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BEYOND THE FORMAL: CROSS-BORDER TRADING AND ECONOMIC ENFRANCHISEMENT FOR PEACE IN AFRICA

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Summary

African regional integration often treats informal cross-border traders as compliance problems or incomplete formal businesses. This essay proposes an alternative: the NIEP model (Normalisation, Integration, Economic Enfranchisement, and Peace and Security). Through simplified procedures, trader representation, proportionate enforcement, and accountable border governance, NIEP could create pathways from informal participation to deeper regional integration without making full formalisation an immediate precondition that may result in disenfranchisement. Namibia offers a practical setting in which to pilot and evaluate this model. By linking everyday border commerce to inclusive institutions, the framework could strengthen livelihoods, regulatory visibility, and the conditions conducive to regional peace.

Background

Regional integration in Africa has advanced significantly over the past 20 years. For example, the African Continental Free Trade Area (AfCFTA) is a key institutional initiative intended to reduce barriers to intra-African trade and build a more integrated market across the continent. At the regional level, institutions such as the Southern African Development Community (SADC) have established frameworks to streamline trade processes, reduce transaction costs, and facilitate the cross-border flow of goods. These advancements mark an important shift in African regional integration, moving from a focus on the necessity of inter-country trade to strategies that let economic participants engage in everyday cross-border market activities and access the benefits of integration.

A major hurdle is that the formal structure of regional integration often does not align with the economic realities of African borders. Much cross-border economic exchange happens through small-scale transactions by merchants who may lack full registration, may not have all paperwork required by formal trade systems, or may operate outside state-recognised business structures. These activities are often framed as informal cross-border trade and often conflated with illegitimate/illicit business. Associating informality with illegitimacy presents a significant conceptual and policy dilemma. While informal and illicit activities are interlinked and both can be non-compliant with regulations, they are different. An unregistered trader, or one facing challenges in securing formal paperwork, does not inherently indicate an illicit venture.

This distinction matters in Africa, where informal economic activities are closely tied to local livelihoods and social relational networks. Empirical studies on entrepreneurship in the informal sector show that informality can include economically feasible and socially acceptable businesses, even when they operate outside formal institutional frameworks (Webb et al., 2009; Webb et al., 2013). Similarly, studies of informal cross-border trade show that merchants use market connections, social networks, and alternative institutional systems to navigate obstacles posed

by formal structures in small-scale transactions (Kahiya & Kadirov, 2020). Thus, informality is more than deliberately evading formal regulation; it may also reflect how costs and institutional requirements constitute real-world obstacles to engaging or entering formal markets.

Formalisation remains important because registration, taxation, standards, documentation, and legal recognition can expand access to markets, finance, social protection, and public services. Yet these processes can impose costs that exceed small-scale traders' administrative and financial capacity, encouraging continued informality (Ulyssea, 2018, 2020). The central policy question, therefore, is not whether to abandon formalisation, but whether it must always precede recognition and participation. If regional integration aims to widen legitimate market access, proportionate recognition and simplified participation may need to come before full formalisation.

Therefore, this essay develops normalisation as an adjunct to formalisation. Here, normalisation means recognising, differentiating, facilitating, organising, protecting, and progressively integrating legitimate informal economic activities into regional markets and institutions. This is not suggesting that policymakers should abandon formalisation, taxation, and regulatory compliance. Rather, it suggests that policymakers can gradually and proportionately regulate legitimate informal economic activities while keeping pathways to greater formal engagement accessible. This builds on the idea of normalisation in African entrepreneurship: targeting informal economic activities should consider the prevailing social, cultural, and institutional networks that shape a given society.

This essay develops the NIEP model: Normalisation, Integration, Economic Enfranchisement, and Peace and Security. It examines how normalising legitimate informal cross-border trade could complement SADC and AfCFTA trade-facilitation frameworks, widen participation in regional markets, and create conditions conducive to peace and security. The essay does not claim that normalisation directly produces peace or socioeconomic welfare; instead, it identifies plausible institutional links among inclusive trade governance, economic participation, and regional stability.

The proposition is that African regional integration could improve when legitimate informal economic merchants are not seen merely as actors waiting to be formalised, but as economic merchants whose engagement can be acknowledged, fostered, and gradually integrated into wider regional institutions.

Informality, Informal Cross-Border Trade and Regional Integration

The economic and institutional landscape of informality

Informality is not a homogeneous occurrence. It comprises businesses, employees, and merchants operating with varying levels of registration, regulatory oversight, and institutional recognition. Some operate exclusively outside established formal systems, while others are somewhat assimilated into those systems. Consequently, this heterogeneity makes it difficult to view the informal economy as a single category.

Informal economic endeavours should not be associated with illegality, a distinction Webb et al.

(2009) strongly contest. Their contention is particularly pertinent to the current discourse, as it highlights the distinction between activities that are forbidden and those that are lawful, yet conducted outside formal institutional structures. This distinction is especially important when considering small-scale cross-border trade.

Kahiya and Kadirov (2020) characterise informal cross-border trade as an economic activity bolstered by complex networks and alternative institutional systems. Their study asserts that informal commerce should not be viewed solely through the lens of regulatory absence. Merchants create endogenous systems and social networks to coordinate transactions, manage risk, and build trust even when operating outside traditional market channels.

This does not mean all informal cross-border trade ignores customs, immigration, taxation, or product requirements. While some activities may involve deliberate duty evasion, others may involve genuinely illegal goods and criminal trade networks. Therefore, the key analytical imperative is to distinguish between these groups rather than treating them as a homogeneous phenomenon, hence the distinction:

a. *Informal activity*: Economic activities occurring outside formal registration, documentation, and state regulatory arrangements.
b. *Non-adherence activity*: commercial activities that violate or fail to meet administrative, tax, customs, or regulatory standards.
c. *Illicit activity*: activities involving goods, services, or networks that are prohibited or criminal under the law.

Although these three groups intersect in practice, they are conceptually distinct. This distinction underpins the normalisation model this paper proposes.

African commerce: historical integration

African informal cross-border commerce should be examined in the context of its long trade history. Before colonial boundaries were established, extensive long-distance and regional trade networks connected many communities and markets. Historically, African entrepreneurship often relied on social relationships, traditional practices, trust-based networks, and communal institutions to support commercial transactions. This context aligns with David's (2023) normalisation argument, which highlights this institutional integration by drawing on historical African trading systems such as the Wangara trade networks.

This history is not relevant to replicating precolonial commercial structures in modern economies. Modern states function within distinct legal, fiscal, and international systems. Instead, historical evidence shows that African trade has not consistently relied on the formal institutional structures established by modern states. This matters for developing a modern regional integration framework because many cross-border merchants rely on informal institutions such as relational trust, family links, trader associations, and community-based networks. Thus, any regional trade policy that acknowledges only formally registered businesses may neglect organisations that facilitate cross-border economic transactions.

Why small-scale cross-border commerce continues to thrive

The cost of engagement in formal, regulated commerce often explains why informal trading persists. Formal trading may require business registration, customs documentation, standard compliance, certificates, tax processes, and other administrative obligations. These costs may be manageable for larger businesses but excessively burdensome for merchants handling small shipments.

SADC acknowledges this constraint in its Simplified Trade Regime (STR) framework. The STR framework notes that conventional import and export processes impose an unfair financial burden on small-scale cross-border merchants with limited financial and administrative capacity. This suggests that informality often responds to systemic costs rather than a deliberate avoidance of regulatory compliance. When the cost of compliance outweighs the anticipated benefits of formal engagement, merchants may turn to informal arrangements to sustain their livelihoods. This does not legitimise non-compliance; rather, it suggests that sustainable policy must address the systemic institutional factors that make compliance challenging.

Livelihoods and vulnerabilities

Many small-scale cross-border commerce activities support household livelihoods. Trading across many African border towns provides household income where employment opportunities are limited, with women and young people dominating certain types of small-scale businesses. However, patterns vary by country, traded goods, and specific border location. According to UNCTAD's (2019) publication on women in informal cross-border trading in Southern and Eastern Africa, merchants face a range of challenges, including administrative obstacles, border protocols, harassment, limited access to information, and poor infrastructure. These challenges could make cross-border commerce both economically significant and vulnerable. The systemic vulnerability of informal trading explains why normalisation cannot simply imply giving up on informal activity. A protective institutional framework must support regulatory recognition; without it, merchants risk becoming legally visible to enforcement authorities while remaining institutionally invisible when seeking information, dispute resolution, or protection from official abuse.

The formalisation viewpoint

There are many reasons to encourage formalisation. For example, La Porta and Shleifer (2014) highlighted the productivity and development differentials between informal and formal businesses, arguing that development entails expanding productive formal economic activities. Ulyssea (2018, 2020) also shows that informality significantly affects organisational behaviour, efficiency, taxation, and growth.

Rather than refuting these empirical findings, the normalisation argument asks whether formalisation should be regarded as the sole legitimate policy destination for all informal merchants at all levels of market engagement. This distinction matters in the context of regional integration. Regulatory adaptation often requires procedures: an informal merchant may need access to streamlined customs processes before gaining the administrative capacity to become a fully legal enterprise. Similarly, a trader association may offer collective organisation and information before individual enterprises register. Consequently, a simplified trade system may thus be conceptualised as a transitional bridge rather than merely as an alternative to formalisation.

The policy challenge can thus be reframed. Instead of arguing whether informal merchants should stay informal or become formal, policymakers might ask how to gradually incorporate legitimate informal economic activity into formal regional organisations while reducing unnecessary barriers to participation.

Rethinking Formalisation Towards Normalisation

From informal business to cross-border trade

The paper's proposed normalisation framework builds on David's (2023) work on African entrepreneurship. The research argues that traditional formalisation processes may neglect the historical, cultural and social contexts in which African informal businesses function. It recommends normalisation as a model for identifying, strengthening, and empowering existing institutions in formal economic commerce, such as cooperatives, peer networks, rotating credit arrangements, associations, and other kinds of collective organisation. Applying this notion to cross-border trading requires several modifications. Cross-border business includes customs, immigration, taxation, standards, border security, and international trade agreements. Normalisation cannot be defined solely as recognising informal activities. It should also include distinction, facilitation, and integration. Notably, Normalisation may lead to gradual integration and, where necessary, formalisation. This may not be a linear sequence at every stage since capacities and needs vary across different merchants, enterprises, and states.

Normalisation legitimises, differentiates, enables, coordinates, protects, and gradually integrates legitimate informal economic activity into regional markets and institutions, without requiring full traditional formalisation as a prerequisite for engagement, as illustrated in Table 1 below.

Table 1: Components of Normalisation

Normalisation	Legitimisation	Legitimisation involves granting legal recognition to merchants operating outside of traditional formal structures as economic actors as opposed to simply viewing them as compliance obstacles. This aligns with Scott (1998) concept of legibility, which explains how states attempt to simplify and standardise formal complex social systems to make them manageable and accessible to merchants. This process could take various forms, such as merchant recognition systems, trade-related information, associations, and simpler registration procedures. Legitimisation would increase institutional visibility while allowing authorities to distinguish genuine dealers from those engaging in unlawful operations. This does not grant exemption from regulation. Instead, it establishes the institutional framework for proportionate regulation
	Differentiation	Cross-border governance must differentiate between informal, non-compliant and illicit operations. This is critical because law enforcement measures focused on one type of "informal trading" can have unforeseen implications. A legal merchant transporting small shipment of goods without complete paperwork should not be treated in the same way as a criminal network trading in illicit commodities. Differentiation thus provides the foundation for appropriate enforcement measure. Minor procedural noncompliance may be dealt with by providing information, warnings, streamline process, or appropriate disciplinary measures, whereas real illicit merchants should be subjected to law enforcement.
	Enablement	This has to do with lowering superfluous transaction expenses while upholding acceptable regulatory restrictions. For example, the SADC Simplified Trade Regime serves as a significant institutional model, created in part to address the unfair treatment of small-scale merchants under traditional trade procedures. The implementation of the STR includes simplified procedures, product listing and description, certificates, and trade-related information systems. It is worth noting that the normalization argument does not call for the establishment of an entirely new trading regime. Rather, it inquires if existing processes may be implemented in a manner that takes into consideration the economic reality of small-scale traders
	Coordination	Informal traders often conduct their businesses through organised, and cooperative action of associations and social network. These intermediaries may serve as mediators between independent traders and state institutions. Notably, the SADC TSTR have expanded its implementation initiatives to include cross-border trader organisations, Joint Border Committees, and women/youth trader associations. This proves that trader engagement is more than just hypothetical possibility. Thus, this established regional trade enhancement systems provides interactive medium for trader association to interface with state agencies. Arguably, normalisation would improve this participation aspect.
	Protection	Participatory economic activities cannot be deemed inclusive if traders are subjected to unfair treatment, intimidation, corruption, or exploitation. This is not to be regarded as exempting merchants from reasonable law enforcement measures, rather, it entails developing transparent rules, readily available complaint methods, trustworthy information channels, and proper institutional accountability. The goal is to transform the border from an exclusively regulatory enforcement space into an economic institution that recognises both regulatory obligations and economic rights of informal actors.
	Distinction between formalisation, simplification, and normalisation	The concept of normalisation proposed here is analytically distinct from formalisation and simplification. Formalisation has to do with the legal, regulatory and administrative process of bringing economic activities and actors into a formal recognised framework while simplification is related with reducing the complex procedures and cost of doing business. In contrast, normalisation is broader; it's the governance interplay between formal state institution and legitimate informal business operators. While normalisation may facilitate formalisation, simplification could be instrumental to that transition process. Coordination and protection serve as additional element. The framework proposed here is not positioning normalisation against formalisation.

Border management through the lens of peace and security

Geographic borders are often seen mainly as security areas; however, African borders are also social, economic, and administrative spaces. People cross them to seek employment, conduct commerce, maintain family ties, and access markets. In this context, African border management extends beyond state security; it encompasses human safety and livelihoods.

The interplay between peace and security and informality

Although informal business and security are interconnected in a complex way, it is inaccurate to presume that informal trade produces insecurity. Such an assertion is both empirically difficult to substantiate and theoretically contentious, as informal trading encompasses numerous legitimate means of livelihood. This relationship is reciprocal. Ineffective governance, insecurity, high transaction costs, and limited access to institutions may push people toward informal options. At the same time, a poorly managed economic environment may expose vulnerabilities that criminal or illicit organisations can exploit. The result becomes more a governance issue than a direct causal link between insecurity and informality.

Livelihoods and economic insecurity

Regulations that make legitimate business overly challenging can directly affect livelihoods, especially for families who rely on small-scale trade. As a result, traders seek alternative survival options when traditional channels are prohibitively expensive or inaccessible. This creates a pattern represented in Figure 1 below:

Figure 1: How constraints produce vulnerability



Normalisation suggests an alternate path represented in Figure 2 below, which could produce better livelihood protection and legitimate border management:

Figure 2: Normalisation's alternative path



Security governance within Africa

Regional players within Africa are progressively acknowledging the links between cross-border trade and security governance. A good example is the IGAD/CEWARN policy model on the relationship between informal cross-border commerce and cross-border security governance.

The point is not to conclude that SADC is currently implementing the NIEP model; rather, it shows that security and economic aspects of cross-border commerce can be considered concurrently. The African Union has also linked greater involvement in the AfCFTA to opportunities for women, youth, and informal cross-border businesses. In addition, an AU youth consultation forum on the peace benefits of AfCFTA examined prospects for enhanced economic opportunities and the incorporation of informal cross-border businesses through streamlined trade processes to foster governance, social unity, and security. These should be interpreted as policy guidelines, not definitive evidence that trade facilitation inherently produces peace outcomes.

Benefits of peace vs conditions that foster peace

The underlying argument here is presented cautiously. Normalisation is not conceptualised as an approach that directly produces peace; however, it may help create conditions that promote peace and regional security through various intermediate processes.

These include:

- Enhanced access to legitimate means of subsistence.
- Improved organisational visibility.
- More reliable border management.
- Better coordination between merchants and regulatory authorities.
- Reduced incentive to avoid unnecessarily complicated processes.
- More involvement of women and youth in legitimate economic activities.
- Enhanced accessibility to complaint and conflict resolution processes.

The causal links between these variables remain an empirical question. Therefore, this paper suggests them as testable hypotheses for future study rather than established empirical conclusions.

SADC and AfCFTA: An Emerging Model for Inclusive Integration

These institutions can domesticate this normalisation; SADC and AfCFTA provide a strong foundation for this concept.

Integration framework within the SADC region

The SADC Regional Indicative Strategic Development Plan (RISDP) focuses on peace/security and good governance as preconditions for regional development. The three fundamental pillars are industrial development and market integration, regional infrastructural development, and human and social development. This distinction is central to the paper's argument because SADC is a development and growth architecture that assumes a formal co-evolution of economic integration and peace/security. 'Regional development/governance' discourse does not lack 'regionalist'

objectives, but it struggles to translate them into border-level agencies and into the reality of economic interaction.

The simplified trade regime

The SADC and COMESA STRs are beneficial initiatives that aim to alleviate the administrative burden on small-scale cross-border commerce. The idea behind the STRs is simple: traditional processes designed for large-scale business transactions might impose unnecessary expenses on small-scale businesses. Hence, the simplified process can improve access to regional trade agreements.

More recent SADC implementation initiatives reflect a continuous commitment to this issue. In 2026, SADC reported on workshops and implementation training for border officials, trade groups, other stakeholders, and women and youth trading organisations. It focuses on implementing streamlined protocols at key border crossings. This establishes a solid institutional foundation for normalisation.

Merchant involvement

Normalisation prioritises involvement. Recent TSTR implementation procedures involving merchant groups, joint Border Committees, and women and youth organisations highlight the potential for more inclusive border governance. This matters because those affected by trade rules have access to information policymakers do not readily have. This participation helps traders understand where processes cause delays, which paperwork is hard to obtain, and how border restrictions affect small consignments. Institutionalising this knowledge may strengthen policy implementation and increase trust between merchants and regulatory authorities.

The AfCFTA initiative

At the continental level, the AfCFTA offers a wider institutional model within which these advances can be implemented. Its trade-facilitation and customs-related regulation stress simplicity, standardisation of processes, and the facilitation of legitimate trade. The AfCFTA should not yet be characterised as having accepted the normalisation framework described in this paper. The argument is more modest: current AfCFTA principles and structures create institutional room for a normalisation-oriented strategy. This is vital for the originality of this paper. Normalisation is offered as a conceptual governance model that can supplement current continental and regional structures.

Women and youth

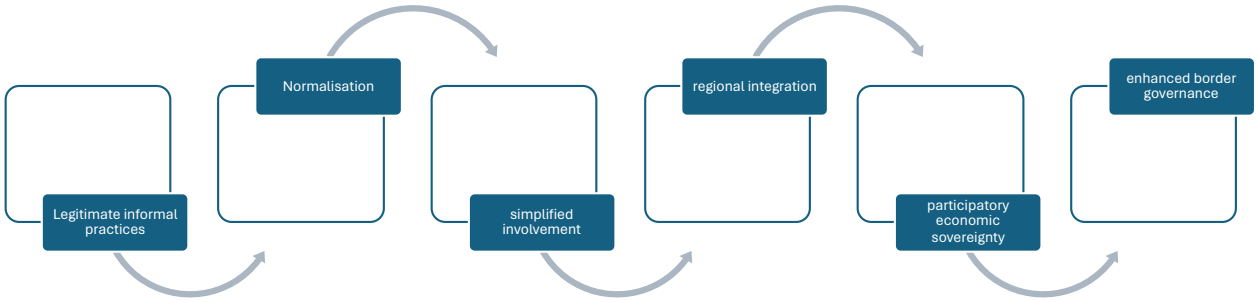
The AfCFTA's Women and Youth in Trade Protocol, signed in 2024, exemplifies the push towards more inclusive continental integration. AU-released studies explicitly analyse women's potential to engage in informal cross-border trade within the AfCFTA framework. These changes align with the premise that regional integration cannot be evaluated solely through aggregate trade figures. Key considerations include who was involved, who gains, and who encountered challenges. Normalisation might therefore complement the current inclusion strategies by concentrating on

the institutional framework through which small-scale informal businesses participate.

Additional conceptual gap

The current institutional structure includes essential elements such as simplified trade processes, trade facilitation, merchants' groups, women and youth engagement, customs cooperation, and regional integration. What remains less developed is the conceptual integration of these components. The main contribution of this paper is to connect:

Figure 3: NIEP Model



The NIEP model offers a one-stop approach to coordinating these relationships.

An illustrative case: Namibia

The NIEP model yields three testable propositions. First, simplified recognition and procedures should increase the proportion of legitimate small-scale trade visible to public institutions. Second, structured trader representation and accessible grievance mechanisms should improve compliance, accountability, and trust at border posts. Third, better institutional visibility should enable enforcement agencies to distinguish more accurately between procedural non-compliance and genuinely illicit activity.

Namibia offers a valuable setting for studying the proposed framework because its geographic position connects it to numerous Southern African markets, and it has officially begun collecting data on informal cross-border commerce. It borders Botswana, Zambia, South Africa, and Angola, with transportation links to wider regional markets. This makes border trading important to individual merchants and Namibia's border regional integration planning strategy.

Statistical evidence: Namibia Statistics Agency

According to the informal cross-border trade survey conducted by the Namibia Statistics Agency (NSA) in November 2023, approximately N$10.3 million was recorded in informal trade transactions across the selected border posts. 88.5 per cent is recorded as export revenue, while 11.5 per cent is recorded as import revenue. Oshikango accounted for 46.7 per cent of this trade, followed by Katima Mulilo at 28.1 per cent, Sarasungu at 17.8 per cent, and Omahenene at 7.3 per cent. These statistical figures should not be assumed to cover all informal cross-border commerce in Namibia, since they are based on survey reports covering specific periods. Nevertheless, the figures show that informal cross-border trade is significant enough to draw policymakers' attention.

The Zambia and Angola border

The survey identifies Angola and Zambia as major trading partners, but they correspond to distinct border corridors rather than a single Zambia–Angola border post. In November 2023, Angola accounted for 69.0 per cent of recorded exports and 94.4 per cent of imports, while Zambia accounted for 31.0 per cent of exports and 5.6 per cent of imports. These patterns make the Oshikango–Santa Clara corridor between Namibia and Angola, and the Katima Mulilo corridor between Namibia and Zambia, valuable settings for testing how normalisation might work in practice.

Gender patterns

Evidence from the NSA November 2023 report also shows why gender-sensitive data is significant. Male merchants accounted for approximately N$6.0 million in trade, while female merchants accounted for N$4.3 million. However, women accounted for 71.5 per cent of import demand. This does not mean women dominate all informal cross-border trade; rather, gender patterns vary by trade direction and composition. It further emphasises the importance of disaggregated information in policy formation.

Current Namibia policy landscape

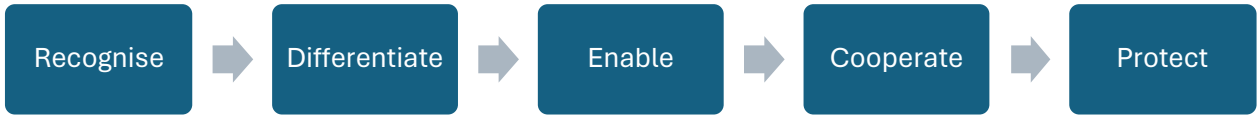
The proposed concept of normalisation could build on existing policy measures rather than operating independently of them. Namibia's strategic trade policy framework acknowledges the significance of MSMEs, enterprises owned by women and youth, and informal firms. It underscores the need to promote trade, improve logistics, strengthen regional value chains, and build an inclusive business ecosystem. The country also created trade-facilitation systems comprising border operations, one-stop border-post arrangements and simplified processes. These provide the institutional foundations on which a normalisation framework can be tested. The policy landscape thus indicates that the major problem is not developing an entirely new institutional system but making existing systems more accessible to legitimate small-scale merchants.

The NIEP Model: Proposed Pathways

The paper proposes NIEP, Normalisation, Integration, Economic Enfranchisement, peace/security, as a conceptual model for linking economic engagement to regional governance.

Normalisation

Figure 4: How to normalise



Recognition makes legitimate merchants visible to organisations, while differentiation distinguishes legitimate informal business from non-compliance and illicit businesses. Enablement also reduces unnecessary trading procedural bottlenecks, cooperation empowers trader associations and other

representative groups, and protection provides access to trade-related information, compliant processes, and accountable border management. This is not intended to eliminate informality straightaway completely but to build a structural relationship between economic actors and formal institutions.

Integration

Normalisation offers no benefit if it functions separately from regional markets. Therefore, the goal should be to establish pathways that gradually bring small-scale merchants into current regional and continental trade agreements. The potential pathway is:



Figure 5: How to integrate

This should not be interpreted as a compulsory linear sequence; rather, it shows how simplified trade systems could serve as a starting point for deeper regional economic engagement.

Economic enfranchisement

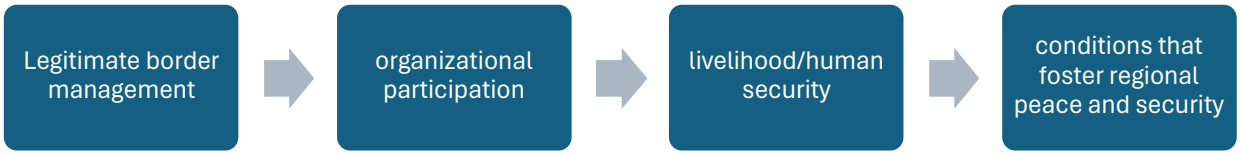
Economic enfranchisement asks who can shape, participate in, and benefit from regional economic integration. In this essay, it means the effective capacity of African states, regional organisations, and economic actors—including small-scale cross-border traders—to influence the rules of regional commerce, gain lawful access to regional markets, and share in the opportunities those markets create. The concept does not imply isolation or self-sufficiency; for small and open economies, it depends on the ability to negotiate, participate, and benefit within regional and international markets.

From this viewpoint, enfranchisement has nothing to do with economic isolation or self-sufficiency. However, in small and open economies, meaningful enfranchisement can include the ability to negotiate, engage, and profit in regional and international markets. This question includes small-scale merchants because their access to neighbouring markets affects household sustenance, local economies, and how gains from regional integration are distributed.

Peace and security

The model in Figure 6 below shows how this essay's nexus connects to peace and security in Africa. It does not claim that normalisation directly produces peace; rather, it highlights processes through which economic governance could contribute to conditions that foster greater security. The concept also recognises that security needs enforcement of appropriate laws. Legitimate economic engagement and effective enforcement are not contradictory.

Figure 6: How normalisation connects with peace and security



Targeted enforcement measures

Targeted enforcement measures are a multifaceted component of NIEP. The idea is to normalise legitimate businesses while enforcing appropriate laws against genuinely illicit businesses. This requires law enforcement agencies to distinguish between forms of economic activity rather than treating all informal businesses as a security issue. The normalisation concept could therefore improve intelligence, rather than weaken enforcement. If agencies recognise and document legitimate businesses through proper processes, they may have greater visibility into trade flows and a better ability to spot illicit trading. This proposition will need empirical testing before it can be treated as a verified result.

Conclusion

Institutional development in the region through SADC and the AfCFTA has been intense, profound and complex. Existing regional agreements do not necessarily mean that all economic players can become active competitors in regional markets. Even among small-scale cross-border traders, many face financial, institutional and administrative constraints that inhibit their formal participation.

The policy choice is not between formalisation and permanent informality. It is among distinct forms of activity: legitimate trade conducted outside formal systems; legitimate trade that fails to meet particular administrative or regulatory requirements; and deliberately illicit trade. Effective regional governance depends on preserving these distinctions because each category requires a different institutional response.

This notion of normalisation offers one way to operationalise the demarcation. Normalisation entails recognising legitimate informal economic actors; separating them from illicit activity; integrating them into the economy; reinforcing their organisations; protecting their 'legitimate' economic interests; and ultimately integrating them into regional markets and organisations.

Rather than replacing SADC or AfCFTA arrangements, NIEP builds on their existing instruments for simplified trade and trade facilitation. Its four components are Normalisation, Integration, Economic Enfranchisement, and Peace and Security. Normalisation creates proportionate pathways into recognised trade; integration connects those pathways to regional markets and institutions; economic enfranchisement widens traders' ability to participate in, and benefit from regional integration; and peace and security capture the governance conditions that may follow from greater livelihood security, institutional visibility, and more targeted enforcement.

The peace and security case must be prudent. Normalisation will not be promoted as the immediate causal driver of peace. It might, but it would foster a peace-friendly environment through greater

livelihood security, institutionalised visibility, more predictable border management and more interaction between economic operators and public institutions. Most importantly, normalisation should not dilute enforcement. Empower legitimate informal activities, enforce regulatory violations proportionately, and focus enforcement on truly criminal activities.

Namibia offers a convenient environment to test whether such a policy would work. Verifiable evidence of informal cross-border trade exists at several major Namibian border crossings, particularly the border with Zambia and the Angola corridor. Namibia also has a policy system for trade facilitation and the informal economy that could test such an approach.

The bigger point is this: if African regional integration is to succeed, conceptualising integration as an agreement between states may not be enough. Institutional mechanisms are likely also necessary to link that agreement to the everyday economic circumstances of border communities. Normalisation brings one such conceptual link.

African regional integration cannot succeed through agreements among agreements alone. It also requires institutions that connect those agreements to the everyday economic life of border communities by recognising legitimate informal traders, distinguishing them from illicit operators, reducing disproportionate barriers, and creating pathways into regional markets; normalisation provides that missing link. The NIEP model therefore reframes informal cross-border trade not as a residual problem awaiting formalisation, but as a governable economic reality through which regional integration can become more inclusive, credible, and conducive to peace.

Policy Recommendations

- Revise and establish a regionally acceptable, more holistic definition of legitimate informal cross-border trade: Participating SADC member states could establish a clear functional dichotomy between informal traders, non-compliant businesses, and illicit cross-border operators. The goal is not to emphasise legal loopholes but to offer border authorities and merchants clearer categories for proper governance.
- Promote the normalisation aspect of STR and TSTR: The current simplified trade system offers a natural starting point. Instead of establishing another regional regime, normalisation may be inculcated into the implementation of the STR/TSTR model via (implemented and readily available across border posts):
    - Simplified business recognition;
    - Accessible trade-related information;
    - Verifiable commodity listing;
    - Simplified paperwork;
    - Available multilingual help service;
    - Business information desk;
    - Access to a compliant system

- Institutionalise trader representatives: Trader groups should be allowed to engage strategically in border governance. This may include ongoing consultation with customs, immigration, trade officials, local government, and security organisations. The goal is not to transfer authority to traders' groups, but to enable associations to serve as a channel for sharing information, challenges, and policy feedback between business and state institutions.
- Create gender- and youth-friendly systems: Women and youth merchants may face challenges accessing information, finance, paperwork, and protection. Incorporate the gender and youth framework into trade information mechanisms, border infrastructure, consultation protocols, and compliant systems. Base these on evidence-based policy decisions, not assumptions about who can be involved in informal trade.
- Create normalised trade routes: Within Namibia, a pilot programme on selected routes could be tested starting from:
    * Oshikango-Santa Clara;
    * Katima Mulilo-Zambia.

The test could determine whether the current trade-facilitation framework can include trader recognition, simplified processes, association engagement, and targeted law enforcement. Conduct the pilot test as a policy experiment rather than a verifiable solution.

- Establish an evaluation process: Develop a framework to measure the success of the normalisation concept beyond trade-volume data. Possible indicators could include:
    - Economic
        - Number of recognised small-scale businesses;
        - Transactional expenses;
        - Economic value of legitimate trade;
        - Engagement in regional trade
    - Institutional
        - Adopt simplified processes;
        - Accessibility to trade-related info;
        - Number of grievances lodged and resolved;
        - Association-state consultation.
    - Inclusivity
        - Women and youth engagement;
        - Accessibility to information and financial help;
        - Trading group representation.

- Security and governance
    - Recorded enforcement activities against real illicit businesses;
    - Documented harassment incidents;
    - Border management perception;
    - Institutional trust

These metrics could enable future policy assessments to examine whether normalisation produced the expected results, rather than assuming it did.

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