

**ADUDE ONYOKOR VINCENT (2006-M033-10006)**

**Assessing the Contribution of Informal Cross-Border Trade to Household Poverty Reduction in Malaba Town Council, Tororo District.**

Informal Cross-Border Trade (ICBT) has become a source of livelihood for border communities both employed and unemployed amidst the difficult socio-economic conditions which have affected living standards of the people. This study has explored the contribution of ICBT to household poverty reduction. The overall objective of this research was to assess the contribution of informal cross-border trade (ICBT) to poverty reduction in Malaba Town Council, Tororo district. The specific objectives were: to explore the extent and nature of ICBT in Malaba town, to examine the derived socio-economic benefits from ICBT and to examine the challenges and constraints faced by informal cross-border traders. The data for this research were collected from people engaged in ICBT, the study of written records and review of literature, key informants and observation. The written documents on ICBT, and scholarly works provided the background knowledge and conceptualisation of the study. In the survey methods of data collection, we interviewed 25 informal cross-border traders. The established informal traders gave us important insights into their experiences with ICBT. The study established the existence of a robust ICBT in Malaba town. It also identified the need for sources of livelihood as the key motivation for ICBT. The majority of the informal cross-border traders lack wage employment. The social economic profiles of these traders are not important in this business enterprise. The traders' levels of formal education do not determine the nature of cross-border trade. The study demonstrates that the sources of funding for launching and, sustaining cross-border trade are usually drawn from the personal and family savings. A small number of these traders apply and qualify for loans from financial institutions. Given the fact that family savings are meagre, the ICBTs import small quantities of goods. They transport their merchandise by public transport such as buses or coaches and/or on foot. The traders, most importantly, import essential and scarce commodities into their countries. Because the traders need income, they import goods that sell quickly in the markets and bring money quickly. The study has shown that the ICBT is a safety net for the unemployed people in border towns like Malaba. The trade provides sources of income to people without wage employment. More importantly, ICBT promotes entrepreneurship skills of people without formal education. The ICBT has a potential of transforming the traders into formal businessmen and women. The study has implications for those who view ICBT as merely a survival mechanism and strategy. The ICBT activities are significant and contribute immensely to household welfare. The study recommends the designing of appropriate policies to guide traders involved in ICBT which would impact positively on the local food security situation, attract investments in agro-processing, develop markets and transport infrastructure which could greatly contribute to poverty reduction.

**Key Words: Informal Cross-Border Trade, Household Poverty, Reduction Council, Tororo District.**