBT at Sarusungu Border Post and forex in microcosm. The chapter concludes with a summary of motives behind the relocation of the Border Post and the ongoing developmental changes in Rundu and Calai.

### **5.1 Socio-demographic information**

Figures 6 and 7, and Table 2 summarises the age structure and the number of times that informal traders mostly cross the border together with their experience levels. From the findings in the graphical presentations, it is evident that Cross Border Informal Trading is mainly done by the youth. The 2011 Namibian National Census results showed that a high number (more than 60%) of the youth in Kavango East and West is unemployed. The findings were re-affirmed by the NSA (2019) which found that 62.5% of Kavango East youths were unemployed in 2018. In Calai as well, basic educational qualifications and employment rates are also low (due to fewer schools and the civil war that prevented many from accessing formal education). In addition, young people are physically able and have an income earning zeal. That is why they can cross the border almost on a daily basis. With ICBT, an income earning opportunity has emerged, hence, the youth's high involvement.

The findings at Rundu-Calai Bridgehead also differs with men dominated cross border trading at border towns such as Oshikango (Nickanor et al., 2007; Rodrigues, 2010). Despite their unwillingness to be interviewed (Figure 6), it was observed and noted that ICBT promotes the empowerment of local women to be self-sufficient and self-foraging for income. The majority of the traders (70%) are women. Women tend to sell household commodities like sugar in cups or plastics, vegetables and grains. Men mainly sell firewood, charcoal and crafts, products that require more input of physical energy. With the guidance of the conceptual framework, these outcomes of ICBT show that ICBT has contributed to the drawing of gender lines between males and females which is resulting in division of labour and specialised production. With males adding value by processing wood into products (charcoal, oars and crafts) before they are retailed in order to maximise profit.

## **5.2 Features of the Rundu-Calai Bridgehead**

Rundu and Calai have certain features that were observed at other Bridgeheads by various scholars. The infrastructural make up of Calai depicts similar conditions to towns studied by Jordan and Klemenčić (2003) and Rodrigues (2010) that Bridgeheads tend to have weaker developments. For instance, Calai does not have tarred roads that links it to the interior of the country such Menongue. However, it is arguable with reference to Rundu which is also a town on the northern periphery but has better roads and offers wide variety of services. Therefore, the pace and level of development of Bridgehead towns can be attributed to political/governance methods, as well as state and regional budget allocations. Rundu, for instance, has been a conduit of goods along the Trans-Zambezi highway corridor linking Namibia with other SADC countries which has prompted prioritisation in developing the road network with this town. However, Calai is emerging in terms of economic significance and the

Angolan Government has done less to strengthen its economic output by linking it to a network of roads, developing shopping units and the improvement of services. Signs of such improvements are evident with the erection and revamping of public offices such as the Home Affairs and Municipality Offices, although at a slow pace.

### **5.3 Socio-economic activities that are carried out at the Rundu-Calai bridgehead**

#### **5.3.1 Economic activities of ICBT and the benefits for Rundu informal traders**

The bilateral agreements between Namibia and Angola towards barrier free cross border trading and infrastructural developments have permitted informal traders at Rundu-Calai Bridgehead to engage in cross border buying and selling. Household owners and informal business people from Rundu visit Calai in order to buy cheap goods since the value of Kwanzas is low. Figure 9, Figure 10 and Table 3 show that the goods are either re-exports or raw products. Re-exports range from food stuffs (63%) to recycled materials like old damaged car batteries. Primary goods include wood carvings such as mortars and cooking oars and vegetables. These goods are bought in bulk then retailed in Rundu or used for household activities. On a similar note, some youth from Rundu have also discovered a market in Calai. They visit Calai in order to sell products and goods from Rundu such as cellular phones. The gadgets are on high demand in Calai and they are rarely available at cheaper prices. The young men (who sell phones), buy damaged and working cellular phones from street vendors in Rundu. These activities of buying then resell serve as a source of income, self-employment and empowerment for some economically downtrodden people.

In addition, Rundu based young artists engage in recreation activities like attending and hosting parties and musical concerts in Calai (4% in Figure 8). The concerts cost about 2000 Kwanzas

(about N\$67 dollars) per ticket in Calai. In order to host a show, they usually present a proposal to the Namibian police who “always advise them not to tarnish Namibia’s image, but, go and perform in a decent manner”. In Calai, the young Namibian artists are protected by the police. This is because they also obtain approval from the Angolan Police Force who always gives them a permit that indicates the place, time and performers of the show. From selling of goods and hosting of shows, the informal traders gain some profit which may need to be exchanged for further procurement of other goods. Therefore, whenever there are no Kwanzas in Rundu or if the exchange rate is too high, the informal traders cross the border to Calai and exchange at cheaper rates with money exchangers that are friends to them. This contributes to networking with cronies.

Lastly, a minority of 6% cross over to Calai for fishing, the collection of reeds (to be sold in Rundu, especially in the informal locations) and purchasing of agricultural products from small riverside gardens in Calai. These resources are still in lush abundance on the Angolan side because major exploitation and exhaustion only began after the civil war had ended in 2002.

### **5.3.2 Economic activities of ICBT and the benefits for Calai informal traders**

Calai residents too cross to Rundu for economic reasons. They mainly visit Rundu to sell products on a daily basis. The major reason depicted in Figure 8 is commerce (53% of selling and buying), similar to their Rundu based counterparts. The products sold are usually fresh goods from gardens or goods bought in bulk then retailed per unit in Rundu. For example, 50 kg sugar is sold in small plastics or cups for N\$1. Apart from selling, they also buy goods that are either not in Calai or are much cheaper in Rundu, using money earned from their businesses. Trade is, therefore, used as leverage to obtain Namibian dollars, to afford goods in Rundu and avoid exchange rate costs.

Secondly, about 10% of the respondents cross from Calai to Rundu in order to have access and benefit from health facilities. This is because services in this part of Angola are substandard compared to the central and northern provinces and neighbouring Rundu. This assertion stems from inputs made by respondents such as “Calai only has one operating clinic with possibly one nurse, hence, people visit Rundu State Hospital”. The shortage of medical auxiliaries and equipment means that there is low pre and antenatal care, infants’ immunisation and poor overall primary health care for all residents. This became evident as the majority of participants who stated health as reasons for crossing the border were females. The shortages are driven by, inter alia, corruption and cronyism, where medical staff members sell the state’s medicinal equipment in private places at the expense of citizens’ health. This situation compels Calai residents to seek for such services in Rundu, with several participants indicating that they have Namibian medical passports and identity documents, despite them being Angolans. In addition, ones in Rundu, most of the Calai residents are indistinguishable from the locals in terms of language (they speak languages from both sides), which nullifies effectiveness of implementing and regulating the 60 km radius that they are allowed to travel in Namibia (as in Hamutenya, 2014). This helps them to escape high tariffs charged to foreigners at hospitals in Namibia and access most services with ease. Kaisosi clinic for instance, is the closest Namibian health centre to Calai which usually treats a lot of patients from Calai. Such a pattern has the ability to nullify the reliability and validity of medical statistics about infections and pregnancy rates in border towns like Rundu. Similarly, Namibians are not inhibited to travel any distance ones in Angola, citing to the homogeneity among people who reside along the border which realistically poses difficulties in enforcing regulatory laws. The disparity in regulations arises as Namibians are asked to produce yellow fever certificates in order to enter Angola whereas no such demands are placed on the Angolans entering Namibia.

In addition, Rundu offers a safe and comfortable route for Angolans in transit. They cross the border (Figure 8) since Angola does not have proper roads on the southern border, thus they use Namibian roads to destinations opposite to where they are going and from there, they cross back to Angola. For instance, one may enter Namibia through the Calai border, and then return to Angola at Fort Diriko (eastern Kavango East Region). This is very crucial to Angolan truck drivers who have a chain flow of goods being taken from Lubito to Menongue (central Angola), which are distributed to towns in Southern Angola like Mavinga, Calai, Mukusu (opposite Mbukushu in Namibia), Diriko (opposite Geiriku) and Divungo (opposite Divundu in Namibia). Because they usually drive trucks with trailers, they are forced to use Namibian roads that are in a better condition. When in Rundu, they also visit friends, relatives (10%) and use Namibian services like banking. Such findings support the notion that several Bridgehead towns (especially Southern Angola such as Calai) have been left out in terms of development by their mother countries (Jordan and Klemenčić, 2003; Rodrigues, 2010).

Lastly, invisible trading is among the activities carried out by both Rundu and Calai residents. Similar to truck drivers, other service providers cross the border to further promote the notion of invisible trade by making connections with clients to transport them/their goods when they go to Calai/Rundu. It also serves as an opportunity to transport and deliver customers' products from Calai to Rundu, to exchange Kwanzas into Namibian dollars and to buy personal needed goods.

### **5.3.3 Social activities and benefits of ICBT for informal traders**

War and ICBT has contributed to the concept of nationalism and cultural infusions among tribes (Table 4). Findings in this study are in consensus with assertions from Alusala (2010), McKittrick (2008), Brinkman (2019), Rodrigues (2010) and LeBeau (2008) since Rundu and

Calai also have high ethnic variations that stem from the pre-colonial, colonial and civil war era and continues to expand due to activities such ICBT, among others. The Angolan civil war is believed by respondents to have forced an exodus of Angolans to seek asylum in Rundu (Namibia) which includes tribes like Vanyemba, Tchokue, vaLuvale, vaLucazi, Vambuela and Vimbundu to name some.

In the modern era of trade, people continue to migrate between these towns. This migration primarily includes repatriates from Rundu back to Calai or vice versa, and informal traders seeking temporary or permanent residence. Willing migrants also seek lush pasture for their animals and fields on the outskirts of Calai (due to good fertile soil) thus they also migrate to Angola. Many of them got and continue to get land and settle there, which has led to intermarriages with the local tribes. Intermarriage has created room for exchange and overlapping of traditional practices and languages. There have been several xenophobic mayhems with local tribes such as vaKwangali, vaMbunza, vaGciriku and vaShambyu, but that has not succeeded in repatriating Angolan descendants back to Angola. Figure 8 concurs by showing that several people (10%) who live in Rundu cross the border in order to visit family members and when there are social problems like death in Calai, or vice versa.

Continuation of ICBT, cross border migration and intermarriages has led to the infusion of languages. This infusion has resulted in the development of a lingua-franca and in some cases prioritisation of few languages that have enabled local people in Rundu and Calai to communicate. For example, Calai based informal traders try by all means to speak Rukwangali when in Rundu. The language may not be fluent, but the communication between seller and buyer goes well. Therefore, in Rundu, Rukwangali is the dominant lingua-franca and Angolan informal traders are easily identified when they break it. Namibians also attempt or speak Nyemba, Tchokue, Lucazi and even Portuguese when trading in Calai. Calai residents also

speak Gciriku, Thimbukushu and English. The language aspect concurs with Ndhlovu (2013) that overlapping local languages are important in cross border business transactions, which (at Rundu-Calai Bridgehead) serve as “social capitals” used by people from Calai and Rundu to visit hospitals and other administrative offices.

The intermarriages and languages have contributed to the reunion of tribes divided by state boundaries and war. The polities mentioned in McKittrick (2008) continues to occupy Kavango East and West as Ukwangali, Gciriku, Mbunza, Shambyu and Mbukushu tribes and traditional entities found on both sides of the river, linguistically and culturally not divided by the Kavango River as a state boundary. On both sides, they are ruled by the same chieftainship/royal family despite being in different states. Rundu and Calai, for instance, lie in the vaShambyu kingdom. As a result of this long standing history, some local people may have two fields, two homes and creation of business Bridgeheads, one in Rundu and the other in Calai. Hence, “living in Kavango has no boundaries” and people are socio-economically obliged to cross.

The informal trading parents are also influencing the existence of humanitarian Bridgeheads. Rundu has many secondary schools compared to Calai. This prompts several Angolan residents to buy or freely acquire plots of land in Rundu which they have been using to lodge their school going children. Some of these parents reside in remote places from Calai, like Lubango. In order to financially support the children, such parents send money through the Angolan Bank (BPC), which has a branch in Calai. The children then cross the border in order to go and withdraw the money from their Angolan bank accounts. While others deal with bank transactions, some low income parents are local Calai residents. The Rundu based children, therefore, cross over during weekends to visit their parents and at times to fetch business goods that they trade at home stalls in Rundu after school hours (Figure 11). Therefore, education has been another pull factor for crossing the border.

Literature reveals that the historical trading patterns between Namibian and Angolan towns mainly involved (1) unregulated trade and mobility with family members or friends, (2) establishment of warehouses on the Namibian side to supply goods to military regulated traders in Angolan towns and (3) Rundu was a major hub of commerce where Angolans with more buying power (leveraged by US\$) could carry out shopping sprees (Brinkman, 1999; Nangulah and Nickanor, 2005; Dobler, 2008; Rodrigues, 2010; Röder et al., 2014). The impact of the Sarusungu Border Post has been to regulate the type of goods exchanged, compel local traders to use a single crossing point instead of marinas and charging of customs fees to small scale and large scale formal traders. This has contributed to some organisation of cross border trading activities such as money exchangers mainly operating at the Open Market (Table 5) in Rundu and in front of the BPC in Calai, informal traders sell goods to any customer in streets (Figure 11) regardless of the relationship. Therefore, despite the school of thought by Nickanor et al (2007) that informal traders are hampered by policy exclusions especially at formal borders, the Sarusungu Border Post seems to allow small scale and informal traders to engage in their business endeavours and continue to sustain the historical socio-cultural ties.

#### **5.3.4 Reasons for Calai residents who trade in Rundu**

Figure 13 shows that the main reason (61%) is because Rundu has more buying power with a large fan base of customers. This is because Rundu has a higher demand for goods from Calai which is created by higher population of employees and people engaged in income earning businesses. The income earned by Calai based informal traders is then used to buy goods from diversified boutiques or retailers and pay for services such as medical bills in Rundu.

Trading in Rundu also helps in the gaining of Namibian currency which is used to trade in Calai when there is a shortage of Kwanzas, even though Kwanzas is not widely used for trade

in Rundu unless informally exchanged among informal cross border traders. Shortages arise when the Angolan Government has not paid its employees, which has been a reoccurring exercise since the withdrawal of the US dollar from Angola. The US dollar was the Angolan alternative currency which encouraged a high influx of Angolans to “buy more goods from Rundu, which has now dropped”, leading to a reduced use of the cliché “*chefe*”.

Since payments are sometimes skipped, the BPC too usually does not have money for people to withdraw on paydays. This is because it receives fewer Kwanzas from the Reserve Bank of Angola which creates a challenge with currency circulation. Alternatively, Calai customers go to shops, obtain the shop’s banking details (quotation of goods), then transfer money into that account and present a transfer receipt to the shop to obtain their products. Lastly, the stronger Namibian currency also permits them to have a large sum of money when it is converted to Kwanzas. The act of buying food (44%) and other goods in Rundu motivates Calai residents to sell in Rundu and avoid having to do exchanges afterwards, exchanges which could coerce them to lose some share of their profit from the earned money. As a result, it turns out to be more profitable and helps to build a good relationship with people from Rundu.

### **5.3.5 Reasons for Rundu residents who trade in Calai**

Products from Calai are cheaper for Rundu residents when the Namibian dollar is converted to Kwanzas (56% in Figure 13 and 50% in Table 7). This is because the Angolan currency has “less” value compared to the Namibian dollar. For instance, N\$10 can buy two Cuca alcohol cans in Calai, which are resold for N\$15 per can in Rundu. Another practical example is Blue cool drink can, which costs about N\$5 in Calai and N\$12 in Rundu. That is why even people with funerals and weddings prefer to buy food from Calai (Table 9). Although there may be customs charges when bought in bulk (becoming small scale formal traders) and transport costs

added to imported commodities, 120% profit (for example Blue cool drink) is not profitable for the traders to locally retail the commodity, which leaves importing from Calai as the most viable trading option.

Calai is also dubbed as a safe town to shop in (4%), with a high variety of goods that are on demand to people from Rundu. Shop owners in Calai diversify their sales by ordering a wide range of re-exports. These are mainly processed goods imported into Angola in central towns, which are further exported to Rundu through Sarusungu Border Post. It is, therefore, a nearby supplying hub and goods that can be bought in Calai are only found in Santa Clara/Oshikango (another Angola-Namibia border town), which could increase transport costs if that option is considered. On this note, the findings confirm that globalisation has an impact on the availability of goods at local urban Bridgeheads with an emerging route of goods that flow from European, Asian and American countries to the port in Luanda, through central Angolan towns then distributed to border towns like Calai. This route compliments to assertions by Dobler (2008) were goods mainly flow through the Oshikango warehouses to mid-Angolan and other border towns. This can be attributed to increasing trust with Angolan traders and safe trading landscape, which were minimal during the civil war era.

Moreover, some Rundu residents who sell goods in Calai do so due to the higher demand and lower supply. Fewer entertainment hotspots regularly lead to higher turnout of supporters and fewer expenses for amusement activities like music concerts in Calai. The demand extends to electronics because customers in Rundu usually buy them at cheaper prices so it is preferable to sell them in Calai where they are bought at profitable prices (Figure 9). Cellular phones and other electronics are bought from streets in Rundu at a cheaper price then retailed in Calai at a profitable cost. Networking is paramount in such trades. Traders emphasised that their customers are predominantly friends or people they know. Those friends are also used to

market the goods in Calai, which expands the traders' network and influence in the business. This scenario adds an aspect to Walther's (2015) assertion of networking in large scale trading, with the emergence of the importance of networking in small scale informal trading. The scenario is contrary to Rundu where the demand is low because those residing in locations have equal close proximity to electronics shops and suppliers as the traders who sell them. This trade pattern aids Angolans residing in Rundu to raise funds in order to repatriate or go back to Angola in November after their final examinations especially school learners. Cross Border Trade is also more profitable with other tangible goods because the interest (profit) added is less since customers (in Rundu) may themselves go to the same shop and buy the same goods; hence many customers from Rundu would prefer to buy from shops than informal retailing tuck shops for goods like food.

Business owners and Informal Cross Border Traders from Calai have made the informal trade process flexible for Rundu customers by allowing them to buy using Namibian dollars. Upon buying, the shop owner calculates the current informal market exchange rate and gives the bill in Namibian dollars for the customer to pay. It is not allowed by the government as it was previously only done on the informal market but its apparent success in attracting customers has prompted its implementation in major retailing shops, which serves as a pull factor for Rundu based buyers, making things easy for people to trade since Calai usually runs out of Kwanzas.

The literature focuses on safety, currency strength difference and language commonalities as the main ICBT and CBT driving factors (Dobler, 2008; Rodrigues, 2010; Zeller, 2009; Noyoo, 2016; Phiri, 2016). These findings add factors such as affordability due to buying power that the customers have, cost of goods (customers prefer cheaper goods), motivation to obtain stronger currency used to buy goods, higher demand and continuous supply and flexibility from

suppliers to deliver goods to customers (informal traders) trading sites or trade with currencies which are not local.

### **5.3.6 Challenges experienced by the Town Council due to cross border street vending**

Figure 11 shows that street vending and ICBT are inextricably bound because the common market places for Calai and Rundu residents who sell goods are the streets (38%). RTC officials strongly affirm that vending in general and vending linked to ICBT has been difficult to monitor and regulate. One of the key informants explained that:

Street vending has gone out of hand due to political and economic issues. The Namibian economy is not doing well and some SMEs have closed and bread winners have lost jobs. The economy of Angola is also at an initial stage due to civil war and financial depreciation which has displaced many people and families.

According to this respondent, it can be argued that this is putting pressure on services in Rundu; hence, people resort to vending to make ends meet. Rundu Town Council, through donors such as Lux Development, constructed three open markets which are Rundu Open market in central town, Tandaveka Open Market in Kehemu and Sauyemwa open market in Sauyemwa. Those infrastructures were put in place for informal traders. Calai too has an open market towards the far west of the town (when visited, the market has been abandoned and no one sells there). The traders assert that the market is far from shopping centres and customers do not go there; hence they prefer to sell their goods in front of shops or along streets, wherever human traffic is high. The challenge is that the Town Council does not have working mechanisms yet to control street vending. There has been attempts to register informal traders and allocate them portions of land

where they could trade (inclusive of the Open Markets) or use police to stop them from selling at several places in town. These have not managed to mitigate street vending due to different reasons, inter alia, fewer customers at the places allocated. Therefore, it remains that most of the local vendors and those coming from Calai don't pay any fees to the Town Council.

### **5.3.7 Role of commuting in ICBT**

Border crossing is daily activity (Figure 7) carried out by commuters from different economic castes. From participants' responses, the study reveals that the Rundu-Calai Bridgehead has two types of commuters. The first group consists of mainly people employed in formal occupations (25%) and big (diversified) business owners (19%) who operate in Calai (Figure 14). It ranges from money exchangers, bank managers and shop owners. These are passive commuters who prefer to live in Rundu because it has better "services" and sanitation compared to Calai (6%). Most of them actually reside in middle and high class locations such as Safari that are expensive to rent or acquire a dwelling. Despite living in Rundu, they prefer to work or do business in Calai due to the opportunities Calai provides. One respondent explained: "Rundu has few employment opportunities and stiff competition in business while Calai has a lot of opportunities". The other argument is that; "It has been hard to get a job in Namibia as an Angolan". Therefore, Calai has job and business opportunities especially for Angolan descendants while Rundu offers pull factors of a favourable settlement with essential services.

The second group of commuters are people involved in small scale informal sectors. Majority commute from Calai to Rundu (or informal locations in Rundu to Calai and back) on a daily basis to work as maids or to sell their products. They prefer to live in Calai or informal locations such as Kaisosi because the cost of living rural and affordable for destitute people (19%). In

Calai, many people fetch water from the river or from a public tap, use firewood as a source of energy and build houses with thatch, wood, mud and in some cases, zinc roof. Most of the commuters who may lack official documentation and mostly deviate to cross through small marinas belong to this group. Despite the cheap lifestyle, Rundu offers pull factors in terms of more buying power, diversified market (19%) and informal job opportunities (6%). It is for these reasons that many low income earners reside in Calai and commute to Rundu. Therefore, they do not choose to commute in most cases.

In this case, commuting is centred on affordability of living and the cost of travel. Those who are rich, mostly male business men live very far from their business or work sites because they can afford to pay for transport costs on a daily basis. Therefore, they balance between luxury living and profit making (Figure 14). In contrast and in line with assertions by Hu and Wang (2016), the low income level segregates informal traders, mostly females, to living in places that are more rural and trade in Rundu that has a wider market and high demand for the goods they trade, therefore, balancing between affordability of living and accessibility to the market place. All in all, informal traders commute involuntarily whereas those in formal occupations and have big (diversified shops that supply goods for retail to low income traders) businesses commute by choice.

#### **5.4 Significance of local urban trading networks**

The existence of trade networks in Informal Cross Border Trading helps to smoothen the process of importing or exporting goods. While Walther's (2015) view is that of large scale trade networks run by family members, findings of this study reveal that networks in informal trading are also paramount to non-related stakeholders. At the Rundu-Calai Bridgehead, higher transport costs and the distance to Sarusungu Border Post are barriers for some informal traders

(Figure 17). On the other hand, Calai has well established business people (formal traders) and informal traders who seek to beat their competitors by delivering goods to Rundu based customers. The procedure of ordering is done either by telephone or the customer crosses to Calai, buy the goods and leave them in the shop. The shop owner then dispatches them to the individuals. This process cuts costs on transport, administration at the border and avoids handling damages while transporting the goods. Therefore, in addition to Zeller's (2009) inputs of bridges' contributions to trade, they also serve as channels of communication and interaction of people from formal and informal socio-economic sects.

A similar practice occurs with primary goods. People who trade such goods have contact details of their supporters and suppliers. An example can be drawn from cabbages and tomatoes selling women. They continuously contact garden owners in Rundu, Calai and even distant towns like Tsumeb to monitor the availability of cheap supplies. Therefore, it is feasible to contend that networks enhance informal trading performance by promoting informal traders who possess good trading skills and good networks simultaneously. These skills do not have to be academic certifications, but rather the ability to market and sell commodities. Such a notion was introduced to this study by a charcoal trader. His strategy is to make connections with blacksmiths in Rundu who are in need of charcoal. After establishing the volume, he goes to Calai, chops down trees and burns the charcoal which he then distributes to his loyal customers. They may pay upfront or through long terms. This is in contrast to Dobler's (2008) and Walther's (2015) inputs that trade networks only promote those with good connections rather than capabilities. The important aspect of such transactions and networks is trust and continued timely payments and deliveries by each party involved. Therefore, despite the poor road infrastructure in Angola which prompts the use of Namibian roads by goods delivery trucks, local traders sustain networks that ensure continued supply of goods.

## **5.5 Forex in microcosm**

The background of this study reveals that Angola is Namibia's largest source of ICBT goods (NSA, 2016). Despite the fact that these countries have different currencies, there is a dearth of academic discourses about the *modus operandi* of money exchanging in the informal sector. Therefore, this section discusses how informal traders exchange money, how informal exchangers operate and the challenges faced.

### **5.5.1 The patterns of Forex in microcosm**

Exchange rates are usually done at the Open Market in Rundu and in front of the BPC in Calai. A lot (up to 58%) of people know the Rundu Open Market as a safe place for exchange. Figure 11 shows that the second highest number of informal traders (26%), especially in Rundu, carry out their activities in the Open Market. Those who sell in the streets also have means of transport to go to the Open Market for exchange. This makes the Rundu Open Market the centre of forex exchange. A participant clarified this by stating that; "One can attempt to do the exchange at the border, people will pass you there and come exchange in the Open Market". On the other hand, all informal trading activities in Calai occur in streets and local shops. That is why people prefer to exchange outside the Bank (in the street of the BPC) in Calai. This allows them to get customers from the Bank (after transacting) and it is a known forex exchange hotspot. One participant explained that; "You may exchange with criminals which can lead to problems" if it is done elsewhere. To avoid exorbitant rates, others (2%) wait for Calai based workers to get paid, then Rundu residents make contacts (networking) to exchange with them because the exchange rate is cheaper compared to the Open Market rates.

The procedure of exchange at banks requires a passport or a pass with a stamp showing that the passport bearer travelled to Angola, a document that some local people either may not have

or a procedure they would not want to follow. People also fear exchanging using banks because there is a believe that banks charge exorbitant rates and they may lose a lot of money in the process. Language barriers also strike fear of exchanging in banks because in the Open Market, people use the ICBT lingua-franca.

This money exchange business is unregulated by either Calai or Rundu's officials. This is evident from the variations in net profit that each money exchanger makes (Table 6). Since it is informal exchange, the dealers and buyers of the currency prefer not to do it at the border where there are law enforcement officers. The major difficulty for consumers is that the exchange rate fluctuates. Table 6 shows that the last hike in the exchange rate occurred in September 2018. The main reason participants explained is that;

Increasing Kwanzas in the market decreases its exchange rate. When it's less, the exchange rate increases (It is therefore controlled by market forces of demand and supply). Money increases in the market if employees in Calai (mainly police officers and teachers) have been paid their monthly salaries. However, in certain instances, the Government of Angola skips payments of employees during several months (especially January) which makes the Kwanzas scarce and raises its demand. As a result, those with Kwanzas at that stage can set an exorbitant exchange price which hardly decreases because people are desperate to get the currency and go buy basic amenities.

Such challenges are crippling the exchangers too. Their average businesses income is declining because when Angola used to pay employees regularly and banks had Kwanzas, people used to bring in a lot of Kwanzas for exchange. The withdrawal of the US\$ from Angola also means that other foreigners (like "medical doctors from Zimbabwe") who used to exchange in the open market to avoid and escape tax charges in banks' bureau de change can no longer do that.

Moreover, the urban population has increased in direct proportion with unemployment both in Rundu and Calai. Many young people have started doing the same business like in Rundu, expanding the market and increasing competition and survival of the fittest with diversified exchangers in the business fraternity. This change can be attributed to Rundu's current strong buying power which has increased the number of Namibians exchanging money in Calai.

### **5.5.2 Impacts of kwanzas' devaluation on the affordability of goods by Rundu residents**

Devaluation has presented varying opportunities and social consequences to informal traders at the Rundu-Calai Bridgehead (similar to assertions in Brock 2015; Macaueh, 2019; Strohecker and Mohammed, 2019; The World Factbook, 2020). An analysis of Table 8 depicts that the ICBT opportunities availed by devaluation of the Angolan Kwanzas has benefited Rundu residents more, unlike in the past when people from Calai had financial leverage by trading with the US dollar. The Namibians with Namibian dollars gain more money when they exchange into Kwanzas. As a result, people are using the Namibian dollar to afford more goods from Calai. This has resulted in a cross border business “boom” in Calai with many Rundu residents “saving up money and exchanging it into Kwanzas to buy business goods from Calai”, which has created a pattern which could not exist if the currency strength was the same.

### **5.5.3 Impacts of Kwanzas' devaluation on the affordability of goods by Calai residents**

The depreciation of the Angolan Kwanzas has both benefited and negatively affected Calai residents. Cheaper prices (50%) in Calai have led to an influx of customers from Rundu and rural areas surrounding both Rundu and Calai to go and buy goods from Calai. This is because local informal traders are joined by shop owners and residents from distant villages such as Shambyu (about 35 km) Kavango East, Katjina Katji (about 100 km) in Kavango West, Cipema (Cuando-Cubango Province) and residents living along the Cuito Cuanavale River. Therefore,

this existing demand of goods from Calai further creates a vacuum for those goods in Rundu and the surrounding villages which is contributing to expansion of these towns' hinterlands. Money exchangers also earn more money when exchanging Kwanzas into Namibian dollars because the exchange rate has increased (Table 6). Table 8 shows that in the transport business, the number of customers (8%) coming from Rundu to Calai has increased since goods in Calai are cheaper. As a result, many people buy from Calai as consumers or further retailing, increasing business opportunities for people from Calai. This affirms that natural trade between neighbouring countries or towns has symbiotic benefits especially when one currency is weaker. Rundu in this case is much more developed with strong financial force than Calai. But Calai as a town and its residents still benefits with cash inflow from Rundu. This sheds more contrasting light that although in certain instances developed and high income towns/countries pull more income from their less developed neighbours (Jordaan, 2014), a mutual benefit can still exist for both neighbours if traders diversify their trading and one state weakens its currency. In the same vein, varying currency strengths and employment rates may not necessarily promote imports for a country/town with low income as both importing and exporting informal businesses can excel, as evidenced by Rundu and Calai. This is a pattern which is in contrast to Phiri's (2016) findings, where Malawians with a weaker currency mainly import. Hence, the close proximity can assist in crafting informal trading strategies and patterns that benefit traders from both towns.

In contrary, a weaker currency has meant that goods from Rundu are more expensive for Kwanzas bearers. The fluctuating exchange rates and higher transport fares also seems to favour Namibian dollar bearers, which has further reduced the affordability of goods for people from Calai. For example, a 1000 Kwanzas can no longer buy the same value of products in Namibia like in the past. As a result, some Calai residents no longer buy large quantities of goods from Rundu because it now requires a lot of Kwanzas, which deprives Rundu based

businesses and insolvent people from an opportunity of doing Informal Cross Border Trade with Calai residents.

It is a double disadvantage. While buying in Namibia requires one to have a lot of Kwanzas to afford a significant amount of goods, prices in Calai are also increasing because of the higher demand, mainly from Namibians. “Nescafe bottle, for example, costs N\$20 in Rundu but 1000 Kwanzas (N\$ 35 or more in Namibian dollar) in Calai. Resultantly some Angolan families are suffering. People who buy from Rundu suffer a double pinch”, one respondent affirmed. Also, “few people come to sell Kwanzas since they make loss, in the process, many clients are lost”, which has reduced cross border frequency and the support of buying products in shops (Rundu) because the majority cannot afford. This is a trend which Calai officials believe that “it forces Angolans to think better. In the past, there was dependency on Namibia in terms of gaining more goods”. With such an attitude towards informal traders, officials also seem to be inhibiting factors from the continued development of monitored and sustainable pro-poor ICBT for local residents. This negligent attitude has led to the criminalisation of ICBT in other countries (Meagher, 2010; Ndhlovu, 2013). Hence, a change of attitude is necessary especially to cross border law enforcement agents.

## **5.6 Customs payment**

Customs charges seems to be a barrier for small scale formal traders (and informal traders when the quantity of goods carried is taxable) as it involves spending some of their profit. Respondents assert that customs charges serve as protectionism for governments to restrict imports because it means losing money to another country and increasing competition for local traders who sell similar goods, with the latter being detrimental in inhibiting the growth of local businesses. At Sarusungu Border Post on the Namibian side, the customs fee is paid for

processed goods imported to Rundu for formal business purposes or quantity that exceeds 50 kg and more than 3 boxes (for instance macaroni). Customs payments for food stuffs baggage have a declaration of 20% flat rate of the value that the item was bought at. If an item costed N\$100 in Calai, the customs fee is N\$20 on the Namibian side. To validate price claims for goods by those crossing the border, travellers or traders are obliged to bring invoices along with the goods. Customs officials also visit Calai based shops and obtain first-hand information on the prices of goods. Unlike the use of human taxis (Nickanor et al., 2007), to circumvent such payments and continue trading informally, traders carry goods in smaller quantities daily to the market place. A single person, for instance, would cross the border with two boxes of macaroni on a daily basis.

Primary goods like mutete and other vegetables are excluded from customs charges. One reason stated was that customs officials do not yet have an established rate of charging such commodities especially when they are in combos. With free trade implemented, low income traders make income based on comparative advantages because one of the trade inhibiting tariff is eliminated. In line with Amadeo (2020), when primary goods are expensive in Calai, comparative advantage permits for local low-income cross border business people to form cooperatives and to hire large cars (like pick-up trucks) to buy vegetables in bulk from Rundu based gardens. This is common in winter, because Rundu has mechanized irrigation gardens that produce vegetables throughout the year. This offers them trading platform for negotiation of lower costs with commercial irrigation projects around Rundu and gets much cheaper transport.

In addition, informal traders who sell goods from their riverside gardens or fields implement economies of scale with their goods. This usually happens in summer, when gardens in Calai can afford watering from the river and the weather is favourable, vegetables become cheaper

in Calai. Rundu residents also flock to buy from Calai for resale. Therefore, the customs fee sabbatical for primary goods has smoothed ICBT through micro economies of scale and comparative advantages, enabling informal traders to have access to cheap suppliers with the best quality of products and allowing them to pocket all their income for their socio-economic endeavours. At the top of the informal trading food chain, customers also benefit from cheaper fresh vegetables.

The customs charging procedures are the same on the Angolan side of the border, for goods from Namibia. A similar price validation and verification process is done by customs officials like their Namibian counterparts. Vegetables and fruits are not charged any fee for on both sides. Namibian citizens are not charged customs fees on the Angolan side of the border; similarly, with Angolans on the Namibian side of the border.

On the other hand, the payment of customs fees is found to catalyse illegal and non-formal activities between Rundu and Calai. It stems from the words of Walther (2015) as social liabilities to extend as socio-economic liabilities because it involves the informal traders, border officials and money. Some participants of this study elucidated that they “bribe the officials on duty with N\$50 or above to let goods through” the border without paying customs fee (Table 9). Alternatively, an illegal crossing point called Damu Damu on the west side of Rundu (Riverside of Sauyemwa Township) is used. A boat at this crossing marina costs N\$5 and taxi fare is N\$20 per trip. People with goods are supposed to be referred to the Sarusungu Border Post where goods are classified for customs payment or exemption but since there are no customs officials, bribery escalates among officers on duty, an illegal token of appreciation that is locally tamed “for *gazoza*” (for cool drink). This makes it cheaper than going to the Sarusungu Border Post which is N\$30 for taxi fares. For instance, “N\$30 per crate is given to Angolan Police for *gazoza* (bribery)”. One participant explains:

“Considering that there are Angolan police at this border, one needs to have an identity document and a yellow fever certificate to cross to Calai through Damu Damu. However, if the person is well known (as in the case of this respondent), he/she does not need to carry documents. Also, even when one is unknown, as long they are accompanied by a known person and has money for *gazoza*, they are allowed to cross the border.”

## **5.7 Bridge relocation**

The relocation of the Sarusungu Border Post has affected cross border traders in various ways. This section discusses the reasons, benefits and challenges that traders experience due to the relocation.

### **5.7.1 Reasons for Bridge relocation**

The old crossing point is now *bona vacantia*, about 2km west of the current Sarusungu Border Post. The mode of cross border/river transport was pontoon boats made of metal drums base to assist with floating. In order to be ferried, a fee of N\$5 was payable as the fare. People and their goods were ferried by these large Angolan boats that crossed the river the whole day.

Despite the importance of using pontoon boats during the era before 2015, it became evident that the usage of boats and the border site had drawbacks. The major one was tide changes in water levels of the river. During months of river flood (February to June), the old site was prone to flooding (Figure 15 and Figure 16). Flooding meant that the whole flood plain was covered in shallow water, hence, for people to reach the border point with deep waters in which pontoon boats could operate they had to walk or use unsafe canoes in about 1km of water with their

goods. Heavy floods led to the submerging of the Namibian Border Post, forcing it to close down and the officials to create a makeshift post at the coastline of the flood. Figure 15 further depicts that the old site is also believed to compromise on the safety (8%) of border users since it was constantly overcrowded. Some people would go there to either trade, cross the border or hang around the thick bushes and in many instances mixed with those spending their maritime by the beach. This mayhem contributed to theft, losing of properties and a challenge for border officials to regulate trade. Canoes and boats were also not safe due to capsizing, especially when it is windy. Moreover, commuters would also struggle with safe places at the border to leave their vehicles when going for work in Calai. Other shortcomings were in relation with the volume of goods that could cross the border. Cars and heavy goods from either Calai or Rundu could not cross to the opposite town. Special cases like corpses, sensitive and fragile goods like furniture were also a challenge to ferry across. As one participant stated, “imagine a sick person being ferried in a canoe” which lacks basic medical apparatus to sustain and give medical comfort. The limitations on the volume/quantity of goods and safety affected informal traders and women (many cross border traders and escorts of children to hospitals) when travelling with children, the pregnant, elderly or disabled people.

In order to regulate and increase cross border trade, safety and order, the notion of a new bridge was implemented in 2015. To build a permanent bridge, a temporary pontoon was erected for transportation of materials (as indicated by 29% of participants in Figure 15). A pontoon required, though, a deep free flowing site with no meanders where it could float and not block the river flow, a requirement that the old site could not meet. The old site also retains water in ponds along its flood plain in dry seasons, which hampered the development of a pontoon bridge. It is for these reasons that engineers saw it fit for the pontoon to be constructed at the new site. However, the pontoon was meant to be used for two years while the permanent bridge was being constructed. The time elapsed in 2017, while construction has not yet begun at a site

identified near the Angolan Immigration Office in Calai. The site is much closer to the old site and CBDs of both towns. The reason has been a shortage of funds to finance the construction.

### **5.7.2 Impacts of the Bridge relocation**

Despite the current border's apparent benefits of increasing cross border cargo volume, the creation of a pontoon bridge has hindrances. Moving the border from the old site to the current Sarusungu border post has increased the distance from about 2 km to 7 km (47% in Figure 17). For many (33%) Rundu and Calai residents, their main mode of transport to the border is walking; however, the increased distance has resulted in lengthening the time to Calai. Instead of walking 2 km to the border in Rundu and about 1km to Calai (a combination of 3 km from Rundu to Calai CBD), it is now about 14 km, a distance that is very long especially if a person is carrying goods or is sick. One respondent asserted that, "In the past, the aim of a bridge was to speed up trade, unlike nowadays, moving it was against people's will and they were not consulted".

This has prompted people to heavily rely on the use of taxis and motorbikes to transport them to the border. Taxi fares were only N\$10 dollars at the old site, but it is now N\$36 to Sarusungu border and N\$20 from the border to Calai. A return trip without goods used to cost N\$100 before taxi fares increased in Namibia. After the increase in fares (in 2018) from N\$10 to N\$12, a return trip can now be completed with N\$112 which is costly especially for low income earners. So taxi drivers "benefit from the abnormal huge profit". One participant asserted that, "It has been good for the taxi industry. Many clients are coming from Rundu side and the fare has increased from N\$24 to N\$36". The load has to be paid for separately, which further escalates the fare. In addition, the pontoon is too steep on the banks and cars struggle to cross

during low water levels (Figure 4). As a result, the Sarusungu Border Post is not optimally used and the “majority are using the Damu Damu crossing point because that point is nearby”.

Damu Damu is a local alternative crossing point through which cross border traders cross with quantities of goods that could qualify for small/large scale formal trading (and customs charges) (These are shortcuts referred to in Figure 15). This crossing point is beginning to attract informal and formal traders due to loopholes such as bribery, which may gradually reduce ICBT through the Sarusungu Border Post. The Rundu Town Council states that it is not officially aware of Damu Damu because there have been no formal arrangements of making it an official crossing point. However, the Calai authority asserts that it was created to help people who cannot afford to reach the far border. This scenario adds to Bridgehead towns characteristics; the two authorities running the neighbouring towns have communication barriers with each other. Each town implements laws and policies that the authority and its residents see fit without considering the opinions from and impacts on the neighbouring town.

Affordability has become the big issue in this case. It was evident that although the cost has risen, which earns taxi services more money, shifting of the border was also bad for taxi operators, “because the overall number of clients from Calai has decreased”. The delivery costs for goods ordered in Calai have also increased due to the distance.

Unlike cross border traders, some services providers have been positively impacted by the relocation of the bridge. Taxi drivers continue to get clients, because not many can manage to walk a long distance. Some participants believe that the pontoon border was created on the outskirts of town “to create a market for taxi drivers” (Figure 15). Goods can be bought and then you pay for a car that can cross the bridge until where the client wants them to be delivered. For instance, a group of women from Calai have a cooperative where they pay for a car to

transport the vegetables they collectively buy from green schemes around Rundu. This reduces the costs compared to individual payments.

Logistics are much smoother, unlike the old pontoon boats at the old site that would require offloading of goods and hiking of another car on the opposite end of the border after a lengthy and tiresome period of ferrying the goods with boats. Commuters who prefer to cross with their cars can now do so at ease. A police regulated bridge is also much safer compared to Rundu beach area. That is why 4% of participants believe that the pontoon bridge is boosting trade (Figure 15). Therefore, despite few blames like autocracy of the Angola government in constructing the Bridge, reluctance of the Namibian officials and absence of consultations, the pontoon have improved ICBT between Rundu and Calai.

### **5.8 Developmental changes in Rundu and Calai**

Historical narrations of CBT and development reveal that Rundu and Calai were prime towns, smaller in size with less complex infrastructure such as roads, fewer shops and lower rate of cross border trading. It is at this juncture that distant buffers such as Kaisosi (in Rundu) mainly had huts and mud walled houses in the town's periphery. This is in tandem with scholarly assertions about trading history between Namibia and Angola (Beck, 2009; Brinkman, 1999; Nickanor et al., 2007; Zeller, 2009; Shigwedha, 2014). In addition, the increase in the urban population (after civil war) due to processes like urbanisation, rural-urban migration, inter-urban migration and natural forces like the birth rate has contributed to an increase in the buying power between the towns (Figure 13). This has contributed to the expansion and rise in shopping centres and malls, attracting formal traders from other towns. These diversified traders includes wholesalers such as Pay and Take (*pseudonym*) and foreigners with decentralised businesses found in informal locations. These formal businesses have increased

accessibility of customers to goods. But since they sell and deliver goods that are similar to the ones sold informally such as sugar, maize meal, clothes and drinks, they provide stiff competition for informal traders.

## **5.9 Contribution of ICBT to the progression of locations and settlements**

Cross border trade has become a way that many residents from Calai and Rundu earn income which aids them in altering infrastructural structures (Table 10). The money earned is used to build corrugated houses (locally referred to as “vishashara” or “mbashu”) and expand home steads (26%) especially for the low income earners of these towns. These types of structures serve as an infrastructural upgrade from thatched huts. For this reason, huts are now mainly found around the urban periphery, mainly inhabited by people who recently relocated to town. Other than that, trade contributes to locations expansion through the growth of business enterprises. For instance, an SME owner may import sugar from Calai and retail it in cups in Rundu from their yard, and then they will need to build a Cuca Shop. As these Cuca shops increase in number, locations too are expanding. In addition, the SMEs create jobs (38%) whereby those who buy goods from Angola recruit others in their shops and at stalls.

It was apparent that commuting between Calai and Rundu exists. Some residents have turned commuting into permanent migration leading to a high influx of people, especially from Angola. One respondent affirms that “hardly people move from Namibia to Angola” for settlement. When Angolans migrate to Rundu, they create new settlements which are hard to regulate by the Town Council, a notion reinforced by some service providers, with assertions such as that “new places have been developed in town because people benefit from cross border trading, a motivation that makes them stay close to the border”. In addition, the fact that many residents in Rundu and Calai have Angolan and Namibian identities simultaneously enables

them to own land in Rundu and Calai which increases the progression of settlements. This includes locations such as Kaisosi, Tuhingireni, Kehemu, Ndama and Sauyemwa in Rundu.

In the same vein, trade benefits have become a pull factor leading to cross border informal trade induced rural-urban migration. A lot of people have discovered the benefits of cross border trading, hence, they move from the interior of Angola and Namibia to either Rundu or Calai in order to engage in informal cross border trade. For people in close proximity to the border, businesses seem to run better than those that reside far because they struggle with transport to reach suppliers and markets.

People are attracted to where there are much faster and easy trading opportunities. It is for these reasons that many people who flock to town prefer to live closer to the bridge which creates new settlements and increases the population of people living closer to the border. In Calai, settlements have been sprawling towards the illegal crossing point of Damu Damu and Vanda (location next to Sarusungu Border Post). A similar pattern is also evident in Rundu, with locations such as Kaisosi and Tuhingireni where new homes are being built closer to the pontoon bridge, a sign that a bridge is a pull factor of settlements growth and locations expansion if an appropriate trading atmosphere is availed to informal traders. Moreover, parents use income from informal trade to help school going children (16%). A key informant elaborated that “schools in Rundu and Calai are different”. Children are believed to learn much better in Rundu due to the high number primary and secondary schools. Therefore, some parents build homesteads in Rundu for children to lodge in while parents fend for them through informal trade.

Lastly, Informal Cross Border Trade also has an indirect impact on the expansion of locations and the establishment of new locations. The number of people doing cross border trade has increased over the years. Cross border trade benefits the Government, Town Council and the

Municipality through the payment for basic services like water, refuse collection and customs fees. The money earned is used to continuously provide more urban services and to increase prospects of employment.

### **5.10 Summary**

From the discussions in this chapter, it became apparent that if ICBT is well regulated, it has the potential to help a lot of local residents in many ways. ICBT provides income through buying, selling, forex, and access to better health care, and it allows for social interactions among people of varying backgrounds. As a result, contributing to the sprawl of a town's hinterland. Despite such benefits, it was also apparent that ICBT at the Rundu-Calai Bridgehead is accompanied by social ills such as corruption and bribery due to non-stringent laws. Such activities hamper positive competition among informal traders and rob Namibia and Angola of customs revenue. It was also noted that the devaluation of Kwanzas and bridge relocation favoured Namibian dollar bearers because of the high value that the Namibian dollar has. As a result, this motivates many informal traders to trade using Namibian dollars. To sum up, Rundu and Calai are evolving into big economic hubs within their respective regions. The only challenge is that Calai is not prioritised in terms of infrastructural development, a process which limits the smooth flow of goods from mid-Angola to this border town. Moreover, the absence of bilateral relationships between Rundu Town Council and Calai Municipality authorities has resulted in communication break downs with regards to taking independent decisions about ICBT and each authority blaming the other for failures of border regulation.

## **CHAPTER 6: CONCLUSION AND RECOMMENDATIONS**

This chapter rounds up the whole study. It points out the major beneficial and challenging activities at the Rundu-Calai Bridgehead. In doing so, the chapter links the findings with the objectives of this study. It ends by identifying loopholes within ICBT at this Bridgehead and suggesting recommendations to different stakeholders in ICBT that may contribute to the optimization of cross border trading.

### **6.1 Conclusion**

The bilateral trade ratifications between Namibia and Angola towards barrier free cross border trading and construction of Sarusungu Border Post (bridge) has made it viable for ordinary residents and informal traders to carry out significant cross border pro-poor activities. The findings depict that up to 53% (largest share) of people who cross the border carryout cross border commercial activities where they trade vegetables, corn and re-exports such as sugar and rice. They engage in invisible trading (delivery of goods and other services), commuting while carrying goods, cross border retailing and shop/stalls owners ferrying goods across to their business sites. The informal traders usually sell more than one line of product in order to be customer inclusive. The other cross border activities include banking, visiting family members, visiting hospitals in Rundu, entertainment and commuting to workplaces. Collectively, it emerges that up to 85% of informal trading occurs in the street (38%), open markets (26%) and home-based stalls (21%) mainly carried out by the youth..

Informal traders usually engage in opportunity cost by choosing favourable trading opportunities. They look at the availability of customers (Rundu has more buying power and many customers), less competition (especially for Angolan goods), mutual relationships with

friends and family (strengthening trading networks); lower exchange rates (usually in a town that has a stronger currency) and to access goods that are not available within their locality. Such opportunities influence informal traders to look for suppliers, shops or retailers who sell cheaper accessible goods (low transport fares). With a customs tax waiver in place for agricultural products and cheaper re-exports in Calai, informal traders from Rundu tend to increase the volume of goods they buy. Goods are cheaper in Calai due to devaluation, which has weakened the value of Kwanzas compared to Namibian dollar. Cheaper prices in Calai have led to an influx of customers from Rundu and rural areas surrounding both Rundu and Calai to go and buy goods from Calai. In response to the demand, Calai based traders have diversified their businesses by adding new lines of products and offer cross border delivery services to reliable customers. As a result, Calai based suppliers and informal traders supply different varieties and higher quantity of goods to Rundu based traders than vice versa.

The socio-economic impact of trans-border trading on residents of Rundu-Calai Bridgehead is diverse. ICBT creates self-employment for local people (mostly the youth) to earn income. The income is used to pay for children's school fees, buy food, pay medical bills and improve shelter, which ultimately helps residents of the towns to improve their living standards and to create human Bridgeheads especially for those who are less educated and for the low income earners. This is a pro-poor activity that contributes to the reduction of unemployment, which haunts Rundu and Calai residents. In addition, there are products like vegetables that are produced either in Rundu or Calai seasonally and local people do not have means to preserve such goods. The existence of cross border trading permits local people to supply their goods where there is profitable demand, which helps each town to obtain what it lacks or to specialize in selling what it produces the most. This has been crucial in years like 2017 and 2018 when local people in rural areas around Rundu did not have good crop yields. Many of them could import food from Calai, which has enabled Calai residents to implement import-substitution.

Moreover, findings reveal that cross border trading encourages women and youth empowerment as many women and young adults engage in producing and selling fresh goods to fend for their families. These informal traders mostly vend while large bowls of their goods are carried on the head, at times with a child on their back. As they trade, some family members get opportunities to visit their relatives. This type of cultural and linguistic mixing has led to the prioritisation and establishment of Rukwangali, Nyemba and Portuguese as the ICBT lingua-franca at Rundu-Calai Bridgehead.

Despite the availability of the cost saving trading opportunities and benefits of ICBT, the current pattern poses challenges for informal trader. The weakened value of Kwanzas has made goods expensive for Angolan customers in Rundu. This deprives some Rundu based businesses and insolvent people from an opportunity of doing ICBT with Calai residents. The higher demand for Angolan goods in Rundu induces Calai based suppliers to inflate prices, which lowers the affordability of the devalued Kwanzas bearers. Some law enforcers also have negative sentiments towards informal trading which is an inhibiting factor and could be a source of maltreatment for the traders. In addition, the infrastructural development (construction of a bridge, shopping malls, roads and telecommunications), simultaneous increase in urban population and buying power has attracted cross border and local formal traders that compete with informal cross border traders. The impact of transport challenges felt by large scale traders in Angola (as in World Bank Group, 2019) is also experienced by small scale informal traders because the bridge has lengthened the distance to the new Border Post and resulted in high transport costs. At the same time, enabling diversified shop owners to deliver (own delivery vehicles) or decentralise into locations where they compete for customers with informal traders because they sell similar goods. In quest to trade goods informally and lower the cost involved, small scale traders (with goods of value or quantity that qualifies for import duties) and those who seek to avoid paying higher transport fares

detour to use illegal crossing points like small marinas and Damu Damu. This results in cronyism, bribery and smuggling.

All in all, Rundu remains the supplier of infrastructural goods used in construction, electronics and automobiles in Calai. This is because Rundu has a good supply network of roads to Windhoek and other supplying towns within Namibia. At the same time, Calai supplies household commodities such as food to Rundu residents. One motive for such a trend is that the Angolan roads linking Calai to the mid-country are in a bad state and not conducive for the delivery of fragile goods, an image that discourages fragile goods to be traded through ICBT and also a downturn for tourism through this Bridgehead to Angola.

## 6.2 Recommendations

**Table 11: Recommendations for informal traders**

Challenges	Recommendations
<p>It is evident, from the findings of this enquiry that trade has improved the wellbeing of informal traders. The findings also note that competition has increased among informal traders.</p>	<ul style="list-style-type: none"> <li>• In order to remain competitive and profitable for traders, basic education about exchange rates, calculations of customs charges (in cases where they engage in formal trading) and overall inputs is crucial. In addition, it is important for informal traders diversify their businesses further and learn to add value to goods they trade.</li> <li>• Engage in bulk buying cooperatives to save on cost prices and transport fares.</li> <li>• Network with a lot of suppliers for cheaper goods.</li> </ul>

**Table 12: Recommendations for border control officials**

Challenges	Recommendations
Need for more educational programmes about border regulations	The Directorate of Customs and Excise duties both in Rundu and Calai should engage in educating informal traders about modes of border regulations. The education programmes can be crafted in a way that teaches local people about the importance of having export oriented businesses, benefits of paying customs fees for small scale formal traders and reasons for crossing through legal border posts.
No method to identify informal traders	The customs charges waiver may continue to advantage destitute traders; however, informal traders should have some form of identification. The authorities of each town may create documents that identify informal traders and the type of goods they sell. This may help officials to record goods exchanged and infer the possible impact of ICBT on the residents. In addition, this may form the genesis of classifying ICBT as a form of employment for local people, which may help informal cross border traders to no longer remain as mere spectators (as argued by Ndhlovu, 2013) but rather essential ICBT stakeholders. A process which may contribute to the alteration of negative attitudes towards legitimate ICBT traders.
Lack of sensitisation of benefits of ICBT among officials	Law enforcement, customs officials and town council authorities need to be sensitised about the undeniable value of ICBT on Bridgehead towns. Unfounded criminalisation of informal trading may only deter people from following laws which may fuel illegal conducts. Border and Town Council authorities need to change the negative attitude they have towards ICBT and educate informal traders about the legal ways to carry out ICBT. On the same note, governments of both countries should speed up and simplify the documents acquiring procedures at the Ministry of Home Affairs in Angola and Namibia, to enable people to engage in legal cross border trade. This is because there are people that do not engage in cross border trade due to the lack of national documents and fear of intimidation from law enforcement officers, so they prefer to use shortcuts/ illegal crossing points.
Negative attitude towards ICBT relationships with Namibia	Angolan officials may also change the attitude they have of wanting detachment from Namibia but rather embrace an attitude of cooperation for mutual benefit. Calai authorities remain adamant that “when Angolan roads are in good condition in the future, a lot of people will not go to Namibia for goods unless Angolans are wanted by the Namibians for certain reasons”. A change in attitude from the leaders may be harnessed among residents, which will reduce several xenophobic and tribal segregation activities that endanger the lives of informal traders when trading in foreign towns.
Negative attitude towards Angola/Calai due to civil war aftermaths and corruption	People in Rundu may also change their attitude about Angola; some Rundu based informal traders believe that people are “even scared of stepping on a bomb”, accompanied with the fear of being troubled by corrupt officials after buying a lot of goods from Calai. To achieve that, punitive laws should be implemented to officials and informal traders who engage in corruption. In addition to that, the authorities of the towns should have at least annual meetings to discuss crucial joint cross border developments.

Independent decision making about ICBT	Establish collective bilateral relations, laws and agreements between Rundu Town Council and Calai Municipality that are aimed at promoting ICBT.
No assessment and testing the viability of foods stuff for human consumption	Ministry of Health and Social Services should deploy health experts, certified to authorise food stuffs deemed fit for human consumption and inhibit the importing of goods that pose health hazards to consumers. In addition, awareness campaigns to be intensified in locations, to sensitise cross border traders about the health hazards of consuming imported poorly regulated goods.

**Table 13: Recommendations for strategic planners**

Challenges	Recommendations
Long distance which is costly (89% negatively affected by bridge relocation)	The main recommendation in this study is to return the Sarusungu Border Post to a site that is close to the CBD. This will cut costs and time to travel to the border. It is also likely to reduce the number of people carrying legal goods from taking shortcuts.
Reforms that are needed in order to facilitate the smooth flow of both goods and people.	Lastly, learn and implement security measures (used at other borders like Oshikango, as in Dobler, 2008) that may help curb corrupt and illegal cross border activities.
Poor road infrastructure towards the Bridge	Once the border is shifted, better roads like tarred roads should be erected to smoothen the transportation of goods. In addition, the Angolan Government should revamp roads linking Calai with the interior of the country to increase the supply of goods to this border town. Due to bad road conditions, Calai is not optimally utilised by cross border traders and tourists, especially those coming from Namibia.

**Table 14: Recommendations for scholars**

Niche that requires academic enquiries	Recommendations
Informal cross border trading of illegal goods	It was also noted that further studies on ICBT could enhance the understanding of the subject for scholars. <ul style="list-style-type: none"> <li>• One area that requires more insight is that of illegal goods and activities happening across the border. Studies from other borders like Sesheke and Oshikango speak about prostitution and disease outbreaks linked to ICBT (Literature Review).</li> </ul>

	<ul style="list-style-type: none"><li>• Investigate potential consequences of unregulated food imports and exports and measures to be taken to protect consumers. This is important, given the fact that most Rundu residents prefer to buy their food in Calai.</li><li>• The other areas include cross border forex in microcosm, migration and mobility patterns of informal traders and trace studies of long distance traders who buy goods from the interior of Angola or other countries to sell at Namibian borders towns.</li></ul> <p>Future academic enquiries in that direction could offer more insights on the impacts of ICBT. Such studies can also be carried out at more than one border post to allow room for academic comparisons.</p>
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## APPENDICES

### Appendices A: Schematic sample of raw data

Commodities traded		
	Calai residents sell	Rundu residents cross to Calai to buy
Clothes	Food substances majorly like rice, sugar, vegetables like tomatoes, onions and beans. Vegetables are locally grown in Calai. Rice is processed elsewhere and imported to Calai.	Rundu residents buy in Calai: Rice, spaghetti, macaroni.
Sell in Calai: Cellular phones.	Calai provides agricultural products like cabbages, cereals and legumes. Rundu residents also buy and import to Namibia goods such as sugar, rice, beans and cooking oil.	Especially food. Majority is for household consumption.
Soaps, lotion	Mutete, vegetables like onions and tomatoes that are locally grown in gardens along the river and fire wood.	Sugar, cooking oil and spaghetti.
	Vegetables, firewood, meat products. Rice, cooking oil and canned fish.	Rice, cooking oil and sugar.
Maize meal, potatoes, eggs and fish (usually for own consumption).	sell seasonal vegetables in Rundu: Mutete, pumpkin leaves and fresh maize	Buy in Calai: Rice, sugar, cooking oil and clothes.
Cakes and bread	Mostly food	Spaghetti, macaroni, tomatoes paste, sugar, beans and rice.
Hosts shows in Calai that cost about 2000 Kwanzas per ticket	Rundu provides a large market for firewood and tomatoes.	Rice, spaghetti, sugar, cool drinks, fish (horse mackerel) and milk.
Cellular phones and laptops		Usually buy sugar (50Kg), bread, macaroni and rice. For instance, 50Kg of sugar is N\$ 500 including delivery to Rundu.
Old car batteries	Rice and pasta.	Sugar, macaroni, cooking oil, tomato sauce (paste).
All kinds of food.	Alcohol (such as Indika, Cuca and Nocal), sandals and branded jeans.	Rundu residents buy: Cooking oil, spaghetti, macaroni and sugar.
Clothes, shoes and food stuffs especially fish and maize.	Mutete, vegetables (tomatoes and onions) and firewood.	50 Kg of maize meal.
Clothes and cool drink brands that are not sold in Calai	Sometimes sell vegetables that are bought from local gardens in Calai.	Old batteries, pasta and rice
Maize meal and onions	Sugar, rice and spaghetti.	Unitel airtime for sell and personal use to call relatives in Angola. • Blue (cool drinks), bread, sugar (50KG) and body lotion.

## Appendices B: Research Clearance Letter

**From:** Claassen Pam  
**Sent:** 18 November 2019 01:04 PM  
**To:** Shikangalah, Rosemary; [jmanfred@unam.na](mailto:jmanfred@unam.na)  
**Cc:** Zannier, Aurelie  
**Subject:** RE: Ethical certificate needed for two students that were approved 2018.

Dear Rose and Manfred,

The feedback is as follows

- a) Sindumba Ndumba certificate number **FHSS/423/2018** was issued on 1<sup>st</sup> October, 2018;

Kind regards  
Pam



**Pam Claassen (MSc ENVIRONMENT&DEVELOPMENT)**

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Office Of The Vice Chancellor

University of Namibia

Tel: 081-2083081

Fax: +264 2083120

E-mail: [pclaassen@unam.na](mailto:pclaassen@unam.na)

Web: <http://www.unam.edu.na>

Private Bag 13301, 340 Mandume Ndemufayo Ave, Pionierspark, Windhoek, NAMIBIA

## Appendices C: Permission letter



REPUBLIC OF NAMIBIA

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### MINISTRY OF FINANCE – CUSTOMS & EXCISE

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Tel.: (066) 265009/ 265010/ 265011  
Fax: (066) 256546/256073  
**Enquiries:** Miss Secilia P. Fillemon

Rundu Regional Office  
Markus Siwarongo Street  
Private Bag 2117  
11 August 2018

To: Whom it may concern

**RE: REFERENCE LETTER FOR INVESTIGATION INTO THE  
CROSS BORDER TRADING BETWEEN RUNDU AND CALAI.**

---

This letter serve as a reference for Mr Sindumba Paulinus N. student no: 201205554 who conducted a research on the above referred topic on the 11<sup>th</sup> of August 2018 at Sarusungu / Calai crossing point.

Permission was granted to carry out the research at the border and I was his direct assistant. He is an outstanding young man with exceptional guidance skills, very good interpersonal skills and wonderful work ethics.

Should you have any question, please don't hesitate to contact me on 066 -265010.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'S. Fillemon', written over a horizontal line.

Secilia P. Fillemon  
Customs & Excise Officer  
Rundu Regional office



## Appendices D1: Informed Consent Form

My name is **Sindumba Paulinus Ndumba** a student at the University of Namibia, pursuing a Master of Arts (Geography). It is part of the university's requirements that I must do research in fulfilment of the requirements of this degree. I am carrying out an interview on Cross-border trading between Rundu and Calai. The aim of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations. The results may assist spatial planners in planning border points linking Rundu and Calai's Central Business District directly. An assessment of the range of goods and services traded at the border points may support awareness concerning the quality of commodities as well as suggest ways to provide reachable markets and competitive pricing in the towns. The research will be carried out in line with UNAM guidelines, and all data collected will be treated confidentially and for the purpose of this study.

I, the undersigned, confirm that (please tick box as appropriate):

#	Parts to consent for	YES	NO
1.	I have read and understood the information about the project, as provided to me		
2.	I have been given the opportunity to ask questions about the project and my participation.		
3.	I voluntarily agree to participate in the project and my privacy will be respected.		
4.	The procedures regarding confidentiality have been clearly explained (e.g. use of names etc.) to me.		
5.	Consent for interviews, audio recording have been explained and provided to me. <b>(if the participant refuse to be recorded, the researcher will take notes)</b>		
6.	The use of the data in research, publications, sharing and archiving has been explained to me.		
7.	I understand that other researchers will have access to this data only if they agree to preserve the confidentiality of the data and if they agree to the terms I have specified in this form.		
8.	I voluntarily allow the researcher to write down the answers on the questionnaire because I do not want to be recorded.		
9.	I understand the interview will last for approximately 30 minutes.		
10.	I, along with the Researcher, agree to sign and date this informed consent form.		
11.	I understand that I can withdraw from the interview at any time, without any negative consequences.		

### Participant:

\_\_\_\_\_  
Name of Participant/thumb

\_\_\_\_\_  
Signature/thumb

\_\_\_\_\_  
Date

### Researcher:

\_\_\_\_\_  
Name of Researcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Appendices D2: Informed Consent Form for Key Informants

My name is **Sindumba Paulinus Ndumba** a student at the University of Namibia, pursuing a Master of Arts (Geography). It is part of the university's requirements that I must do research in fulfilment of the requirements of this degree. I am carrying out an interview on Cross-border trading between Rundu and Calai. The aim of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations. The results may assist spatial planners in planning border points linking Rundu and Calai's Central Business District directly. An assessment of the range of goods and services traded at the border points may support awareness concerning the quality of commodities as well as suggest ways to provide reachable markets and competitive pricing in the towns. The research will be carried out in line with UNAM guidelines, and all data collected will be treated confidentially and for the purpose of this study.

I, the undersigned, confirm that (please tick box as appropriate):

#	Parts to consent for	YES	NO
1.	I have read and understood the information about the project, as provided to me		
2.	I have been given the opportunity to ask questions about the project and my participation.		
3.	I voluntarily agree to participate in the project and my privacy will be respected.		
4.	I understand that the researcher cannot declare anonymity (because everyone knows who the mayor/administrator is) but it has been clearly explained to me that the information will be treated confidential (e.g. no use of names etc.).		
5.	Consent for interviews, audio recording have been explained and provided to me. <b>(if the participant refuse to be recorded, the researcher will take notes)</b>		
6.	The use of the data in research, publications, sharing and archiving has been explained to me.		
7.	I understand that other researchers will have access to this data only if they agree to preserve the confidentiality of the data and if they agree to the terms I have specified in this form.		
8.	I voluntarily allow the researcher to write down the answers on the questionnaire because I do not want to be recorded.		
9.	I understand the interview will last for approximately 30 minutes.		
10.	I, along with the Researcher, agree to sign and date this informed consent form.		
11.	I understand that I can withdraw from the interview at any time, without negative consequences.		

### Participant:

\_\_\_\_\_  
Name of Participant/thumb

\_\_\_\_\_  
Signature/thumb

\_\_\_\_\_  
Date

### Researcher:

\_\_\_\_\_  
Name of Researcher

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **Appendices D3: Questionnaire for Rundu/Calai Residents**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Rundu / Calai Residents**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS:**

Since you use this border to trade, it is believed that you may have some informative information and views about Cross Border trade at this post. Because of this, you are asked to participate in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without any negative consequences.

1. Gender?
2. How old are you?
3. How often do you cross the border?
4. Why do you cross the border?
5. Mention goods you buy from Rundu?
6. What are the goods or services do you sell in Rundu?
7. Where in town, is your market located?
8. Why do you engage in cross border trading?
9. Where do you exchange Kwanzas into Namibian dollars?
10. How much Kwanzas does N\$100 dollar give you?
11. How does the devaluation of Angolan Kwanza affect you when buying products in Namibia?
12. Why was the bridge moved from Rundu beach to where it is today?
13. How does the change of crossing points affect your cross border trade?
14. How is land allocated for bridge establishment in your town?
15. Do you pay customs fee, how much?

16. When did you start trading, how has trade changed since then?
17. How does trade contribute to formation of new locations?
18. What is your mode of transport to the market?
19. How long does it take you to reach the market?
20. Can you explain briefly, changes in the development of Rundu and Calai since you settled here?

## **Appendices D4: Questionnaire for Commuters**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Commuters**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS**

Since you use this border to commute, it is believed that you may have some informative information and views about Cross Border trade at this post. Because of this, you are asked to participate in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without any negative consequences.

1. Gender?
2. How old are you?
3. How often do you cross the border?
4. For how long have you been commuting?
5. Why do you prefer to commute?
6. Where do you stay? (Rundu/Calai)
7. Where in town, is your work place located?
8. Where do you exchange Kwanzas into Namibian dollars?
9. How much Kwanzas does N\$100 dollar give you?
10. How does the devaluation of Angolan Kwanza affect you when buying products in Namibia/Angola?
11. Why was the bridge moved from Rundu beach to where it is today?
12. How does the change of crossing points affect your ability to commute?
13. How is land allocated for bridge establishment in your town?
14. Do you pay customs fee, how much?

15. How does cross border trade contribute to formation of new locations?
16. What is your mode of transport to your work place?
17. How long does it take you to reach your work place?
18. Can you explain briefly, changes in the development of Rundu and Calai since you settled here?

## **Appendices D5: Questionnaire for Customs Officials**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Customs Officials**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS**

Since you are a Customs Official, it is believed that you may have some informative information and views about Cross Border trade at this post. It is due to this reason that you are being asked to partake in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without consequences.

1. Gender?
2. For how long have you worked at this border post?
3. How often do people cross the border? Where is majority headed?
4. Why do people cross the border?
5. What goods do they buy from Rundu/Calai?
6. Why do people sell/buy from the opposite town?
7. Where in town, is their market located?
8. Why do people do cross border trading?
9. Where do they exchange Namibian dollars into Kwanzas?
10. How much Kwanzas does N\$100 dollar give them?
11. How does the devaluation of Angolan Kwanza affect people when buying products in Angola?
12. How does this withdrawal affect the amount of goods/services that people buy from Calai?
13. Why was the bridge moved from Rundu beach to where it is today?

14. How does the change of crossing points affect cross border trade?
15. How is land allocated for establishment of bridges in Rundu/ Calai?
16. Do people pay customs fee, how much?
17. How does trade contribute to formation of new locations?
18. What is people's mode of transport to the market?
19. How long does it take them, on average, to reach the market?
20. Can you explain briefly, changes in the development of Rundu and Calai since you started working here?

## **Appendices D6: Questionnaire for Money Exchangers**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Money Exchangers**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS**

Since you exchange money for cross border traders, it is believed that you may have some informative information and views about Cross Border trade at this post. It is due to this reason that you are being asked to partake in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without consequences

1. Gender?
2. How old are you?
3. For how long have you been exchanging money?
4. For how much do you buy the Kwanzas in Namibian dollars?
5. For how much do you sell the Kwanzas in Namibian dollars?
6. When last did the price change?
7. Before it changed, how much did you buy the Kwanzas for?
8. Before it changed, how much did you sell the Kwanzas for?
9. Why did the exchange rate change?
10. How does the devaluation of Angolan Kwanza affect your business?

11. Why do you prefer to exchange here?
12. Do you need any documentation to be a money exchanger?
13. How has the market for money exchange changed since you entered this business?
14. Can you explain briefly, changes in the development of Rundu and Calai since you started working here?

## **Appendices D7: Questionnaire for Services and goods providers**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Services and goods providers**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS**

Since you use this border to trade, it is believed that you may have some informative information and views about Cross Border trade at this post. It is due to this reason that you are being asked to partake in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without consequences.

1. Gender?
2. What products/service do you sell/provide?
3. For how long have you been doing this business?
4. Where do most of your customers come from?
5. Why do people do cross border trading?
6. Where do they exchange Namibian dollars into Kwanzas?
7. How much Kwanzas does N\$100 dollar give them?
8. How does the devaluation of Angolan Kwanza affect people when buying your products?
9. How is land allocated for bridge establishment in your town?
10. How does trade contribute to formation of new locations?
11. What is people's mode of transport to your shop?
12. Can you explain briefly, changes in the development of Rundu and Calai since you started working here?

## **Appendices D8: Questionnaire for Key Informants**

### **AN INVESTIGATION INTO INFORMAL CROSS-BORDER TRADING AT THE RUNDU-CALAI URBAN BRIDGEHEAD**

#### **Questionnaire for Key informants**

#### **PURPOSE OF THE RESEARCH**

Research findings and statistics have shown that Cross Border trade contributes massively to the socio-economic development of people in and around Bridgehead towns. This contribution may be in terms of basic amenities such as food. The purpose of this study is to assess the activities carried out in cross border trading at Rundu and Calai Bridgehead. In the addition, the study seeks to examine the role of trans-border trading to the functions of the two locations in terms of food security and financial income for local residents of the neighbouring towns and new 'pop up' locations for cross border trading.

#### **INSTRUCTIONS**

Since you use this border to trade, it is believed that you may have some informative information and views about Cross Border trade at this post. It is due to this reason that you are being asked to partake in this study. Kindly note that:

- Since you are not required to provide your name and any identification information, your honesty in answering the interview questions will give a good understanding about Cross Border trade at the Rundu-Calai border post.
- The information you provide will solely be used for the research only and by the researcher only.
- If you wish to withdraw from the interview at any time, you are free to do so without any negative consequences.

1. Gender?
2. For how long have you worked as Mayor/Administrator of this town?
3. How often do people cross the border? Where is majority headed?
4. Why do people cross the border?
5. What goods do they buy from Rundu/Calai?
6. Why do people sell/buy from the Rundu/Calai?
7. Where in town, is their market located?
8. Why do people trade across the border?
9. Where do they exchange Namibian dollars into Kwanzas?
10. How much Kwanzas does N\$100 dollar give them?
11. How does the devaluation of Angolan Kwanza affect people when buying products in Angola?
12. Why was the bridge moved from Rundu beach to where it is today?
13. How does the change of crossing points affect cross border trade?

14. How is land allocated for bridge establishment in your town?
15. Do people pay customs fee, how much?
16. How does trade contribute to formation of new locations?
17. What is people's mode of transport to the market?
18. How long does it take them, on average, to reach the market from the CBD?
19. Can you explain briefly, changes in the development of Rundu and Calai since you started working here?

**Appendices D9: List of Goods and Interview Schedule**

LIST OF GOODS

<b>Name:</b>	<b>Classification:</b>	<b>Headed to:</b>	<b>Date:</b>	<b>Time:</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				

INTERVIEW SCHEDULE

<b>Interviewee: e.g. Key informant 1</b>	<b>Date:</b>	<b>Time:</b>	<b>Venue: (pseudonym)</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			