

Exploring Informal Cross-Border Trade and Its Impact on Security Challenges in Nigeria: A Case Study of the Nigeria-Benin Border

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Abstract The study identified the variables affecting informal trade activities in Nigeria and the Benin Republic, as well as the effects of security issues brought on by such trade on the economy of Nigeria. The research also looked at how Nigeria's economy might be affected by the security issues caused by informal trading. These were done in an effort to correlate illegal commerce with security issues in Nigeria and the Benin Republic. In-depth interviews and the use of a standardized questionnaire were used to collect primary data. Data from 100 respondents were gathered using a purposive sampling approach. Namely, 50 Custom officers, 25 Immigration officers, and 25 Police officers at the Nigeria and Benin border. 50 unauthorized border merchants were randomly chosen for in-depth interviews in order to gather information. The main data also included the researcher's own observations. Atlas and SPSS were used to analyze the data. The study found that law enforcement officials thought that unless the government took action to address these issues, informal trade would have a negative impact on formal trade. The survey also showed that the respondents said that they are aware of illegal drug trafficking, car theft, armed robberies along the border and in the nearby area, trafficking in guns and people, smuggling in gasoline and crude oil, and vandalism. Law enforcement officials and the traders both agreed that Covid-19 came to Nigeria via certain traders who travelled to deal in Benin. The study came to the

conclusion that there is a link between informal commerce and security issues in Nigeria and Benin Republic and that it is one of the main ways that insecurity is experienced in these two nations. Some recommendations were therefore suggested.

Keywords Informal Trade, Insecurity, Border, Smuggling, Drug and Human Trafficking

1. Introduction

Informal cross-border trade is a prevalent phenomenon across various borders worldwide, including the Nigeria-Benin border. The informal trade activities that occur along the Nigeria-Benin border play a significant role in shaping the economic landscape of both countries. However, these informal trade practices are not without their challenges. This paper aims to investigate the impact of informal trade along the Nigeria-Benin border on security challenges in Nigeria. The study seeks to explore the nature of informal trade, its economic significance, and the security implications that arise from these activities. Prior to their independence, colonial authorities haphazardly divided African republics along their borders. Many nations on the continent have porous borders, which encourage various forms of illicit trans-border commerce

and other activities to flourish. Due to the peculiarities of the situation in West Africa and the savannah and desert scenery, indiscriminate roadblocks were set up for extortion, harassment, and several other offenses. This is the condition many traders were on the Nigeria-Benin border [1].

Nigeria is bordered by five other African nations. Benin, Niger, Chad, Cameroon, and Equatorial Guinea are those nations, four of which are francophone and one of which is anglophone. The boundaries dividing Nigeria from its neighbors are not well defined [2]. As a result, Nigeria has run into a number of boundary disputes with neighboring nations, including Chad, Benin, and the Niger Republic. These shared borders have seen unauthorized flows of both people and products. Armed banditry in border towns and villages, religious crises, ethnic unrest, and the widespread transit of illegal drugs and chemicals have all posed high-security concerns for Nigeria in its interactions with its neighbors. When the economy was informal, there was informal trading. With the exception of South Africa, where the projected proportion is 12% of the active population, it is the primary driver of job growth in Africa and accounts for 20% to 75% of all employment [3]. Informal trade, often known as unrecorded trade, refers to any transaction between nations that is covered by national income conventions but is not currently taken into account by official national income data.

Many factors, including traders' propensity to avoid paying high export taxes and import duties, bureaucratic licensing and registration requirements, and market failures brought on by countries' bad policies and inadequate road infrastructure, contribute to the growth of informal cross-border trade [4]. It is clear that the border between Benin and Nigeria has offered a particularly insightful illustration of the difficulties in this region that may be consistent with political economics study. Three different categories of illegal commerce were found to exist outside of the Benin-Nigeria border. These include the smuggling of petrol from Nigeria into Benin, the unauthorized importation of commodities made in Nigeria, and the re-exportation of restricted items from Benin to Nigeria [5].

Some of the most common predicate crimes in the two nations are drug trafficking, human trafficking, and armed robbery. As a result, numerous Nigerian criminal organizations utilize Benin as a "conduit pipe" to commit crimes including drug trafficking, human trafficking, smuggling, providing shelter for stolen goods, cybercrime, credit card fraud, and various tax offenses [6].

Interestingly, there are several unauthorized checkpoints set up along the Nigeria-Benin border by bandits or security personnel. The governments of Nigeria and the Benin Republic have both lamented the rise in crime along the Lagos-Seme border at various periods. The concerns of extortion, harassment, rape, and intimidation that occurred over the permeable boundary between the two close neighbors were acquired. The construction has slowed

down official trade, and increased crime, and insecurity in the surrounding area [7]. In light of this, the goal of this study is to evaluate the security risks posed by illegal commerce along the Nigeria-Benin border.

2. Objectives

The objectives of this paper are to:

1. determine the factors influencing informal trade activities in Nigeria and Benin Republic.
2. investigate the security challenges occasioned by informal trade along Nigeria-Benin border; and
3. examine the impact of the security challenges induced by informal trade on Nigeria economy.

3. Review of Literature

Cross-border banditry, violent auto thefts, and human trafficking, among other threats, have not only hurt zonal trade and turned it into an unpleasant trauma, but they have also raised the question of how to better police it, bringing to light the well-known issues with policing Nigeria's international boundaries. Regardless of the human resources lost during their operational operations, the activities of these cross-border criminals operating from the Benin Republic axis, which are the subject of these revelations, had a detrimental financial impact on Nigeria's economy. Despite the coordinated efforts of the Nigerian security forces to battle the threat of cross-border banditry, it is frustrating and irritating that their counterparts in the Benin Republic (the gendarmes) are not willing to assist.

In May 2003, the Nigerian government closed the border with the Benin Republic, which was one of the major flashpoints of the new problem. The necessity to capture the rubbers who have selected Benin as a safe haven for their loot made this shutdown imperative [8]. In addition, people from Benin were being trafficked into other regions of Nigeria, particularly girls and women. These specific individuals are employed as domestic help, housemaids, and security guards after being transported illegally. They get slave pay in addition to posing a serious security risk to both the citizens of the two nations and their relations [9].

Contrarily, it is regrettable that the border checkpoints established by the Economic Community of West African States (ECOWAS) to restrict smuggling, illicit commerce, and all other types of informal trade inside the zone under discussion have instead evolved into a means of facilitating what they were intended to stop. The importation of fairly used vehicles and informal trade in them poses another significant security threat between the two nations. From 50,000 in 1996 to 200,000 in 2000 to 250,000 in 2002/2003, this number has increased. Following a decline to about 150,000 in 2004 and 2005, they increased once more to 200,000 in 2006 before hitting an all-time high of 300,000 in 2007. In 2001, used cars made up 43% of total trade

flows, up from 37% in 1999. This is supported by the fact that, in 2014, used cars accounted for an incredible 55% of Port of Cotonou's revenue (fees and taxes) [10]. It became an issue as a result of the fact that many of the fairly used vehicles that were smuggled into Nigeria from Cotonou (Benin Republic) were loaded with various illicit items, including weapons and ammunition [11].

This mysterious tendency is described as an informal trade route that develops into a necessary economic activity along the Nigeria-Benin border. Many people in West Africa have been heavily involved in the trade as a result of the increased mystery. In fact, some of them were forced to transition from official work into the trade due to its profitability [12]. The paradox is that because most policymakers undermine this type of commerce, informal trade flows do not show up in official trade statistics, which causes official trade flows to be overstated. Furthermore, due to the secrecy of informal cross-border commerce, it is frequently stigmatized, associated with smuggling, and plagued by preconceptions of lack of interest and lack of data. Therefore, it is believed that illicit trading is both a socially and economically harmful activity [13]. According to some estimates, between 30 and 40% of intra-trade consists of informal commerce, which means that by neglecting informal cross-border trade, African nations may be missing out on a sizable amount of their trade [14]. In some Southern and Western African nations, informal trade has made a significant contribution to the creation of jobs and income, particularly for those who are unable to find formal employment due to a variety of social and economic factors and those who have been laid off from formal employment.

The establishment of jobs has had a multiplier impact on the poor, assisting in the generation of money that allows the informal merchants to obtain essentials like good housing, education, and healthcare. In most of Africa, informal commerce has made a considerable contribution to the development of jobs and income, particularly for those who are unable to find or have lost their jobs in the official economy. By transporting food products from areas with a surplus to others with a shortage, informal trading also contributes significantly to guaranteeing food security. The provision of in-demand commodities, as well as the opening of new markets or the development of new product lines, also contributes to the establishment of businesses [15].

Furthermore, for the majority of African women, informal trading is a vital source of empowerment. According to the literature, more than 70% of informal cross-border merchants are women who are either widowed, divorced, or who simply start this company to supplement the salaries of their spouses. In addition, informal commerce serves as a breeding ground for a variety of illegal economic and social activities, including the trafficking of people and drugs, the smuggling of valuable metals like gold, diamonds, and other precious stones, as well as the wanton acquisition of weapons and

ammunition. The primary focus of this study, particularly as it relates to Nigeria and the Benin Republic, is to look at the problems of illicit currency and contraband trading with appurtenances of health, sanitary, environmental, and cumulative security implications. These issues also affect tax evasion, which denies the government potential revenue [16]. According to Magrin and De Montclos [17], a sizeable portion of the populations of Nigeria and the Benin Republic survive primarily through informal trading. However, the operations along this economic corridor have created a number of security issues, including the spread of light weapons, small guns, and contraband, as well as human trafficking and other transnational offenses.

Borderlands are hubs of immigration and heightened security. These areas are frequently set aside by postcolonial governments for development. They are therefore more vulnerable to crime and instability. Parallel imports from Nigeria are the source of inexpensive generic medications in Benin for persons who cannot afford to visit a licensed pharmacy because generic and inexpensive pharmaceuticals are also produced there with little control. Depending on the state of the market and Nigeria's trade restrictions, some products, such as bulk food and textiles, travel in both ways at various times and locations [18]. This study is driven by the necessity to address a significant gap in the existing knowledge and understanding of the complex relationship between informal cross-border trade and security challenges in Nigeria, particularly along the Nigeria-Benin border. There are many reasons for this study at this time; among which are;

Limited Understanding of Informal Cross-Border Trade: there was a lack of comprehensive research and understanding of the specifics of informal trade practices, routes, actors, and their potential impacts on security concerns within the Nigerian context. This study has provided an in-depth exploration of these factors, thereby enhancing our comprehension of informal trade patterns and their security implications. We cannot rule out Security Challenges which is the main reason for carrying out the study. Nigeria has faced a range of security challenges, including smuggling, human trafficking, arms proliferation, and organized crime, which often intersect with informal trade activities. Despite recognizing the potential linkage between informal trade and security, there is a dearth of empirical evidence and well-established causal relationships.

Effective policy formulation and governance strategies require a robust understanding of the interplay between informal trade and security dynamics. By identifying the nuanced connections between these factors, the study has provided insights that can inform evidence-based policy decisions and strategies aimed at enhancing border security, economic development, and regional cooperation. Previous research may have focused primarily on either informal trade or security challenges in isolation. This study adopted a holistic approach that considers the

intricate interactions between these two domains. Such an approach is essential for developing a comprehensive understanding of the multifaceted challenges that emerge at the Nigeria-Benin border due to informal trade.

This study therefore aims to bridge this gap by conducting a thorough investigation into the extent to which informal trade exacerbates or mitigates security challenges along the Nigeria-Benin border. Therefore fill this gap by shedding light on the nuanced dynamics and potential repercussions of informal trade activities on the security landscape in the region. By doing so, it aims to contribute to the existing literature, provide policymakers with valuable insights, and offer a foundation for designing effective strategies to address security concerns while promoting legitimate economic activities in the region

4. Methodology

The collation of data was from primary and secondary sources. In-depth interviews and the distribution of a structured questionnaire were used to collect primary data. Purposive sampling was used to gather information from 50 Custom officers, who are directly involved in overseeing export and import administration, 25 Immigration officers, who are in charge of overseeing the movement of people into and out of the country, and 25 Police officers at the Nigerian and Benin Republic border crossings (Seme and Idi Iroko), who are responsible for border security. In-depth interviews were also conducted to systematically gather information from 50 unregistered traders in Seme and Idi Iroko. Personal observations made by the researcher will also be included as primary data. Secondary data was also gathered from library sources such as books, academic journals, newspapers, news magazines, and official publications. Internet sites and dissertations are other sources of secondary data. Atlas.ti.23 for qualitative and SPSS statistical data for quantitative analysis were used to analyze the data.

5. Data Instruments

The instruments used for data capturing were developed and pre-tested before their administration. The pre-test was to ensure that the instruments would be able to capture the pertinent data needed for the exercise.

6. Results and Conclusions

Socio-demographic data of respondents

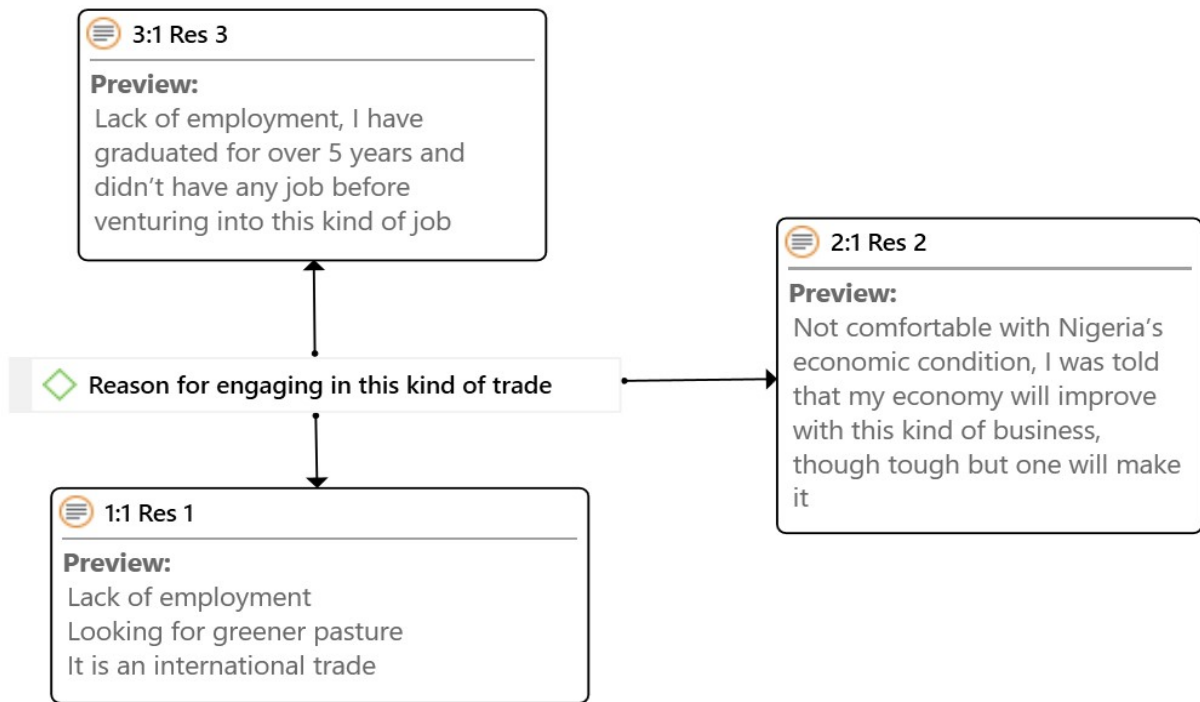
This session provides descriptive summary of the Socio demographic characteristics of respondents which include; age, educational level, religious affiliation, gender. Marital Status. Table 1 showed the distribution of

respondents by background information. All the respondents were in the age range of 21- 60 years. It is also worthy to mention that most respondents were married, 62 in number 36 single and the rest 2 were divorced. The educational status of the respondents reflects that majority have low-level education. This is evident in the fact that they completed secondary education. They are not well read and so it is assumed that they are not intellectually sound. They can easily be bought over by the people who want to perpetuate all sorts of evil. Seventy eight respondents are males while the remaining 22 are females. Religion affiliation was also analyzed; 17 of the respondents were Muslims, 81 Christian while the rest 2 were traditional worshippers.

The study sought to know the reasons for engaging in this kind of trade knowing fully well it is very dangerous to the lives of people that engaged in such kind of business. Fig. 1 gave the comprehensive reasons for such engagement. The majority of the respondents said that it lacks of conventional employment, some felt they are engaged in international trade and some in the illusion of making it fast. One of the respondents, a graduate has this to say;

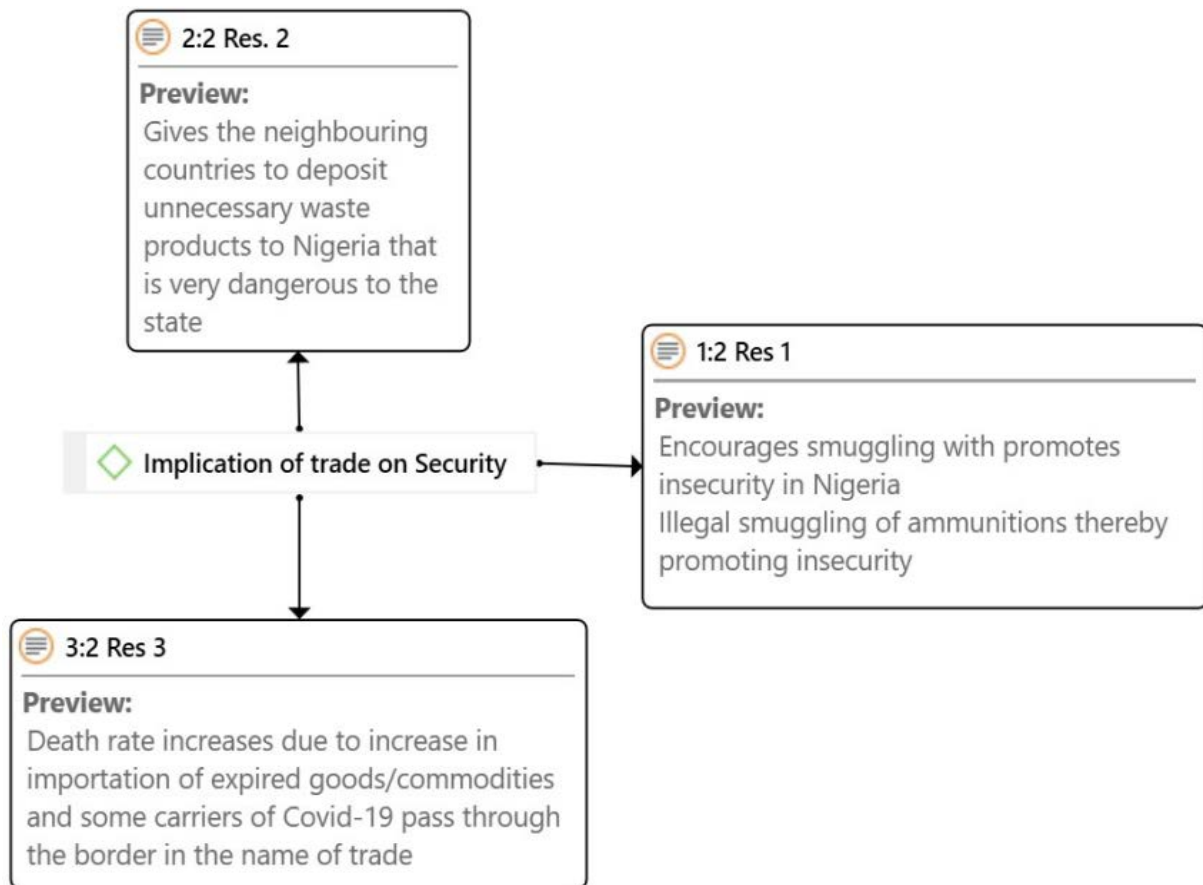
'I have graduated for over 5 years and didn't have any job before venturing into this kind of job'

Security officers and traders both concurred that there is cause for alarm in the border region as seen in fig. 2. They all concurred that illicit channels across the border were used to transport weapons and ammunition. There is a lot of ammunition concealed underneath and sometimes inside of various grains and commodities, including rice. Many Nigerians contracted the covid-19 epidemic during the time it was prevalent as a result of their participation in trade before our land borders, sea ports, and airports were shut down. Illegal drug trafficking, car theft/trafficking, textile smuggling, armed robberies, gasoline smuggling, guns smuggling, livestock trafficking, food smuggling, and human trafficking were listed as the most common crimes along the Nigeria-Benin borders. According to a customs inspector, the threat of illegal food and garment trafficking was a serious nuisance along the borders of Idiroko and Seme up until May 2012, while Turkey smuggling was the main problem along the borders of Ilara. Since it is well known that smugglers are in possession of more advanced firearms than border authorities, it was difficult for both the customs and immigration agents to manage illegal immigrants and traffickers. According to accounts, several immigration agents had lost their lives trying to stop these relentless smugglers until May 2012, when they were forced to stop sending reports to Abuja. Bus bonnets and other bus components besides the boot were used to transport contraband into the nation (Nigeria) from Benin. The traffickers and smugglers occasionally arrived at the border in large convoys of cars to scare the officials there, who they vastly outnumber.



Source: Field Survey, 2022

Figure 1. Reason for the type of Business



Source: Field Survey, 2022

Figure 2. Implication of trade on Nigeria and Benin Republic Security

Table 1. Socio-demographic Data of Respondents

Age (in years)			Educational Level			Religion			Gender		Marital Status		
21-30	31-40	41 & above	Pry	Sec.	Ter	Islam	Xtian	others	M	F	S	M	D
29	48	23	9	70	21	17	81	2	78	22	36	62	2

Source: Field Survey, 2022

7. Conclusions

Given these circumstances, there is a significant level of unease, and travelers frequently expressed concern that their possessions and bodily safety were in danger. In fact, the lack of protection for travelers, traders, and security personnel have become a significant concern at and around the majority of Nigeria's borders. The following recommendations were then suggested.

- i) Officers manning border checkpoints should have access to certain amenities to support and facilitate their duties. Such facilities include firearms, tear gas, GRMs, and scanners to reduce the inflow of arms and ammunition.
- ii) Patrol operation vehicles should be available so that the officers may move around freely to check for unlawful crossings.
- iii) Given that some of them spend long hours at work and even occasionally sleep there, providing a comfortable workplace as well as other incentives like housing, health care, and insurance should help to motivate them to carry out their obligations.
- iv) More security personnel should be stationed at the borders in order to lessen the amount of intimidation posed by the numerous traffickers and people smugglers they encounter.
- v) The introduction of new technology for detecting criminals, together with training through seminars and workshops.
- vi) In order to prevent bribery, corruption, and inefficiency and to assure effectiveness, the various agencies should be granted complete freedom to conduct their business.
- vii) An education campaign should occasionally be established because many border residents are uneducated and need to be educated on border concerns.
- viii) In order to deter residents from crossing the border to get such, therefore sneaking in with some, job opportunities should be made available to the youth who make up the majority of those participating in cross-border commerce, and clean water should be made available in border towns and villages.
- ix) In order to raise border adolescents' literacy levels and deter them from becoming camp boys, education should be made accessible and free.
- x) The governments of Nigeria and Benin should meet at a round table to discuss and reach an agreement on problems affecting border management and security.
- xi) The state of the border should be updated, with an adequate fence, a proper border entrance, and signs indicating clearly where each country's boundary is.
- xii) To ensure that all of the member countries gain from the union, the ECOWAS treaty has to be updated to specify the measures that must be performed before crossing from one to the other.
- xiii) It is necessary to merge the security agencies so that decisions would be made by only one organization. This aims to prevent scenarios in which many agencies conduct similar tasks outside of a single chain of command.
- xiv) Today's border security operations should focus more on using e-surveillance than fencing, defining boundaries, and installing checkpoints.
- xv) Fluency in French should now be a requirement for law enforcement personnel operating in the Nigeria-Benin border region. This will improve communication, information exchange, and teamwork between them and their Benin counterparts. This also makes it possible for them to effectively communicate with Benin traders and immigrants who could pose a security concern to Nigeria.

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