African Journal of Agricultural Research

African Journal of Agricultural Research Vol. 2(11), pp. 578-582, November, 2007
ISSN 1991- 637X© 2007 Academic Journals

Full Length Research Paper

Legal and institutional constraints to Kenya-Uganda cross-border bean marketing

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Accepted 23 August, 2007

Abstract

This study investigated the legal and institutional constraints to Kenya-Uganda cross-border bean marketing. Common bean is an important legume crop in East and Central Africa, providing protein, calories and cash income for rural households. There is high potential in cross-border bean trade between Kenya and Uganda. However, the complex methods of certification, stamp fees and institutional restrictions are some of the main reasons for bribery at border crossings and informal crossing points. The objectives of the study were to identify and assess the legal and institutional constraints, which lead to informal bean trade in the border districts of Kenya and Uganda. Purposive and systematic random sampling methods were used to select the study districts and bean traders respectively. One hundred and six respondents were interviewed using structured questionnaires. Descriptive statistics and Statistical Package for Social Scientists (SPSS) were used to analyse the data. The results revealed lengthy documentation procedures, high clearance fees, harassment by public officials and customs authorities, and instability of foreign exchange rates. High transportation costs due to poor roads and lack of storage facilities at border points increase business costs. Annual average of the formal bean exports from Uganda to Kenya from 1990 to 1998 accounted for only 15.2% of the total bean exports, while 83.7% was informal. In the year 2001 formal bean exports accounted for a value of 0.982 US$

million while 2.177 US$ million was informal. The study recommends removal of lengthy clearance procedures, lowering of taxes and strengthening of regional co-operation.

Key words: Bean, cross-border marketing, trade barriers.