TAX HARMONISATION OF INFORMAL TO FORMAL TRADE ACROSS-BOARDERS; A CASE STUDY OF ECOWAS

By

Stanley Ugochukwu Simon, Ph.D
Chief Strategic Officer
Voice of Nigeria, Broadcasting House
Cardinal Olubunmi Okogie way, Ikoyi, Lagos.
& Director of Studies EDDAN Education Services, Abuja, Nigeria.

Solomon Iyobosa Edebiri, Ph.D
President, Eddan Education Services, Abuja, Nigeria.

Chidi Ofo Nwatu Okenwa
Liberation Desk Enugu, Nigeria

And

Steve Okerofome Odjugo
Regional Director (Nigeria)
Waica Reinsurance Corporation plc
274, Murtala Mohamed Way, Yaba, Lagos

Abstract

Formalizing the informal sector is a great task especially in the ECOWAS region. All over the world, the informal sector has been integrated into the formal sector for higher performance of the economy. Primarily, this work seeks to harmoniously solve double taxes issues of excise duties and income taxes. The key objective of this paper was to promote understanding and clarity of the research problem using the following issues; (1) Who are the drivers of the formal sector? (2) Why is the population of informal sector participation growing? (3) What is the competitiveness of the informal sector in a cross border trade? (4) Is the informal sector harmful or beneficial? (5) Will the tax regime constitute to the growth of informal sector? Its theoretical base would be drawn from both ends, i.e., trade and tax. The paper advocated the formalization of informal businesses within the domestic market, while regional member nations are given incentives to encourage integration. Finally, it re-emphasized the recommendations of ECOWAS previous agreements with

member nations on compulsory tariff and free movement of persons and other factors of production.

Keyword: Economic growth driven by tax harmonization, ECOWAS formal business growth and formalization of informal businesses

A major motivation for countries to integrate their economies is to expand investment areas, markets, and opportunities thus to improve the living standard of their people. Ordinarily, the integrating parties would prioritize and cooperate in all areas to bring about the opportunities. This motivation has seen the Economic Community of West African States (ECOWAS) which comprises Benin, Burkina Faso, Cape Verde, Côte D'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo make a move to prioritize harmonisation of their taxation regimes. If left to be, the existing differences in taxation systems of ECOWAS Partner States could confer unfair tax competition and unequal treatment on tax payers and the goods and services they trade across the Community. This can considerably distort the implementation of ECOWAS Common Market arrangement and, ultimately, the essence of regional integration. The Profile of the Economic Community of West African States (ECOWAS) manual states that;

> *ECOWAS aims to promote co-operation and integration in economic, social and cultural activity, ultimately leading to the establishment of an economic and monetary union through the total integration of the national economies of member states. It also aims to raise the living standards of its peoples, maintain and enhance economic stability, foster relations among member states and contribute to the progress and development of the African Continent*. (ECOWAS, 2010; p.3)

The World Bank report for West Africa regional integration manual code 95 suggested otherwise, that; "The agenda for taxation harmonization is indeed well advanced for indirect taxes but hardly begun (beyond proposals for harmonizing taxes on financial income and to harmonize investment tax incentives)" (World Bank, 2001; p.10).

The above suggest expanding investments and trading regionally but with tax restrains, and they also wish to do so as formally as possible and, therefore, reduce Informal Cross-Border Trade (ICBT). It is the case that ICBT evades taxation and custom duties, compete unfairly with formal organisations – most of which have often paid punitive taxes and custom duties, thus discouraging investments in the region. The informal sector is best described by Ernest Aryeetey as,

… have sometimes been criticized for being vague because they have not clearly defined what the "informal sector" was. Conceptually, the informal economy focuses on

activities that are under the form and structure, operating outside the bureaucratic controls, which are likely to be more insecure and less stable. (Ernest, 1992: 29)

Small and Medium Enterprises (SMEs) predominantly located within the informal economy, have been singled out as the major culprits in ICBT practices, tax evasion and tax avoidance within ECOWAS. Incidentally, these SMEs are the major growth drivers within the community; they create more jobs compared to the big private sector and usually provide a landing pad for those laid off from public and formal private sector employment. Many SMEs have different reasons why they select to operate in the informal sector but they seem to converge on the existence of high tax rates and compliance costs as well as excessive and bureaucratic custom requirements and regulations as their main reasons for resorting to operate in the informal economy. Ernest Aryeetey in this quote states further that;

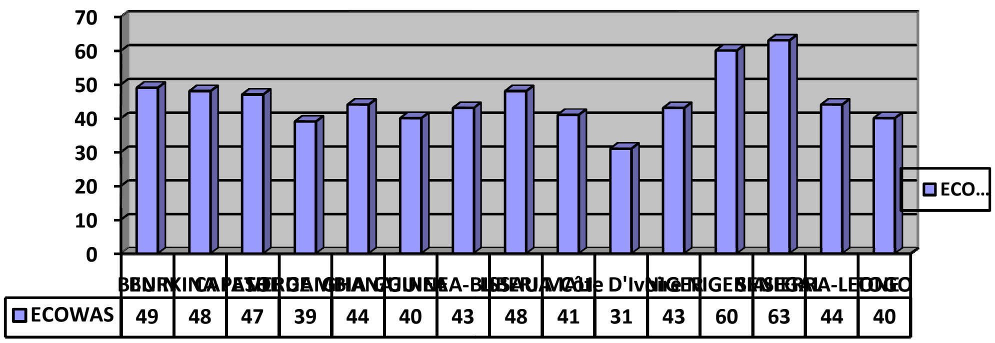
> *… informal economy has not only persisted but also increased in many developing countries, particularly in Africa. With increasing globalization and openness of economies and the current economic crises, it is almost certain that the informal economy, once again, continue to act as a safety net for many displaced workers from formal employment. A key component of this perspective in Africa will be to improve the data collection on informal economy with the objective to identify the segments of the informal market that can be targeted with appropriate policies*. (Ernest, 2009; p. 12)

Can ECOWAS achieve a policy balance that supports the growth of SMEs to continue playing their productive roles as well as increasing investments and formal trading within the region? Harmonisation of ECOWAS tax regimes is one way of encouraging foreign investments and trade and if well-tailored to the circumstance of SMEs, it could attract many informal SMEs into formalisation and increase the growth of local entrepreneurship. Similarly, policy measures must be taken to encourage increased cross-border trade in goods produced by SMEs and reduce Informal Cross-Border Trade (ICBT) as far as possible. It takes a developmental state to spearhead these twin processes.

Conceptual literature of formal and informal sector in ECOWAS

Formal and Informal Cross-Border Trade (ICBT) in West Africa has increased since the 1990s' as a result of economic liberalization policies, population growth and urbanization. This expansion has been credited with deepening regional integration, improving economic growth and benefiting the population through employment, market and product diversification, increased outlets for goods produced and manufactured in the region and improvements in food availability (Salinger and Barry, 1996; and Morris and Saul, 2000). It has been suggested that sustained economic growth in West Africa will be increasingly driven by trade in non-traditional exports such as agricultural products, livestock, fish, handicrafts and manufactured goods. This implies the importance of strong connections between trade and other sectors of West African economies, particularly agricultural production and processing, fisheries and manufacturing (ECOWAS-WAEMU, 2006).

Table 1: Informal sector as percentage of GDP



Source: www.ecowas.int

It is estimated that over 30% of the gross domestic products of 15 African economies come from the informal economy, apart from South Africa where it constitutes about 28% of GDP (Schneider, 2007). There is no universally accepted definition of the informal sector of the economy; it could take any of these terminologies: unofficial, underground, hidden, invisible, shadow, parallel, second, unregulated, unrecorded, black, moonlighting, unmeasured and unobserved economy. In all ECOWAS countries, this sector constitutes nearly 60% of Nigeria's GDP, 44% in Ghana, 63% in Senegal, 48% in Burkina Faso and 49% in Benin. In all African countries, the informal sector corresponds largely with the Micro, Small and Medium Enterprises (MSMEs) that are seen as semi-organized and unregulated. (Hategeka, 2010) Players in the informal sector of the economy are not necessarily the small informal businesses. Actually, the informal sector in ECOWAS is composed of both small and big players who could both come from formal and informal firms. They range from professional consultants (such as lawyers, doctors, accountants and engineers), to fruit and vegetable vendors, public transport operators, food kiosks, hair-dressers/barbers, manufacturers of all sorts of goods including artisans like tinsmiths, ironmongers and blacksmiths, shoe shiners, open air photographers,

Table 2: Category of firm in the informal sector

Informal Micro, Small, and Medium enterprise (SMEs)	Informal Big Businesses	Formal Businesses engaging in informal practices

***Source:* (Ndiaye, 2009)**

hawkers of all sorts of wares, painters, engravers, graphics and designers, carpenters, massage parlours, saloons, sand harvesters, etc. Thus, informal sector participation has not only been linked with junior public and private sector employees –seeking for additional income to their salaries, but also with corporate executives. Hence, it has developed as a means of extension of formal businesses. (Crocker, 2005)

In addition to the above features, the informal sector of the economy may also be characterised by simple labour intensive technology; may or may not have licenses from authorities and are not registered with the registrar of companies, have ease of entry and exit, small-scale nature of the activities, self-employment with a high proportion of family workers and apprentices, little capital and equipment, labour intensive technology, low skills, low level of organization with little access to organized markets, unregulated and competitive markets, less formal credit, low education and training, cheap provision of goods and services, low productivity and low incomes, and lastly, most of the transactions are conducted on cash basis, with very little or none conducted through banks. (Altshuler, 2005)

Benefits and challenges of firms operating informally

Formal cross-border trade has been defined as the transportation of goods through official checkpoints, while informal cross-border trade is the transportation of goods through informal border crossings, using footpaths or streams known only to local residents. (Akanksha Marphatia, 2000). This definition presents some challenges, as the mode of crossing borders cannot be the only factor distinguishing formal and informal trade. Other conditions, such as the registration status of the trader's business, its scale, space, facilities, distribution networks, relationship with formal economic and regulatory institutions, labour relations, capital base and sources of finance are important in determining whether an enterprise is formal or not. Mwaniki (2004) defines informal cross-border trade as "registered or unregistered business activities undertaken across the borders based mainly on popular economy." The distinction between formal and informal business has always been difficult, and it is no easier in the case of cross-border trade businesses. There are strong links between formal and informal cross-border trade, and both of these contribute to government revenue and economic growth (Ackello-Ogutu, 1997; and Randriamaro and Budlender, 2008).

Informal organisations have very loose structures. People can become members freely and sometimes spontaneously, relationships are undefined and the sharing of responsibility and involvement of members will vary considerably. One of the examples to give is a business firm that has a football team for recreation. In such a football team one might find a managing director, a manager and a manual worker, all on the same organization. Most times the relationship between these hierarchies of staff differs from the work place and the social events where they meet. So, the football team is an informal organization; the company as a whole is formal one since it has increasing levels of power.

The advantages of informal organizations are to create strong relationships between their members. There is no theoretical "boss" and this makes all members feel like a larger part of the organization as a whole.

The disadvantages are;

(1) Lack of work place structure can result in reduction in professionalism.

(2) The company cannot benefit from different people managing different areas easily.
(3) Finally, the members cannot look to the future - after all, with no-one above them, they cannot look for promotion and therefore find themselves stuck with the same job.

The category of firms identified in table 1 has varied reasons why they choose to operate informally. Excessively burdensome requirements in registering businesses and complying with labour and tax regulations as well as overly burdensome or inefficient regulation can significantly increase the cost of both joining the formal economy and operating within it. These are the leading reasons pushing firms to operate informally. However, the informal economy is not full of benefits; it also has several disadvantages. (Demsetz, 1985)

Table 3: SMEs perceptions of advantages and disadvantages of operating informally

DOMESTIC AND CROSS-BORDER TRADING	
ADVANTAGES	DISADVANTAGES
will not pay income or profit taxes will not pay social security contributions to workers able to avoid labour regulations no problems with licenses not subjected to products standards not subjected to health and safety inspections not subjected to price controls will avoid overly cumbersome, rigid, time-consuming and inefficient bureaucratic export/import procedures and regulations Will avoid payment of border agency fees and charges (e.g., administrative and inspection fees, license fees, consular fees, terminal handling charges, etc.) will avoid compliance with other formalities which bear additional expenses such as conformity assessments with technical regulations, insurance, pre-shipment inspections, customs brokers, etc.	lack of access to finance; lack of access to raw materials; lack of access to broader market; cannot access government tenders fear of government retribution; need to pay bribes to avoid taxes and sometimes bribes exceed amount of taxes; provide free products or services to avoid tax compliance; temporarily shut down the business to avoid being detected by tax authority; and relocate the business to avoid being detected by tax authority

Source:**(Hategeka, 2009)**

Some of the perceived advantages and disadvantages in both domestic trade and cross border trade are listed in the table above (3). Most traders would weigh these advantages and disadvantages before they decide to operate in the informal economy; others would find themselves there quite ignorant of any costs or benefits.

Methodology in informal cross border trade

As shown in the previous section, participants in the informal sector, including ICBT (Informal Cross-Border Trade), are both from informal and formal firms. Those from the informal firms operate entirely outside the formal economy, and those from formal firms are fully evading trade related regulations and duties by avoiding official border crossing posts and passing their commodities through “unofficial routes”. In other instances, they may partially evade trade- related regulations and duties even as they pass their goods through official routes that have border crossing points and customs offices, yet involve illegal practices such as under-invoicing (i.e., reporting a lower quantity, weight or value of goods so as to pay lower import tariffs), misclassification (i.e. falsifying the description of products so that they are misclassified as products subject to lower tariffs), mis-declaration of country of origin, and/or bribery of customs officials (see table 3).

Table 4: Types of informal cross-border trade

Category A	Category B	Category C
Informal (unregistered) traders or firms operating entirely outside the formal economy.	Formal (registered) firms fully evading trade-related regulations and duties (e.g., avoiding official border crossing posts).	Formal (registered) firms partially evading trade-related regulations and duties by resorting to illegal practices (e.g., under-invoicing).

***Source:* (Ndiaye, 2009)**

In most cases, the flow of ICBT goods appears to be in small quantities. Where formal firms are involved, goods come in big consignments but these are usually divided into smaller quantities to avoid attention when passing across borders. Since the small quantities are passed repeatedly, they end up being significant, as it is said little drops of water make a mighty ocean. The small quantities passed across the border are not necessarily sold immediately; they are piled in jointly-owned stores until a reasonable volume is reached and the players jointly hire means of transport to haul them to their final destinations.

Competition of informal and formal firms

These traders deal in nearly all types of goods – all staple food commodities and final consumer goods (mostly of low quality such as shoes, clothes, textile, vehicle and bicycle parts and even fake drugs). What is important to note is that some of the goods here reflect the same ones that benefit from government export promotion schemes such as textiles. The latter ones are sneaked into the domestic market duty free.

The indication at the beginning states that since the informal traders provide unfair competition to formal firms that have often paid punitive taxes and tariffs, now is the time to explain the extent of such competition. As to whether informal firms engage in Anti-Competitive Practices (ACP) and therefore could affect ECOWAS law enforcement in the formal sector, depend partly on whether informal firms compete (or could quickly enter the market and compete) with formal firms. Given their characteristics, some of their operations provide unfair competition to formal firms but others do not.

On the one hand, many operations of informal firms are in small scale and labour-intensive industries such as construction, retailing and personal transport – industries that are often cash-based. They are rarely found in industries where scale and scope economies are important, such as in the steel, telecommunication and banking industries.

Some markets may be comprised only of informal firms and others may be comprised almost entirely of formal firms. In some sectors, small informal firms may be able to compete with large formal firms due to the costs that they can avoid. In other situations, economies of scale and scope will enable formal firms to price lower than informal firms. In some markets, informal firms may find they can compete with formal firms because they can position their products geographically closer to the consumer than formal firms. For example, produce vendors may be able to drive to the consumer and thus take away the productivity advantages of large scale stationary formal firms or supermarkets.

It is important to know the extent to which formal and informal firms coexist in the same market and compete for the same customer base across sectors and markets. Policy makers would need to determine the sectors in which informal firms serve the same customers as formal firms and determine whether the small informal firms compete with the large formal firms, the factors driving this competition, where they operate in the same sector and serve the same customer base.

Harmonization of tax policies

Within WAEMU (West African Economic and Monetary Union), and in addition to the implementation of a Common External Tariff (CET), significant efforts have also focused on harmonizing legislation on VAT (Value Added Tax), excise taxes, and taxation of oil-products and SMEs. In the medium term, member states plan to setup a rigorous reform surveillance mechanism to ensure effective implementation of reform. Harmonization efforts in the ECOWAS countries do not yet feature clearly and formally on the agenda, although tax ratio target have already been defined as part of efforts to identify convergence criteria. An important study, currently underway, on indirect taxation in member states in West African Monetary Zone (WAMZ) should lead to a formal process for fiscal harmonization in these countries. (ECOWAS & WAEMU, December, 2006)

To this end, the plan is to strengthen and, above all, more efficiently implement common policies on trade, tariffs, financial market, integration and other areas; within WAEMU and the entire ECOWAS region.

As noted elsewhere, there is a worrying gap between the effervescence of agreement and protocols and the silence or timidity of member states in effective implementation. Indeed, WAEMU has made commendable advances in setting attendant measures to the community trade liberalization scheme (harmonization of customs and statistics instruments such as certificates of origin, customs and statistics nomenclature and customs declarations). However, outcome indicator show effective implementation is still well below target. For example, import calculations indicate that effective tariffs and protective rates in the region are still high, and are generally closer to 20% than to the simple mean of 15% targeted by the CET. Furthermore, the considerable efforts by regional organization indicate that there are still numerous non-tariff obstacles that particularly impede cross-border trade, which involve a large number of small informal operators, especially women.

Tax harmonisation measures for SME growth

Small Business Enterprises in ECOWAS countries often face difficulties when dealing with the government in general and the tax administration in particular. Many of the difficulties with the tax authorities are the consequence of poorly conceived tax policies and a lack of certainty regarding future policy changes. It would be rare indeed not to hear complaints about the complexity and/or ambiguity of the tax laws, high tax rates, and the lack of an integrated fiscal strategy that takes social taxes, local taxes and fees into account when determining the overall tax burden placed on the business community. In carrying out their responsibilities, Tax Administrations can also create problems for the business community when they impose burdensome reporting and record keeping requirements, conduct excessive inspections and audits, fail to deal with corrupt Tax Administration employees, and fail to provide transparency in Tax Administration Operations. This type of environment harms individual businesses and the overall economy. As a result, many operators in the business community react by taking steps which adversely affect the tax base. This typically includes under- reporting profits and turnover; over- reporting employee wages; and creating “ghost” employees. A significant number of businesses also fail to register or file tax declarations. This only increases the burden on those taxpayers who try to comply with the tax law, and discourages their future compliance. The result is a vicious cycle which tends to preserve the status quo. Only meaningful reforms to the tax system can break the cycle and result in an improved business climate which will stimulate economic growth. A number of initiatives could be taken by government in the tax field to foster the growth of small and medium enterprises and/or reduce the paperwork burden that SMEs face. Measures which have the greatest impact are those which are established by tax legislations. Though tax policy is not the major thrust of this guide, a brief mention of some of these measures follows, along with measures that the tax administration can employ.

There are several tax policy and tax administration measures that ECOWAS countries could employ to support the growth of small businesses and reduce informality. It is not the purpose of this paper to enlist those measures. However, a guide is given on the Small Businesses Tax design (SBT).

Since small businesses will not be the major source of revenue for the government, the goals of a tax regime for small businesses must be different from those standard tax regime participants; the difference in focus necessitates a difference in design of the SBT. The design of the SBT therefore should be such that it encourages firms to join the regime; i.e., it should be clear to the small firms that they will receive benefits for joining the culture of compliance which at least neutralize the fiscal and time cost of paying taxes. For example, firms receive training on how to set up simple accounting systems which facilitate compliance requirements, as well as build capacity. This training is also an investment for the tax authority because as the firm grows, it is likely that it will pay more tax.

The following is a list of suggested best practice design features of an SBT designed to foster small business growth:

- SBTs and Revenue Authorities should focus on capacity building especially in the monitoring system.
- An optimal SBT would include a graduated system of taxation and introduction into a culture of compliance supported by education on basic business operations, accounting, and monitoring (simple turnover, low rate). Emphasis for new taxpayers should be on learning and monitoring.
- As capacity and output grow, there may be a more sophisticated tax system which may be more advantageous (adding VAT, or some reclaim ability) as a reward for better compliance. Emphasis should be on widening instruments and movement toward the standard tax regime.
- Simplified alternative tax regimes should be non-presumptive. Presumptive tax systems could cause significant cash flow problems especially for new small businesses and for SMEs in sectors with variable output (for example, agricultural producers).
- Efforts should be made to identify taxpayers that are not ready to comply voluntarily at the points of convergence for service delivery and bring them into the tax net. They should be made to register for tax as a condition for enjoying the service and given unique Taxpayer Identification Numbers.
- Double taxes as noticed in places like Lagos, Nigeria should be avoided.
- Tax payers' money should be properly accounted for by publishing its total collection monthly and thereafter.

Conclusions

In conclusion, the focus of taxation should not be merely to raise revenue but also to support infrastructural development. It is only rational that the cost of raising revenue falls far below the revenue collected. However, the taxation of the informal sector accounting for such a significant percentage of GDP cannot be ignored because of the cost of administering it. Taxation need not only focus on short-term revenue collection. Bringing the informal sector within tax net is critical because of the long-term revenue increase from wider tax base and growth potential of small firms when they operate within a formal framework.

In order to solve the problem of informality, whether in cross-border trade or domestic trade, the measures must go beyond tax harmonisation to encourage formalisation. Certainly, governments should approach the problem of informality by dealing with the factors that drive its growth and not fighting the traders who are merely making a living out of the business. The fact that informal economy is still a reality in developed countries (that has existed for close to 300-400 years) should be a point of reflection to the ECOWAS region whether it can succeed in eradicating the practice altogether. In that case, what would be important is to establish an enabling environment for the sector with measures that will reduce its negative impact on the economy. By creating a supportive environment for the informal traders, both ECOWAS countries and informal traders stand to benefit more. To the ECOWAS countries, it could be the start of a successful process of formalisation of the informal traders.

Consequently, this will enable the countries to gather better information on the goods, values and quantities traded amongst them. The information gathered would improve the planning and decision-making of the ECOWAS countries. Similarly, to the ICBT players, creating conducive environment for their trade may mean better knowledge of the trader about their rights as they trade across the region, hence cases of paying bribes to border officials and smuggling goods across borders would be reduced. The trader would also benefit from payment of the correct amount of taxes (where taxes still apply) as opposed to the current case where they are sometimes charged duties on goods that are not supposed to attract any duties. Lastly, the cost and time of clearing the goods would be reduced resulting in lower prices of goods and higher earnings for the trader.

Recommendations

Whether there is a common currency or not, the harmonization of tax policies could only enhance convergence and macroeconomic stability, and promote the homogeneity and competitiveness of the economic community as a whole. Boosting the competitiveness of the community requires "reasonable" levels of taxation and above all, greater policy "predictability" for operators. As such, harmonizing tax policies at the regional level could help provide investors with a homogenous and attractive market and also facilitate the emergence of a common monetary area that would ultimately lend greater credibility to the community. In this area as well, WAEMU's experience holds important lessons for ECOWAS.

Therefore, the following will suffice as efforts to actualize the tax policies; (1) establish a trade surveillance mechanism based on implementation, outcome, and impact of monitoring indicators; (2) accelerate work to harmonize legislation on customs codes and customs exemptions; and (3) accelerate the effective implementation of laws on competition in all countries in the union.

References

Altshuler R. and H. Grubert (2005). *The Three Parties in the Race to the Bottom: Host Governments, Home Governments, and Multinational Companies*" *Florida Tax Review, 7, 137-209.*

Auerbach, A. J. (2002). *Taxation and Corporate Financial Policy.* Amsterdam: Handbook of Public Economics, Vol. 3, North-Holland: Amsterdam.

Bankman, J. (2004). *The Tax Shelter Problem.* National Tax Journal. 3, 3-9.

Brown, J. R. (2004). "*Executive Financial Incentives and Payout Policy: Firm Responses to the 2003 Dividend Tax Cut. NBER Working Paper #11002.*

Chen, K. P. (2005). *Internal Control vs. External Manipulation: A Model of Corporate Income Tax Evasion. Rand Journal of Economics*.

Chetty, R. (2005). *Dividend Taxes and Corporate Behavior: Evidence from the 2003 Dividend Tax Cut. Quarterly Journal of Economics*.

Crocker, K. J. (2005). *Corporate Tax Evasion with Agency Costs . Journal of Public Economics*.

Dechow, P. R. (1995). Detecting Earnings Management. *The Accounting Review*, 70, 193-225.

Dechow, P. S. (2003). *Why Are Earnings Kinky? An Examination of the Earnings Management Explanation. Review of Accounting Studies.*

Demsetz, H. (1985). The Structure of Corporate Ownership: Causes and Consequences. *Journal of Political Economy*, 93, 1155-1177.

Desai, M. A. (2007). Theft and Taxation. *Journal of Financial Economics*, 84, 591-623.

ECOWAS (2011, Febuary 10th). *Profile: Economic Community of West African States (ECOWAS).* Retrieved from www.ecowas.int [Accessed on: 20th May 2013]

ECOWAS & WAEMU. (December, 2006). *Regional integration for growth and poverty reduction in West Africa: Strategies and plan of action.* Abuja and Ouagadougou: WAEMU Commission and ECOWAS Executive secretariat.

Ekpo, A. H. (1994). Fiscal federalism: Nigeria Post-Independence experience. *Word Development*, 1960-90.

Emenuga, C. (1993). *The Search for an Acceptable Revenue Allocation Formula: The National Question and Economic Development in Nigeria Ibadan.* Ibadan: Nigerian Economic Society.

Ernest, A. (1992, October). The relationship between the formal and informal sectors of the financial market in Ghana. *Centre for the study of African Economies, Oxford. AERC Research paper 10*, 13-32.

Ernest, A. (2009). The Informal Economy, Economic Growth and Poverty in Sub-Saharan. *AERC Project Workshop on "Understanding Links between Growth and Poverty Reduction in Africa.* Yaoundé, Cameroun: AERC.

Hategeka, A. (2010). *Fixing informality: Issues for tax harmonisation and cross-border trade reforms to consider to foster investment, trade and SME development in Africa.* Trade guide .

Hategeka, E. (2009). Knowning the segment: particularities of SME's in Africa. *International tax dialogue conference* (pp. 4-10). Kigali: Private Sector Federation (FSP) www.psf.org.rw.

Morris, G. A. and M. Saul (2000). *Women's business links: A preliminary assessment of women cross-border traders in west Africa.* West Africa regional programme, development alternatives.

Ndiaye, T. (2009). *Aid for Trade: case story, The International Trade Centre.* OECD (Organization for Economic Co-opearation and Development.

Randriamaro, Z. and D. Budlender (2008). *Findings of UNIFEM baseline studies of women in informal cross-border trade in Africa. Regional cross-country report* . Codesria: UNIFEM.

Salinger, L. and A. Barry (1996). *Realizing regional trade in West Africa.* Cambridge, Massachusetts: USAID through Associate for International Resources and Development.