



Mitigating Security Risks to Africa's Informal Cross Border Trade through e-Commerce:

Issues, Challenges and Prospects

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Abstract

Africa's borderland regions are not only innovation centres but also contested spaces. The *dramatis personae* that contest these spaces with legitimate security forces include non-state insurgents involved in transnational organized crimes and violent extremism. Security challenges at the borders have led to the criminalization of informal cross-border trade and have imposed a challenging business environment that undermines ease of doing business, losses due to the activities of bandits, violent extremists and insurgents, and increased transaction costs to traders. Borderland traders have devised layers of creative approaches to remain in business, despite the hostile security environments. This paper interrogates recent innovative attempts to improve business processes and outcomes for informal traders in Africa's border regions. Through secondary academic and policy literature, as well as UNDP's Africa Borderlands Centre's (ABC) immersion and programme implementation in select borderlands, the paper provides an insight into promising practices. The UNDP's approach shows that e-commerce has the potential to mitigate security risks by facilitating secured payment, improving transparency and integrity, and ensuring less physical travel by borderland MSME businesspersons. It also showcases e-commerce's potential to improve safety for female traders, provide insurance services for transported goods, and increase efficiency and profitability for traders.

I. Introduction: ICBT and the Changing Security Landscape in Africa's Borderlands

In the context of UNDP's Africa Borderlands Centre (ABC), borderlands are defined as areas with unique socio-economic features, always differentiated from the geographic centres, where the influence of the border on the socio-cultural life of the people is discernible. They are usually located approximately 30 kilometres from an international border. Still, there are exceptions to the 30 kilometres coverage for communities with unique geospatial features that necessitate the extension to not more than 100kilometers, for example, in the Sahara/Sahelian regions. The UNDP's approach acknowledges the borderlands as arteries of trade and transhumance corridors rather than mere administrative divisions.

ICBT, which in our context refers to "trade in legitimately produced goods and services, which escapes regulatory framework set by the government, as such avoiding certain tax and regulatory burdens" (Lesser and Moise-Leeman, 2009). It is a significant driver of the borderlands economy, and it contributes significantly to livelihoods, jobs, youth and women empowerment in regions with limited socio-economic opportunities. Though data is inaccurate due to the absence of standardized methodology, ICBT is estimated to account for up to 90 per cent of official trade flows in some countries in Africa and contribute to 30–40 per cent of total trade within the Southern African Development Community and about 40 per cent of trade in the Common Market for Eastern and Southern Africa (UNCTAD, 2021).

Women and young people make major contributions to trade in most countries in Africa, through their involvement in the production of tradable goods, as cross-border traders, small-scale producers, home-based entrepreneurs, usually in the areas of handicrafts, garments and food, in the services sector, primarily as informal and casual workers, and as managers and owners of firms involved in trade (UNCTAD, 2021). In the SADC region, women constitute 70% of ICB traders, while in West and Central Africa, they are about 60% (Lesser and Moise-Leeman, 2009). Afrika and Ajumbo (2012) observe that traders who engage in ICBT as a source of income and economic activity can be formally registered firms evading regulations and taxes or aiming to avoid border crossing posts. These traders are generally not bankable, nor do they have assets that Banks would accept as collateral. Most traders have no education and raise capital from their resources or through loans from friends and relatives. The value of goods per trader typically ranges between USD50 and USD1,000.

Insecurity is one of the major factors that fuel ICBT. Due to impunity, absence of law enforcement and regulatory agencies, bribery, alleged harassment by security forces, multiple non-state actors' taxes, and SGBV in the borderlands, traders are often forced to resort to measures to avoid taxes, business registration and the use of official border routes. Additional drivers of ICBT include poor business infrastructure, inadequate financial capacity of traders, poor cross-border trade facilitation regime, limited market information, and limited entrepreneurial capacity.

Africa's borders are generally porous and under poor control. In conflict-affected borderland regions with weak state presence, the borderlands become facilitators of crime due to a lack of access to justice and the rule of law. Okumu (2011) observed that only 25% of Africa's 109 international boundaries, covering approximately 28,000 miles, are policed. In addition, only an estimated 414 cross-border roads (among which 69 have no border posts) and 20 railways service approximately 28,000 miles of terrestrial borders in Africa (Okumu, Ibid). State presence is often restricted to official border posts and not the vast majority of the remote borderlands.

In many cases, within non-conflict affected borders, police, justice sector players, paramedics, and other essential service providers are insufficient. This provides the almost perfect attraction to illicit businesses, which provide sources of livelihood and economic opportunities to the people. The attempt by the state to dismantle the illicit economy often produces a victim complex that fuels cyclical grievances.

The Danish Demining Group (DDG) points out that borders are crucial in terrorism and security dynamics concerning insurgent movements; trafficking of arms, drugs and people; and smuggling. Though myriads

of security challenges shape socio-economic dynamics within the borders, the most critical are transnational organized crimes, such as human trafficking, drug trafficking, small arms and light weapons trafficking, and money laundering. While extremist groups such as al-Shabaab, Boko Haram and al-Qaeda in the Islamic Maghreb may or may not target border areas as such, low state presence, a lack of interstate cooperation and frequent marginalization of cross-border ethnic groups do comprise environments where their operational capacity can strengthen (DDG, 2017). In West Africa and the Sahel, the key factors that have heightened insecurity include rapidly changing irregular migration, high level of youth unemployment, population growth, climate change, natural resource depletion, land scarcity, declining real incomes, and public sector cutbacks in response to structural adjustment programmes have increased irregular migration across the borders (Aniche et al., 2021).

In mapping border conflicts in North and West Africa, the Sahel West Africa Club (OECD/ SWAC: 2022) developed a Spatial Conflict Dynamics Indicator (SCDi) to identify major clusters of violent activities and their life cycles. The tool was utilized to examine whether borderlands are more violent than other regions, how the intensity of violence has changed over time in such regions, and which borderlands are the most violent. The study found that borderlands, specifically those in the North and West African regions, have experienced serious conflicts that have worsened their security.

The main conflict actors identified include state forces, rebels, political militias, identity militias, rioters and protesters, civilians, and external forces. The types of conflict include three categories. 'Battles' are defined as violent activities between state and non-state actors involving at least two armed and organized actors. In the second category are 'explosions and remote violence', which correspond to "one-sided violent events in which the tool for engaging in conflict creates asymmetry by taking away the ability of the target to respond. These acts of violence are usually carried out using bombs, grenades, improvised explosive devices (IEDs), artillery fire or shelling, missile attacks, heavy machine gun fire, air or drone strikes, or chemical weapons. The third is 'violence against civilians', which includes violent events where an organized armed group deliberately inflicts violence upon unarmed non-combatants. The perpetrators of such acts include state forces and their affiliates, rebels, militias, and external/other forces".

An important category of actors in the borderlands is the smuggler. Smugglers mainly deal in specific goods for home consumption (textiles, flour, vegetable oil, coffee, tea, agricultural goods and home appliances); cash; fuel and cigarettes are commonly the most heavily-taxed goods smuggled by these traders. They do not often trade in high-value goods like gold, or goods subject to special restrictions like weapons or drugs. Smugglers may have means of transport (donkeys, pick-up vehicles) that allow them some flexibility to cross borders and bypass the control of customs (Cantens and Raballand, 2017).

Overall, insecurity increases the risk profile of most borderlands, making it difficult for public and private sector investments in road transport, energy infrastructure power, information communications technology services, mobile phone coverage and internet connectivity.

II. Borderlands Insecurity and Impact on ICBT

The impact of security challenges in the borderlands on ICBT is often complex, demonstrating the resilience of traders, forcing negotiation with multiple actors, and leading to both intended and unintended consequences.

Smuggling represents a major consequence of insecurity to ICBT. Case studies of border security situations conducted across Libya, Mali, Chad, Central Africa Republic and Sudan border frontiers reveals that local population livelihoods are strongly dependent on smuggling in essential commodities and in almost all the cases, smugglers have built some forms of relationships with local non-state militias. Several measures taken, including the partial or full closure of border posts, prohibition of certain means of transportation, and raiding destination markets, have proven ineffective. However, Cantens and Raballand (2017) observed that many security solutions applied at fragile borders have unintended consequences. Security solutions usually do not distinguish between the type of flows crossing the border (legal or illegal trade and migration flows).

In many cases, state security forces assume connections between all flows (terrorists, smugglers, drug traffickers, hauliers, migrants, etc.) and apply the same force to all flows. However, there is often no clear evidence of structural links between, for instance, terrorists and smugglers or jihadists and drug traffickers. The indiscriminate use of force may worsen the relationship between local communities living in borderlands and civil servants or soldiers, who require the support of these local communities to adapt the rules to local circumstances, collect intelligence and help enforce security measures (Ibid).

Distortion in revenue generation, leakages and financing of illicit activities have been parts of the consequences of insecurity to ICBT. In some Sahelian countries, customs and police officials were relocated further away from the actual border posts due to increased threats from the AQIM terrorist group and other local militias. This deprives the state of adequate capacity to collect revenue and thus reinforces the agencies of non-state armed groups to occupy the governance space. Conversely, in some other border regions (for instance, Libya after the fall of Muammar Quadafi), the imposition of a 'no-fly' zone over Libya increased revenue flow from goods smuggled from the Gulf of Guinea but also gave rise to the transfer of illicit weapons (Catens and Raballand, 2016) This factor, coupled with the 'unsustainability' of the economies of the margins, also leads to the governments' maintaining a somewhat ambivalent position on curbing revenue leakages (Ibid). Additional factors that facilitate illicit financial activities include the lack of presence by the financial service sector, opaque revenue collection systems, and a lack of political will to provide a transparent and accountable local governance system.

Economic losses to ICB traders due to security-related border closures has a critical impact on sustainable livelihoods in the borderlands. In 2019, Nigeria, Kenya, Rwanda, and Sudan closed their borders with their neighbours, citing security concerns related to terrorism and trafficking and the movement of rebels and insurgent groups. These closures lasted from 16 to 26 months, and became complicated with the massive continent-wide border closure in the aftermath of the COVID-19 pandemic. Despite limited state capacity to prevent cross-border movements during border closure, evidence abounds on how they have had a devastating effect on millions who depend on ICBT for their income, including pastoralists (ACCORD,2020). For instance, in the Horn of Africa, IGAD (2020) describes how trading activities had been halted along the tri-border area of the Manderia Triangle. ICBT between Somalia and Kenya, due to Kenya's attempts to stop the spillover of insecurity from Somalia. Similarly, trade between Ethiopia and Somalia has been slowed numerous times due to conflict and increased confiscation of trade goods by government officials.

Impunity, corruption and exploitation represent the most common effects of insecurity on ICBT. In an interview conducted by UNCTAD with Gladys Ngwenyama, a 38-year old cross-border trader in Zambia, on the absence of security on the informal routes, Ms. Ngwenyama remembers occasions when customs border patrols confiscated her goods. On one occasion, security forces seized her merchandise worth 20,000 kwacha (approximately US\$1,060). On another occasion, while using the Zalewa route, she was caught by the patrol and had to pay a fine of 15,000 kwacha (approximately US\$940) to cross the border, an amount equivalent to the value of the goods she was carrying. She did not receive any receipt proving the payment of the fine or its fairness, and she could not complain to anyone since her business was informal. Ms. Ngwenyama also said she would pay bribes equivalent to 5,000 kwacha (approximately US\$300) to carry out her business (UNCTAD, 2022).

III. E-Commerce as Mitigator of Security Risks: Enablers and Trends

Borderlands are centres of commerce, and despite multiple challenges, stakeholders have continued to devise innovative measures to build resilience. As a result of the complex conflict and security challenges, individuals and groups involved in ICBT have developed and honed some novel business practices and innovations such as informal credit networks, money transfer systems, contextual systems of foreign exchange arbitrage, capital transfers to finance imports, and also a system of informal brokers (LPI, 2017).

The rise in the use of Information and Communication Technology (ICT) to promote commerce in Africa has been characterized by the fact that the continent has the youngest and fastest growing population in

the world. It has also recorded an incremental increase in internet penetration due to the rising increase in the number of users of smartphones, and it has gradually embraced mobile e-commerce and digital payments. E-commerce help businesses reach a global market, usually across borders, and buyers can source their needed products from markets order than from national borders. Some of the typologies/ models of e-commerce include: business-to-business; business-to-consumer; consumer-to-consumer; consumer-to-business; business-to-administration; and consumer-to-administration. Women own between one-third (in Cote d'Ivoire) and just over half (in Nigeria and Kenya) of companies on Jumia, which is the biggest online marketplace in Africa (Roscoe and Kabugi, 2022).

UNCTAD (2021) elaborated on various technology-enabled and innovative approaches to understanding and assessing ICBT. This usually entails deploying electronic devices such as Global Positioning Systems (GPS), mobile telephones, online tools, platforms, payment services, satellite imageries, and digital sensors to generate evidence capable of supporting the implementation of development initiatives. Conciliation Resources (2017) describes how **spatial technology** has been innovatively employed to explore hard-to-reach areas such as borderlands. Examples included using geographic information system (GIS) mapping to track refugee boats sunk during rescue operations off European maritime borders; the use of 'memory modelling' to recreate (often inaccessible) space through human testimony and memory. In Nigeria's northeastern borderlands, quantitative and qualitative data have been integrated to map spatial patterns of violence perpetrated by Boko Haram, and to track how these shift over time (Ibid).

Artificial intelligence enables predictive analytics by capturing demographic characteristics, spending patterns, needs and trade trends for targeted persons, entities or institutions. **Mobile data collection** enables the development of new market opportunities for businesses. For example, Sauti East Africa established the mobile telephone-based Trade and Market Information Platform in 2017 to address the digital information gap facing cross-border traders, especially women traders, across East Africa. Ipsos Nigeria, a market research firm, has been piloting innovative data collection tools for monitoring small-scale cross-border trade in West Africa. Specifically, Ipsos analyzed cellular phone data to understand the duration and frequency of trade and to differentiate modes of transport in the subregion, including whether the trader travelled on foot or by vehicle by measuring the speed of travel along the trade corridors. Data collection through mobile telephones may offer particular advantages compared to traditional survey and data collection efforts, yet such efforts are not without caveats. Potential caveats include sampling bias, which could arise when only a fraction of the population has access to mobile telephones, and the subpopulation concerned does not have the same characteristics or behaviours as the population of interest (UNCTAD, 2021: Ibid).

Satellite imaging has been used to identify the market size, including the volume of trade in city markets, the total number of covered and uncovered stalls, traffic along trade corridors, such as the total number of trucks and cars present, and the security situation through street lighting and remote sensing. In the context of the Trade Facilitation West Africa programme, Ipsos Nigeria used satellite imagery to assess trade activity at border crossings in West Africa.

The use of ICT has increased the growth of MSMEs as businesses that adopt technology usually outperform those that do not adopt such technology because of the catalytic effect of e-commerce on business skills. Collectively, e-commerce provides a pathway for the formalization of businesses engaged in cross-border trade by ensuring that they are registered, take advantage of the financial incentives available from the Government and the private sector, and attract capital from the financial services sector. In addition, insurance schemes within the e-commerce platforms prevent economic losses to traders through theft, damages and exploitation by armed forces in unsecured borders.

IV. UNDP's Approach to Addressing Challenges of E-Commerce in the Borderlands

Digitization has proven to mitigate the impact of insecurity on businesses. In a context of the dynamic security situation, like in parts of Somalia, where the use of mobile money to transfer incoming international remittances domestically reflects the strong links between mobile network operators and money transfer businesses. The prevalence of mobile money usage, for instance, is about 73%, compared to the 15% of the population who have accounts with formal banks. Therefore, mobile money services have offered informal cross-border traders substantial control over their financial transactions and management system. And (Firestone, et al. 2017).

UNDP's Africa Borderlands Centre recognizes the importance of technology to ICBT. As women dominate ICBT and are most often vulnerable to security risks along the border, technology provides a more efficient and convenient way to conduct business. This ensures that ICBT is grown beyond the perceptions of being marginal and illegal. Technology also ensures that small traders can reduce harassment, bribery and corruption, and misinformation on border procedures and regulations. Given the opportunities digitalization provides to ensure business continuity and growth in remote borderlands, UNDP has invested in programmatic engagements that enhance the competitiveness of ICBT players. These interventions have contributed significantly to mitigating the risks posed by insecurity in the borderlands

A major area of intervention the facilitation of increased **mobile phone penetration and digital literacy**. This is based on the fact that despite increasing mobile telephone subscriptions, mobile services penetration reached only 45 per cent of sub-Saharan Africa's population in 2019. There was also a considerable mobile telephone gender gap of 13 per cent in 2019. Making population-level inferences is complicated by differential ownership of mobile telephones among demographic groups involved in informal cross-border trade (UNCTAD, 2021, Op. Cit). The shares of mobile connections in Africa using 4G technology is forecast to rise from 5% in 2019 to 21% in 2025 (Igue, et al. 2021). ABC's investment in mobile phone penetration includes the provision of mobile telephone infrastructures like V-Sat and masts and mobile devices to vulnerable and poor households, headed mainly by women, with smartphones to conduct their businesses. These interventions are usually targeted at remote locations with promising prospects for cross-border trade but with severe insecurity that makes it difficult to transact business.

Increased capacity to improve mobile phone use in far-flung areas has contributed to business transactions, notwithstanding security concerns. In Warawar, South Sudan-Sudan border region, technical support for mobile phone penetration is being implemented with M'Gurush Service Provider to ensure access to communications services for ICB traders who needs to communicate with suppliers and clients. In addition, the support also helps ICBT practitioners mitigate the risks of theft, bandit and militia attacks and enhance seamless mobile money transfer to transact their businesses. In parts of Menaka in Northern Mali, the ABC provides hardware such as V-Sat and masts to enable informal traders in small ruminants, cattle and milk, who were displaced from the border regions of Burkina Faso and Mali by conflict and climate change, to connect to customers and make payments through mobile money transfer services. In all cases, the project provides mobile devices and digital literacy for beneficiaries using such facilities.

Although cash is still mainly used for business transactions in the borderlands, it is costly and exposes traders to security risks in border areas known hitherto security-challenged. Therefore, **increasing digital payment platforms and solutions** is another way the ABC has supported persons engaged in ICBT. E-payment platforms in Africa have grown in leaps and bounds. In 2020, Africa's e-payments industry, across domestic and cross-border payments, generated approximately \$24 billion in revenues, of which about \$15 billion was domestic electronic payments. The domestic electronic payments revenue of \$15 billion was generated from 47 billion individual transactions totalling just over \$800 billion of transaction values. This represents only between 5 and 7% of all transactions made during the period, which shows the continent's huge market potential, which is expected to grow by 152% between 2020 and 2025 (McKinsey, 2022). UNDP recognizes that payment platforms do more than payment facilitation. They provide opportunities

to digitalize the traditional but effective Village Savings and Loans Associations (VSLA). They also introduce transparency into the savings process in a manner that assures of capital injection from the financial service sector. They increase the security of money saved and enhance cashless trans-border transactions.

In the border regions of Victoria Falls and Livingstone (Zimbabwe-Zambia) the UNDP has collaborated with a private sector technology solutions provider to develop a Village-Savers Web Application which allows for the migration of small and rural VSLA to a digital platform. The platform provides e-payment solutions and savings to informal cross-border traders. The initiative enhanced the book-keeping capabilities of the VSLAs, improved efficiency and effectiveness in business transactions and reduced the risk exposure of the beneficiaries.

The positive results generated in the initial investments in this border region have led to the development of an expanded package to incrementally facilitate an overarching **Digital Financial Inclusion (DFI)** for women and youths engaged in ICBT in the borderlands. The aim is to provide efficient and cost-saving digital means to serve currently excluded and underserved traders with affordable financial services suited to their needs. UNDP's DFI package aims to facilitate four solutions: improved saving culture, in-country cashless payment solutions, credit support to vulnerable businesses and seamless cross-border cashless payments. It features a partnership with private fintech companies to enlist their technology for the services of the most vulnerable and UNDP's specific support in providing learning and design, customer acquisition, technology integration and iteration, and tailored entrepreneurship development.

Supply chain disruption is a major consequence of insecurity in the borderlands. In cases where border closure measures have been implemented due to insecurity, it has been difficult for informal traders to conduct their businesses efficiently. Even in situations of restricted trading, security risks make it expensive, highly risky and, at times, unprofitable for the traders to cross the border to sell their goods physically. Therefore, the **facilitation of e-logistics** represents a critical area of investment by ABC. The realization of geometric growth in opportunities for increased e-commerce in Africa provides the impetus to position informal cross-border traders to maximize the market potential in this sector for ICB traders. The sector's value, currently at USD25,000,000 is expected to double by 2025. In addition, the completion of ongoing cross-border road infrastructure on the trade corridors is expected to improve infrastructure that could facilitate such logistics management.

The ABC partnered with Thumeza- a technology start-up company in Zimbabwe, to provide logistics support to traders engaged in cross-border trade. The partnership's objective was to reduce cases of thefts, harassment, losses and damages occasioned by physically crossing the borders, and to improve business continuity and profitability, despite insecurity and other challenges. The interventions led to the training of traders, familiarization with the web application and enlisting of traders on the platform on an experimental basis. At the beginning of the project, almost 56% of the 88 participants mapped at the baselines level reported having their goods stolen; the percentage dropped slightly at end-of-experiment to 43.6% after six months.

Improving the value-chain capabilities of borderlands communities is critical to the competitiveness of their economies. However, when raw materials are turned into semi or fully-processed products, the challenge of finding destination markets may undermine the economic gains of the small businesses, as they have to contend with several structural barriers. **Digital marketing**, therefore, enables informal traders to promote their brands, obtain market information which is helpful in better targeting customers interested in buying their products, and get feedback on how to improve their products. The ABC has provided specific support to borderland agropastoralists displaced from the core Liptako Gourma borderland and engaged in milk-bulking with the development of a digital marketing platform. The platform complements value chain development, which led to the preservation, processing and packaging of milk for consumption. The digital marketing platform is connected to a network of logistics service providers and offtake clients, who then sell the products to consumers in urban centres. The digital facility attracts a ready market for borderland traders and mitigates the risks of one-on-one product marketing in a volatile security environment.

V. Prospects of E-Commerce for Informal Cross-Border Trade in Africa's Borderlands

For ICBT to thrive in security-challenged borderlands, several conditions are required to be mainstreamed. They fall broadly in the following categories:

Legal and policy coherence is critical to growing the potential of e-commerce in promoting informal cross-border trade. The AfCFTA is focused on eliminating non-tariff barriers to intra-Africa trade by providing coherence across areas such as infrastructure development, trade finance, trade information and logistics services. The creation of "one-African market" relies heavily on harmonizing policies and measures order rather than tariffs. Most African countries do not have legal and policy frameworks to regulate e-commerce. The consequences are high taxation of digital contents, high cost of licences which are then passed on to consumers, and lack of interoperability among technology service providers across borders, which makes it difficult to implement trans-border trade. However, many ICBT traders are still using cash because, often, once they switch to digital, the Governments always find means to increase taxes. Excessive taxation is a disincentive for digitization by ICB traders. Investment in policy advocacy through the African Central Banks Association, and respective experts and knowledge networks, is critical to improving the business environment for e-commerce.

Cybersecurity issue is a major drawback to e-commerce in the borderlands. Okumu (2011) states that crimes are committed without crossing borders, and vast goods are sold through cyberspace. The internet has not only made it more challenging to manage borders and combat cross-border crimes. Still, it has also effectively dismantled borders by allowing imports without going through customs. About 80% of Africans' personal computers are believed to be affected by viruses and other malware. At the same time, some of the major centres of cross-border trade are ranked in the top 10 in cybercrime worldwide (CFAO and ICE, cited in Igue, et al. Op. Cit). Evidence shows that countries with a reasonable degree of control over cybersecurity issues tend to demonstrate more advancement in e-commerce. African governments' reluctance to ease business transactions in the digital space is primarily informed by poor cybersecurity capabilities and fear of increased economic and financial crime. In this regard, regional organizations and member-states of the AU have a role in easing and improving security for ICBT practitioners to mitigate against needless losses.

Logistics and infrastructure represent essential areas of challenge to e-commerce in the borderlands. Compared to the "centres," most African borderlands lack basic amenities and services like healthcare, electricity, roads, storage facilities, agricultural extension services, etc. Due to these factors, there is a high cost of doing business and significant risk, which the traders are unable to indemnify service providers against. In most border areas, technology start-ups have had to beat a retreat based on difficulties in making a profit, as a result of infrastructure deficits. While development organizations and credit institutions, led by the RECs, the World Bank and AfDB have invested reasonably in borderlands logistics, there is significant gap. Investment in digital infrastructure to increase internet penetration is also key to enhancing the role of e-commerce for poor ICBT stakeholders in far-flung and remote locations.

Identity management is at the root of several e-commerce challenges for informal cross-border traders. Many ICBT practitioners do not have a national identity, and identification with more than one nationality persists in some borderlands, thus creating a dilemma for governments. In this regard, it becomes difficult for prospective investors to know their customers. In some African countries, there are no central identity management structures. As such, it becomes difficult for the governments to open up the sector to actualize its full potential. Investments in national identity management and registration in the borderlands are critical to improving the confidence of the Government, private sector investors, and the financial service sector to enhance their investment in e-commerce within the borderlands.

VI. Conclusion

Most responses to the security dilemma in many African borderlands have been focused on a simplified diagnosis, developing increasingly stringent state interventions as appropriate and effective responses to security challenges, and emphasizing securitizing or closing the border (Conciliation Resources, 2017, Op. Cit). These types of responses stifle community resilience and undermine economic integration. Despite this, most analysts believe that security challenges in the borderlands remain unabated, thus providing a problematic climate to do business.

E-commerce is one of the emergent means through which people conduct businesses amid multiple security challenges. The borderland people are not waiting on the Government to provide payment solutions; instead, they are buying into opportunities provided by digital financial inclusion measures to do business. The efforts of the ICBT stakeholders aligned with the AfCFTA, which envisages a borderless Africa, where national laws and regulations less encumber trading.

The evidence is growing that e-commerce provides a win-win for all parties engaged in trade. The more a borderland digitizes, the more the economy becomes formalized and open to more investors, and the more inclusive development and regional integration goals are achieved.

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