



TRADE ROUTE INCIDENT MAPPING SYSTEM (TRIMS) EVALUATION OF NON-TARIFF PAYMENTS AMONG TRADERS IN OGUN STATE, NIGERIA

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ABSTRACT

In pursuant of their livelihood, traders, and transporters often face non-tariff payments while moving their agricultural and non-agricultural goods to and from markets and other points of sale. These incidents incrementally and gradually hike the cost of doing business in Nigeria and, hinder food surpluses in rural areas from getting to urban areas resulting into rural poverty. The sources, depth and extent of the obstacles faced by the traders were investigated in this study. Content analysis of TRIMS website for a six-month period was used for this study. The results showed that 60.7% of male and 39.3% of female encountered incidents of non-tariff barriers. It also revealed that 67.8% of the report was on the Nigerian Police, 12.4% on Road Safety Corps, 3.0% on Customs, 8.2% on Local Government Authority and 8.6% on other agencies (Immigration, National Drug Law Enforcement Agency, and Nigeria Army). Within the period, a total sum of N973, 047.00 was reported as non-tariff payments. The results further showed that 57.2% of the respondents recorded less than 30 minutes of time lost, 31.2% recorded up to one hour of time lost and 11.6% recorded more than one hour of time lost. The test of hypothesis indicated a strong positive association between time lost (29.8 ± 41.0) and non-tariff payments ($40,543.6 \pm 66,661.7$). In order to achieve economic growth, the anti-grafts agencies in the study area should be strengthened to promptly apprehend officers responsible in any case reported to the website so as to serve as deterrent to other corrupt officers.

Keywords: Trade route, Non-tariff payment, Incident mapping, Corruption.

INTRODUCTION

Bribery, corruption and delays are endemic in commercial transportation along the West African trade routes. In Nigeria trade routes are tempting targets for uniform and non-uniform men who are eager to supplement their incomes by skimming a little cash from traders moving their goods along them. Trade route corruption is a complex and multifaceted problem whose causes and solutions involve many stakeholders, some of whom are on both sides of the divide (GhanaWeb, 2009).

Corruption is a significant obstacle to doing business in Nigeria. Corruption is criminalised primarily by the criminal code. Accepting or giving gifts ('gratifications') as well as facilitation payments are illegal, and individuals can be penalised with up to seven years imprisonment (GAN, 2015). Despite a strong legal framework, Nigeria is unable to prevent corruption: in practice, gifts, bribery and facilitation payments are the norm.

While corruption risks are pervasive throughout all institutions, it has been found to be most prevalent among the Nigeria Police (Transparency International, 2013). This is more evident in the commercial transportation business. The cost of these bribes and delays are passed from the driver to the trader, then to the shopkeeper and ultimately to the consumer; what begins with a corrupt official taking a few extra naira from driver or directly from the trader passing through the trade routes ends with millions of people paying inflated prices they can hardly afford for essential goods. This lack of checks and informal payments create

market uncertainty and raises food price volatility and as such undermine the livelihood of the traders and consumers.

In Ogun State, traders encounter series of roadblocks mostly set up by law enforcement agencies (such as Police, Road Safety, National Drug Law Enforcement Agency, Customs, Quarantine Services e.t.c.) in the course of their business activities. In a study conducted by Schuhmann in 2015, a trader mentioned that he encountered fifteen check points leading to Obada/Idi-Emi market and that in some days he paid more than what he earned. Apart from non-tariff payments often called facilitation fees ('*egunje*'); the traders often experience delays and harassments. The drivers are not also left out as their attitude such as overloading their trucks, failure to have the right documents and lack of professional demeanor usually make them victims to same ordeal from the law enforcement agencies.

On a broader sense, non-tariff payments along trade routes limit the growth of the economy as the food surpluses in the rural areas are frequently hindered from getting to urban areas where they are needed. This leads to poor returns to small-scale farmers due to low demand resulting to rural poverty, inadequate agricultural raw materials for agro allied companies leading to increase unemployment and food insecurity as a result of poor access to food. Therefore, curbing informal payments along the trade routes will offer benefits to farmers, traders, consumers and the governments. Such benefits include farmers making more money from meeting rising demands



for their products; consumers getting cheaper access to food as well as job creation as a result of a growing agricultural sector and ultimately government will be better able to deal with the issue of food insecurity. Since these cannot be achieved without an in-depth knowledge of the nature of the malaise, it is therefore essential for Nigerians to understand which stakeholders are responsible for perpetuating corruption on the trade routes and which stakeholders are responsible for eliminating it, in order to focus efforts of civil society on holding these parties accountable.

Efforts at measuring corruption have included estimates of corruption based on surveys of perception (Olken and Barron, 2012), surveys on bribe-payers (Svensson, 2003) and through direct observation (Olken and Barron, 2009). While these approaches have been instrumental in bringing issues on corruption to the front burner, they are not without certain shortfalls. For instance surveys of perception have been criticised for not always reflecting the real context of a situation or complexity of the actual level or experience of corruption within a country. This is because, the best perception-based surveys do not always account for indirect effects of subjective factors, and their margins of error are large when compared with actual corruption (Bertrand and Mullainathan, 2001). Also, the surveys of bribe-payers and direct observation are deficient in that there is likely to be common unobservable factors affecting the probability of being asked for a bribe and the probability of offering a bribe. This is sequel to the fact that the presence of researcher may cause people to act or respond differently or as result of bias in observation from the researcher's interpretation (Lee and Guven, 2013)..

It is against these shortfalls that recent approaches in the measure of corruption are now taking a paradigm shift to the use of technology and especially Information and Communication Technology (ICT). For instance, the Ogun State Government through the office of the Special Adviser Millennium Development Goals, the Ogun State Council of Chambers of Commerce, Industry, Mines and Agriculture (OGUNCCIMA) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in collaboration with a consortium of civil society organisations, faith-based organisations, mobile network operators, media and other committed actors from the public and private have embarked on a crowd sourcing ICT application called Trade Route Incident Mapping Incident System (TRIMS) to check non-tariff payments by traders along trade routes in the State.

TRIMS is a crowd-sourced facility for traders and general citizens to send anonymous, coded text messages to a public website (www.trimsonline.org)

on non-tariff barriers encountered leading to delays and increase cost of essential goods such as perishable food items and agricultural goods. The coded messages on agency involved, costs incurred, time lost, sex of the trader, forms of harassment and location of the incidence are sent to 7447 or 09030007447. The messages are then uploaded on the website to provide information on incidents along the trade routes. As a pilot project that has been on since 2013 it has now become necessary to look into its performance. This study therefore examines TRIMS evaluation of non-tariff payments among traders in Ogun state.

The main objective of the study was to examine TRIMS evaluation of non-tariff payments among traders in Ogun state. The specific objectives of the study were to:

1. identify agencies responsible for demanding non-tariff payments from traders along trade routes in the study area
2. determine the volume of non-tariff payments involved
3. ascertain how much time is lost by traders as a result of these trade barriers in the course of doing business and
4. describe the forms of harassment encountered by traders along the trade routes.

Hypothesis of the study

There is no significant relationship between time lost through trade barriers and non-tariff payments.

METHODOLOGY

Content analysis of the project website was used to obtain data relating to research objectives of the study. According to Krippendorff (1980), content analysis is a research technique for making replicable and valid inferences from data to their context. The crowd-sourced data on statistics section of the home page of the website was chosen as the unit of analysis as it covers all the content categories examined in this study. The content categories include: agencies concerned, costs incurred, time lost, sex of the trader, forms of harassment and location of the incidence. The data on statistics page was reviewed and content categories counted on weekly basis within the twenty four (24) weeks starting from 20th March, 2015 (when the website became active) to 10th September, 2015.

The population of the study included traders and transporters who ply the trade routes of the state. The sample size represented all the active users from the 20 Local Government Areas who sent queries to the website at a particular period. Data was analysed using descriptive statistics (means, frequencies and percentages) and Pearson Product Moment Correlation (PPMC).



RESULTS AND DISCUSSION

Incidence of non-tariff payments according to sex of respondents

Table 1 shows that 60.7% of male and 39.3% of female encountered incident of non-tariff payments along the trade routes. This result may suggest that men are more vulnerable to the plight of non-tariff payments hence, they report the incidences more on TRIMS. The result reinforces earlier findings that women are less likely to take part in corrupt transactions than men, are less involved in bribery and that there is worldwide gender difference in tolerance for corruption (Dollar *et al.*, 1999; Swamy *et al.* 2001). It implies that men are likely to be involved in speeding up the process and, therefore, experience less delay in the course of doing business along the trade routes than their female counterparts.

Table 1: Distribution of respondents based on sex

Sex of users	Frequency	Percentage	Mean	S.D
Male	748	60.7	31.2	47.8
Female	484	39.3	20.2	30.4
Total	1232	100.0		

Source: TRIMS, 2015

Incidence of non-tariff payments based on government agencies

The result in Table 2 shows that majority (67.8%) of incidence of non-tariff payments from trade barriers were occasioned by the Nigerian Police Force. The result further shows that on the average the Nigerian Police Force, Road Safety Corps, Local Government Authority were responsible for causing 34.8, 6.4 and 4.2 trade barriers respectively on weekly basis. The finding is supported by USAID (2014) that revealed the presence of an average of six (6) checkpoints at every 100km in West African countries. The presence of these multiple checkpoints constitute trade barriers that will invariably discourage itch-free movement of people, goods and services along trade routes in Ogun State, Nigeria.

Table 2: Distribution of incidence of non-tariff payments based on government agency

Agency	Freq	Perc	Mean	S.D
Customs	36	3.0	1.5	2.4
Police	835	67.8	34.8	49.6
Road Safety Corps	153	12.4	6.4	8.4
Local Government Authority	101	8.2	4.2	7.6
Others (NDLEA, Immigrations, Nigerian Army)	107	8.6	4.5	6.0
TOTAL	1232			

Source: TRIMS, 2015

Volume of non-tariff payment based on governmental agencies

Table 3 presents the amount of bribes that road users parted with-in the course of their trading activities. The leading government agency in the collection of the graft was the Nigerian Police (44.6%), followed by Road Safety Corps (31.1%). The average bribes per week were N18,091.42, N12,639.63, N4,604.17, N3,800.00 and N1,408.30 for the Nigeria Police, Road Safety Corps, Local Government Authority, other agencies and Nigeria Customs Services respectively. This finding is corroborated by CLEEN Foundation (2012) that rated men of the Nigeria Police as the number one bribe taking public officials in Nigeria. Others in the report after Nigeria Police were; Immigration, Custom, Prison Services and Road Safety Corps. The result suggests that instead of being a crime-prevention measure, checkpoints in Ogun state have become tools for extorting money from road users. This type of corruption which affects mainly the lower income groups may lead to increase in the cost of doing business and push up the price of foods that eventually get to the market, stifle rural development and eventually lead to rural poverty in the study area.

Table 3: Distribution of total amount of non-tariff payments according to agencies

Agency	Amount (N)	Perc	Mean	S.D
Customs	33,800	3.5	1,408.3	3202.7
Police	434,194	44.6	18,091.4	33032.6
Road Safety Corps	303,351	31.1	12,639.6	23,551.7
Local Government Authority	110,500	11.4	4,604.1	9702.8
Others (NDLEA, Immigrations, Nigerian Army)	91,202	9.4	3,800.1	6922.9
TOTAL	973,047	100.0		

Source: TRIMS, 2015

Time lost from trade barriers along trade routes

Table 4 shows time lost while negotiating non-tariff payment by road users along the trade routes. From the result, 57.2% of the respondents recorded less than thirty (30) minutes time lost, 31.2% recorded up to one hour time lost and 11.6% recorded more than one hour time lost.

The delays as a result of trade barriers can lead to reduced revenue from the loss of man-hour or diminished profits especially on perishable goods that require getting to the market at the right time and in the best condition.



Table 4: Categorisation of time-lost from trade barriers

Time lost	Freq	Perc	Mean	SD
Less than thirty minutes	660	57.2	27.5	36.2
Up to one hour	360	31.2	15.0	23.3
More than one hour	134	11.6	5.6	7.8
TOTAL	1154	100.0		

Source: TRIMS, 2015

Forms of harassment arising from non-tariff payments among traders

Table 5 reveals the forms of harassment experienced from government officials along trade routes in Ogun State. The result shows that majority (54.6%) of the respondents reported one form of harassment or the other; 31.5% reported physical harassment, 20.4% reported verbal harassment and 2.7% reported sexual harassment. The result indicates that getting goods to the final destination is not a smooth process but an ordeal for both traders and transporters in Ogun state. This type of situation may in the long run impair trade across towns in the state as the business activities become unattractive and uncompetitive.

Table 5: Distribution of forms of harassment encountered by traders in doing business

Type of harassment	Freq	Perc	Mean	SD
No harassment	526	45.4	21.9	29.7
Verbal harassment	236	20.4	9.8	16.9
Physical harassment	365	31.5	15.2	21.6
Sexual harassment	31	2.7	1.3	2.3
TOTAL	1154	100.0		

Source: TRIMS, 2015

Hypothesis testing

Relationship between time lost through trade barriers and non-tariff payments

The result of Person Product Moment Correlation in Table 6 shows a significant association between time lost and non-tariff payments. The PPMC coefficient of 0.88 indicates a strong correlation between the two variables. It implies that time lost along trade barrier depends on amount of non-tariff payments. This is possible as the traders may want to resist such payments and fight for their right and in the process experience much delay.

Table 6: Pearson Product Moment Correlation showing significant relationship between time lost and non-tariff payment

	Mean	r-value	p-value	Decision
Time lost	29.82	0.88	0.001	S
Non-tariff payment	40543.63			

Source: TRIMS, 2015

CONCLUSION AND RECOMMENDATIONS

There is no gainsaying the fact that TRIMS has marked an innovative approach in the study of corruption and sharp practices in Nigeria. The Nigerian Police was found to be a prominent government agency in collection of graft in the study area. The volume of non-tariff payments involved and time lost by traders as a result of trade barrier were found to be substantial. Also, the traders reported to have experienced one form of harassment or the other in the course of doing business. The study found a strong positive correlation between time lost as a result of delays from trade barriers and non-tariff payments. This pointed to the fact that the traders were aware of their rights to free movement by offering some resistance and might just be helpless to this social malaise of corruption. Therefore, any efforts channeled at reducing the time lost will inevitably have direct effect on the ease of doing business in the study area. Thus special task force against trade barriers should be constituted in the study area. The task force will among others monitor the activities of government officials along the trade routes. Similarly, anti-graft agencies in the study area should be empowered to promptly apprehend officers responsible in any case reported to the website so as to serve as deterrent to other corrupt officers. This will remove existing bottlenecks in doing business and stimulate economic growth toward achieving food security.

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