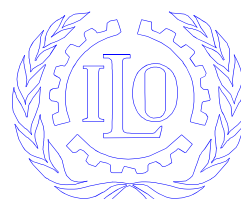


ILO/SAMAT Discussion Paper No. 17

**FEMALE ITINERANT MAIZE TRADERS IN SOUTHERN MOZAMBIQUE:
A STUDY OF A HIGHER-END INFORMAL SECTOR ACTIVITY AND ITS
POTENTIAL FOR POVERTY REDUCTION**

Fion de Vletter
Emilia Polana



**International Labour Organization
SOUTHERN AFRICA MULTIDISCIPLINARY ADVISORY TEAM (ILO/SAMAT)
HARARE, ZIMBABWE
2001**

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Foreword

The International Labour Organization (ILO) is a member of the United Nations family of organizations whose special mandate is the promotion of safe and decent work in all countries of the world. Unlike other specialised UN agencies, the ILO is a tripartite organization, and each country is represented not only by its government but also by the representatives of its workers and employers. Similarly, ILO services are provided to trade unions and employers associations as well as to governments. Over the eight decades since its establishment in 1919, the ILO has promulgated a large body of Conventions which deal with labour and social issues. The general thinking behind these Conventions is that, as stated in the Preamble to the ILO Constitution, “the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”. The Conventions establish benchmarks for all governments in their efforts to promote decent and safe working conditions, and can also discourage backsliding by member States.

In the global economy, the fulfilment of the ILO’s mandate requires new and innovative approaches. To better equip the organization to pursue its mandate in the next century, the ILO Director-General has formulated four strategic objectives. These are:

- (i) promoting and realising fundamental principles and rights at work;
- (ii) creating greater opportunities for women and men to secure decent employment and income;
- (iii) enhancing the coverage and effectiveness of social protection for all; and
- (iv) strengthening tripartism and social dialogue.

These objectives will focus ILO activities in the coming years, providing complementary and mutually reinforcing approaches to ensuring decent work for all people.

In the mid-1990s, the ILO sought to move even closer to its constituents through a major decentralisation of staff, resources, and authority. Under its Active Partnership Policy, it established multidisciplinary advisory teams in Africa, Asia, Latin America, and Central and Eastern Europe. These teams include specialists in areas such as labour standards, employment and labour markets, small enterprise development, occupational safety and health, social security, industrial relations, labour administration, workers’ and employers’ activities, statistics and training, as well as in such cross-cutting issues as gender. Demand driven, the teams respond to requests from ILO member States, trade unions, and employers associations for advice on policy issues and assist governments in the design and implementation of development programmes and projects. The Southern Africa Multidisciplinary Advisory Team (SAMAT), based in Harare, Zimbabwe, provides these services to nine countries in Southern Africa.

As one of its services, SAMAT publishes a series of discussion papers on labour and social issues of which this paper is a part. Through this series, SAMAT seeks to create an ongoing dialogue with governments, workers and employers by promoting the ratification and application of the ILO Conventions in a regional context, presenting ideas for new labour and

social policy directions, and providing regional statistical data and comparative analyses which enable the member States to learn from others' experiences.

I am pleased to present this latest contribution to the ILO/SAMAT Discussion Paper Series entitled 'Female Itinerant Maize Traders in Southern Mozambique: A Study of a Higher-End Informal Sector Activity and its Potential for Poverty Reduction' The paper is one of the background documents prepared in the context of the Study on the Feminisation of Poverty in Mozambique that is being executed by the International Labour Organization's Southern Africa Multidisciplinary Advisory Team (ILO/SAMAT) in Harare, with funding from the United Nations Development Programme (UNDP), Maputo. The background documents prepared under the project consist of conceptual and empirical reviews of the literature on gender and poverty in Mozambique, an analysis of existing survey data in the country from the perspective of the feminisation of poverty, and a set of case studies on coping mechanisms of poor women. These were discussed at two workshops held in Maputo on 22 February and in Nampula on 26 February 2001. They will subsequently be consolidated into a synthesis report.

This paper was prepared by Mr. Fion de Vletter, a development consultant based in Maputo, Mozambique, and Ms Emilia Polana, Faculty of Agronomy, University of Eduardo Mondlane, Maputo.

I would like to take this opportunity to express our gratitude to colleagues, both within and outside of the ILO, who contributed in various ways to the project, and to the UNDP Maputo which not only funded the project but also participated actively in its formulation and execution.

Ullrich H. Flechsenhar,
Director,
ILO/SAMAT

1. Introduction

Strategies aimed at alleviating the plight of poor women are unlikely to succeed if based on static observations of poor women. Such observations are useful if we want to understand the *degree* of poverty or a set of socio-economic characteristics associated with such poverty. Developing viable ways to escape poverty require a more dynamic understanding of how the previously poor succeeded in accumulating capital to attain higher economic standing. This is a case study of one activity which, at the informal level in southern Mozambique, is almost exclusively pursued by women – the purchase and wholesaling of maize grain. In the informal grain wholesale market of Bazuca (Maputo) 90 per cent of the wholesalers were found to be women (DEA/MAP, 1995). Although the Government does not officially recognise these commercial activities because they are not licensed, their activities are tolerated (ICM, 1998).

This case study is based on the bachelors thesis *Mulhers Comerciantes de Milho na Cidade de Maputo* undertaken by Emilia Polana of the Faculty of Agronomy (University of Eduardo Mondlane) and supervised by co-author (Polana, 2000). The original thesis consisted of ten case studies of women maize traders in the City of Maputo. This case study has enhanced the thesis study with an extra ten respondents.

This case study sets out to establish how an activity requiring comparatively large amounts of working capital ranging between \$150-600 – relatively high in comparison to most other informal sector trading activities – is entered into by these businesswomen and what conclusions or lessons might be learned from their experiences. Based on these findings, this study then examines how microfinance interventions can be used to leverage poor female informal sector traders to pursue activities that would substantially increase their incomes and well-being.

The study also demonstrates how women graduate into different zones of operation according to their financial means. Poorer women operated in the South because the shorter journey allowed them to buy smaller amounts of maize, while those who could travel to the Centre (mainly in the Chimoio region) bought larger quantities. Women preferred trading in the Central Region because the conditions for marketing the maize were much more advanced than in the South where many women traded mainly because of economic constraints.

For agro-climatic and demographic reasons, much of southern Mozambique has been traditionally a maize deficit area, dependent on the transfer of maize from the more productive areas of Manica and Tete Provinces or imports from South Africa. The sparsely populated areas along the Limpopo Valley northwest of Chokwe have also provided surpluses but the marketing conditions are still primitive. The season following the devastating floods of February/March 2000 disrupted virtually all trading in maize north of the Limpopo both because road access was effectively blocked for months and because the railway line was closed due to bridges being washed away. As a result, during our interviews (conducted in mid-2000) many respondents were purchasing from alternative areas such as Boane near Maputo where they would not normally trade because of higher prices and limited supplies. Interviews therefore centred on trading practices during normal years as well as the coping strategies for exceptional years such as the one they were facing at the time of the survey.

2. Methodology

The original thesis was based on ten interviews. For this study a further ten interviews were undertaken and the structure of the presentation changed so as to better accommodate the objectives of the study on the Feminisation of Poverty in Mozambique.

The original ten interviews were conducted with women trading in the Xikelene market, one of the biggest in Maputo, alleged to have between 5,000-7,000 vendors. Because the numbers of female maize traders are relatively small and often difficult to locate, the interviewer chose whoever she could find, with assistance from a member of the market commission. Respondents were usually found engaged in their activities, so were generally interviewed *in situ* and often while undertaking their activities. Several were interviewed while travelling to Boane (see below). Interviews were conducted on the basis of a semi-structured interview schedule which allowed for open ended responses. Interviews lasted approximately one hour. Initially, interviews were done in groups of two to obtain general information, but more confidential information was obtained through individual interviews. Respondents were, on the whole, somewhat reluctant to divulge information regarding their activities, being suspicious of the intentions of the study. Nevertheless, it is felt that the information obtained is accurate and consistent with other data relating to some of the issues covered. Interviews were conducted in Ronga, the dominant language of the Maputo area.

For this study a further 10 interviews were conducted to supplement the original thesis.

Normally, maize trading from Maputo is pursued in Manica and Tete Provinces as well as in the areas of the Limpopo Valley northwest of Chokwe along the line of rail towards Chicualacuala on the Zimbabwe border. However, during the year of study, maize trading was severely curtailed because of the flood damage encountered in February 2000 in southern and central Mozambique which not only made transport impossible to some of the producer zones but also severely affected the cultivation of maize crops. As a result, trading was largely restricted to the southern areas of Maputo Province, normally not frequented by the ambulant maize traders. Thus, information obtained from the respondents generally referred to normal trading years.

3. The commercialisation of maize in Mozambique

Maize is traded in Mozambique on several levels. It is traded locally between rural households, usually on a barter basis between deficit and surplus households directly or, more commonly, through small local markets where surplus producers sell small quantities of their surplus. Maize is usually stored in small granaries (*celeiros*) and surpluses are transported in sacks to markets by bicycle or carried on heads. Regional differences in terms of demand and supply are affected principally by fertility, rainfall and population density. Due to comparatively low soil-fertility, the south of Mozambique is, with the exception of the north-western portions of the Limpopo Valley in Gaza Province, a maize deficit area. The deficit is severely compounded by the large urban population base of the Maputo-Matola axis with more than a million residents. Unlike most other “urban” zones in Mozambique the majority of households in the Maputo area do not cultivate *machambas* (small agricultural fields) and are therefore entirely dependent on purchased food. This has led to a substantial trade of maize between the producer areas of the Limpopo Valley and Manica Province (distances to more distant producer areas such as Nampula being economically prohibitive).

Although a substantial amount of manufactured maize meal is imported from South Africa to Mozambique, there is a very high demand for maize grain from within Mozambique because of the exigencies of consumers wanting freshly ground maize (ground either at nearby grain mills or by family members/domestic servants with traditional maize pounders (*pilhoes*)). Maize trading in the big surplus areas in the north of Mozambique is dominated by the ICM (the Mozambique Cereals Institute) and private larger traders such as V&M and Gani. Informal itinerant traders are an important source of maize for these larger traders. Maize is usually purchased for export purposes either to overseas markets or to Malawi (depending on harvest levels). In the South however, trading is largely undertaken by informal itinerant traders, the majority of whom appear to be women.

Prior to structural adjustment in 1987 and the rising dominance of free-market exchange, formal maize trading was dominated by the state marketing enterprise AGRICOM which, through a network of warehouses and purchasers exchanged basic goods such as *capulanas* (cloth), batteries, salt, etc. for surplus crops, usually sold by the producers at predetermined pick-up points. As the money economy and informal sector trading spread, the activities of AGRICOM diminished and was eventually replaced by ICM which played a more important role the export of maize in the northern regions.

3.1 *The roles of ICM and AGRICOM*

The state company AGRICOM was established after Independence to ensure the transport, storage and processing of major food crops between rural zones of production and urban consumption areas. At the formal level, AGRICOM had a monopoly over such operations. Prior to the stabilisation of the metical (the national currency), the purchase of grain was done mainly on a barter basis, using mainly *capulanas*, batteries and other popular durable consumer goods. AGRICOM, during the years before structural adjustment and the return of the market economy in the late 1980s, was responsible for minimum producer prices, set across the country without variation according to seasonal or other influences affecting supply.

The combination of economic reform and Peace (1992), along with serious financial problems and poor management which so commonly affected state run operations of this kind, led to a reduction of commercialised maize through AGRICOM from 74 per cent in 1989 to 12.9 per cent in 1992 and a reduction of its employees from 2,700 to 1,600.

The Mozambique Cereals Institute (ICM) was subsequently created in 1994 to pick up where AGRICOM had left off but with the flexibility to deal with the free-market economy. In addition to maintaining minimum prices, it provided storage facilities, technical assistance to warehouseers, supplied agricultural inputs, collaborated with some of the larger traders (e.g. V&M in Nampula Province) as well as collecting and disseminating statistical information. Its two key functions were buyer of last resort at minimum prices and manager of grain stocks so as to ensure food security and stabilisation of consumer prices. Unfortunately, because the Government could not provide the budgetary requirements of the ICM on a regular basis, its functions and efficiency deteriorated (Coulter, 1995).

3.2 *Informal commercialisation*

In normal years, for several months after harvesting of maize from the southern Provinces of Inhambane, Gaza and Maputo, maize is sold for comparatively cheap prices in the markets of Maputo. As surpluses dry up, maize has to be sourced from more distant provinces. Transport costs, ensure that the trading in maize from the more northern provinces of Zambezia, Nampula, Cabo Delgado and Niassa do not fall within a viable radius – at least for informal traders. Preferred trading provinces are Manica and Tete.

Maputo-based women informal traders will normally travel to maize surplus catchment areas by bus, staying in these areas for periods ranging from several days to several weeks (depending on two key variables – the availability of maize and/or the availability of transport) accumulating maize in 60Kg bags directly from the peasants or from the markets. Women rent accommodation by themselves or in groups. Rented accommodation seemed to be fairly standard at about 100,000Mt (\$7) for the period. To make the trip worthwhile (usually lasting about a week to 10 days), it seems that a minimum amount of 50 bags is necessary: normal loads were in the region of 100-200 60kg bags with the maximum observed being 400 bags. The purchase price of the maize was normally between 25,000-35,000 Mt per 20l. tin (*lata*). It is not clear what the average number of trips is, but one woman mentioned taking about 15 trips per year. The owners of the trading business are usually those who travel, but several instances were observed where employees were sent up to do the purchasing and arrange transport (this was normally the arrangement once the owners had gained sufficient experience to pass on to their substitutes). In one case the business was operated as a husband and wife team, both travelling together. If they returned by rail, they will transport their bags (usually not exceeding 30) from the nearest siding by *tchova chitaduma* (push cart not dissimilar to a cargo rickshaw).

Trucks in all cases were hired for source-to-storage delivery. Costs in virtually all cases were quoted as between 23,000-25,000 Mt per 60 kg bag. In the north of Angonia in Tete Province, female traders from Beira were found to have obtained transport through a series of *boleias* (lifts) from truckers who happened to be travelling in the same direction but with extra carrying capacity for which they made arrangements with the traders which were not passed on to the truck owners. Such “arrangements” were said to at times include sexual favours.

Once the maize arrives in Maputo, the sacks are normally stored in informal warehouses. Often the traders would have called their best clients to sell before being carried to a storeroom. These clients are often allowed to buy on credit so that the traders can maximise the reduction of their stock for storage. One of the main areas for such warehousing arrangements is called Bazuca, near the large Xipamanine market. Bazuca is a large open area encircled by many small warehouses (about 50 square metres each and 3.5m high). In some cases traders managed to own their own warehouse, but most have to pay a storage fee of 1,000 Mt per day. In addition, the bags are carried from the truck by *carregadors* (a small semi-unionised group of carriers) for 1,500-2,000 Mt a bag. Usually the traders have an allocated space in the open area where they will display up to about 30 bags. Bags are usually bought by three types of clients: individual informal vendors operating in one of the 50-odd informal markets who then resell the bag in *latas* or *canecas*, groups of women who do not have enough to pay for a full bag and pay collectively for one, and occasionally bulk buyers such as ration millers and traditional drink makers who especially buy when the quality is below standard. Each time a bag is taken out of storage, a further 1,000 Mt is added on to the

cost of sales, so everyday a delicate balance is attempted between display quantities and the daily purchase quantities.

Competition to the informal traders comes principally from the formal large warehouser trader companies which usually engage their own large trucks to get the maize from the same sources. As maize trading is seasonal, there are dead periods during the year. Some of the respondents mentioned trading in rice and groundnuts during these times.

4. Characteristics of informal female maize traders

4.1 Demographic characteristics

All 20 informal female maize traders, the respondents, originated from the South, the majority being Ronga speaking, with a minority being Chope speaking. Their demographic characteristics are reported in Table 1.

All but three of the respondents (85 per cent) were over 35 years of age. By contrast, findings of the 1996 survey of the informal sector in Maputo and Beira (de Vletter, 1996) found that the majority (70 per cent) of informal sector vendors were aged under 35 years. It is likely that since 1996 the average age has increased as attrition from the informal sector is probably quite low. It is nevertheless likely that the average age of maize traders is substantially higher than the average age of informal sector vendors in general. All respondents had children, many of whom were already working and supporting the household. The age distribution suggests that it is mainly older women that are engaged in this sort of activity. This can be mainly explained by two likely reasons. First, younger women of child bearing ages are less likely to be involved because of the demands of pregnancy and child-raising. Secondly, older women are more likely to have accumulated the minimum cash requirements (ranging between \$200-\$600) necessary to conduct such businesses.

The 1996 informal sector survey also found the average level of education to be very low with 70 per cent of the respondents stating that they had 4th grade or lower. By contrast, as Table 1 shows, all our respondents had an education of at least 4th grade and that 70 per cent had 6th grade or higher. This suggests that trading of this nature is likely to require minimum educational requirements which were nevertheless too low to obtain a decent job in the formal job market – certainly not one that would offer the same sort of returns as maize trading.

Many respondents were aware of the importance of education. Some saw their trading activities as an interim to continued studies which would be funded from the income generated, while others felt that their prospects for further education were compromised by traditional gender roles and the conservative attitudes of their fathers/husbands.

“I could not continue to study because my father told me to find a husband as in our family the women had to marry young. After marrying I asked my husband if I could continue to study but he said that a woman for him had to stay in the house taking care of the children and engaging in ‘negocios’ (commercial activities)”

“I could not continue with my studies because I did not have enough money to pay for the school fees. For this reason I had to stop school and start this business. But my dream is to earn enough money through this to allow me to pay for further studies.”

“I was at school but had to interrupt my studies because I did not have money to cover my fees and materials. I did not look for employment because my scholastic level is very low so for me the only alternative to earn money for my studies was to take up maize trading.”

Table 1. Demographic characteristics of informal female maize traders

Age (years)	No.	Education (Grade)	No.
20-25	1	4 th	3
26-30	1	5 th	2
31-35	1	6 th	5
36-40	10	7 th	3
40+	7	8 th	4
Total	20	9 th	2
		No response	1
		Total	20
Marital status	No.	Head of household	No.
Married	9	Husband	9
Single (unmarried)	4	Father	1
Divorced	2	Brother	1
Widowed	1	Father-in-law	1
Husband abandoned	3	Respondent	8
Husband absent	1	Total	20
Total	20		

Table 1 also shows that the large majority (80 per cent) of the respondents were either currently or formerly married. However, less than half (45 per cent) of the women were still living with their husbands while 25 per cent had divorced or had been abandoned by their husbands. Of the 45 per cent with resident husbands, all husbands, with the exception of one who was a partner in the business, had formal sector employment, the majority of whom with the public sector.

The respondents headed their own households in 40 per cent of the cases. In the remaining 60 per cent, the household was headed by a male: the husband in nine cases and a father, a brother and a father-in-law in the other three.

4.2 Business-related characteristics

Table 2 shows the business-related characteristics of the informal female maize traders. About half the respondents were engaged in the activity as the principal source of household income and the other half as a form of supplementing household income. This dichotomy is explained by headship status. Those with husbands would be supplementing their husbands' salaried income (though in many cases it is likely that trading income exceeds the salary), while those women who are heads would in general be the principal income earner. A small minority pursued these activities to generate savings, either for household security or for specific purchase items (house, vehicle, business, etc.).

Table 2. Business-related characteristics of informal female maize traders

Motives for undertaking maize trading	No.	Productive activities of household members (N=10)	No.
Support family (main source)	9	Student	26
Supplement household income	9	Civil servant	8
Generate savings	2	Domestic	6
Total	20	Total	40
Previous activities	No.	Source of capital	No.
Wage employment	4	Husband	6
Informal market vendor	8	Non-family loan	0
Housewife (Doméstica)	7	Previous activities	4
No response	1	Relatives	8
Total	20	Husband plus previous activities	1
		Loan plus husband	1
		Total	20
Difficulties encountered			
Lack of experience	6		
Lack of funds	2		
No knowledge of this business	2		
Total	10		

In Maputo, it is commonly found that, in male-headed households, the wife is often involved in informal sector activities that supplement (often exceeding) the husband's salary. Usually informal sector activities of female-headed households are the primary source of income. Sahn (1993) found that about a third of urban Maputo families have only one source of income, 40 per cent have two and 27 per cent have three sources of income.

Table 2 also reports the occupations of household members (of school going age) of the original ten respondents interviewed. Unfortunately, it was not clear from the survey how many members were involuntarily or voluntarily unemployed. Information from the respondents suggested that some household members opted to remain unemployed because the incomes that they foresaw from current employment opportunities did not reflect their expectations of qualifications.

“My brothers say that they cannot work because the scholastic level which they have achieved will give them a salary which will not justify the work that they do.”

It was also interesting to note that religion and possibly other social influences have had an impact on the types of income generating activities that people are willing to undertake. The case cited below shows that such an impact directly affected the respondent's choice to work.

“I live with my mother. Before she used to make alcoholic drinks to sell but now she cannot because she joined a church which prohibits the sale of alcoholic drinks so she had to stop and I started this business.”

The transition into trading activities varies greatly in terms of previous activities (Table 2). Not surprisingly, the majority (60 per cent) of the respondents have had previous work or business experience, with 40 per cent having previously worked as informal market vendors and 20 per cent in wage employment. On the other hand, and rather surprisingly, more than a third (35 per cent) of the respondents were previously housewives.

“I worked as a domestic servant but quit because I realised that this work did not give me enough money to help my husband cover the household expenses so I had to take up trading.”

The average number of years involved in the current trading activity was about 8, implying that most started the business in their early 30's. As most responded 8 years, it is likely that few attempted to engage in such activities during the war and that most got into the business during the first year of Peace. The fact that few traders interviewed were new to the business could be indicative that the activity is already competitive and hard to penetrate for newcomers to the business.

Table 2 also contains critical information regarding the source of capital for female maize traders and helps to explain the importance of the male household head in initiating female dominated activities. Forty per cent of the women had the initiation of their activities either entirely or partly funded by their husbands. Another 40 per cent had borrowed money from their relatives. Somewhat surprisingly, in only 20 per cent of the cases did the traders accumulate sufficient capital through previous activities. One had started clandestinely selling maize when informal trading was prohibited under President Machel's regime. All others received capital loans from husbands, male siblings and, in one case, from the father of their late husband. In many cases the activities were encouraged or even perpetrated by their husbands as a means of supplementing the household wage income (in real terms declining sharply over the past decade, especially in the public sector).

It has generally been assumed that in patrilineal societies, such as in the South of Mozambique, economic decisions are made by the male heads of household. Our evidence suggests that female entrepreneurs, despite the fact that most of them obtained their start-up

capital from their husbands or male heads of household, exercise considerable independence over the incomes earned from their activities.

“I live in the house of my parents. The money I make from the maize selling business I control and make all decisions over its use but part of the money I earn I always contribute to help with household expenses. When I want to invest in large items, I will ask the opinion of my family but it is not always that I do this, only when I need help.”

“I live in my husband’s house but I make decisions in relation to the money coming from the sales of maize. My husband takes decisions concerning the destiny of our family. For example, if our daughter were to marry a certain man, how much should we charge for lobolo (bride price) if she were to continue studying, etc. Things of this nature.”

“I live in the house of my husband. He gave me the money to start my business but I am the one who decides what to do with the money I gain from the business because it is me who knows what is happening in the house but I always tell my husband how I spent the money I earned.”

The overwhelming problem faced by the respondents was the lack of experience in undertaking this business (Table 2). This is perhaps not surprising as only 40 per cent indicated that they had previous informal sector vending experience. This was mentioned by 80 per cent of the respondents while, interestingly, the lack of funds was raised by only 20 per cent.

5. Trading-related activities

Itinerant trading in maize requires several important activities: identification of appropriate maize markets, purchase of maize from producers, transport, storage and selling (wholesale and retail). The identification of the appropriate maize supply markets is important. There appears to be two principal choices: the Limpopo Valley northwest of Chokwe and Manica/Tete Provinces. The first is convenient because it is accessible by rail and does not need large capital outlays to make the hiring of a truck economically feasible. The disadvantage of the Limpopo Valley is that maize marketing is not sophisticated and requires much more work to organize the purchase of sacks.

5.1 Purchasing

Trading in maize requires two essential elements. The first is sufficient liquidity and secondly access to reliable information about marketable surpluses, relative prices and quality. Many women benefit from “insider” information obtained through family or friends who are located in or are associated with these areas. Other women claim that the radio provides sufficient information for them to target their areas of operations. It is likely that personal contacts will be more reliable in terms of information relating to quality.

Access to official market information (via newspapers and radios) is more relevant for women operating in the Centre as the market system is more sophisticated than found along the line of rail in the South where personal contacts are much more important.

“It was my friends who had travelled to visit their relatives who told me that in Mabalane they were selling maize and that the peasants wanted to barter their maize for basic products. With this information I decided to go.”

“I left for Chimoio to buy maize after hearing through the radio that there was much maize being sold by the peasants in this zone.”

Trading in maize is undertaken in three basic measurements *canecas*, *latas* and *sacos* which are respectively the equivalent of 0.75 kg. (measured in milk cartons), small tin drums of 20 kg. and sacks of 60 kg. The traders bring their own sacks which they fill up over a period of a few days, buying maize from the surplus peasants who measure their produce either in *canecas* or *latas*. As each of the 60 kg. sacks is filled, the trader sews it up and stores it in a sheltered place.

5.2 Transport

The majority of respondents (80 per cent) claimed to use *chapa cem* (mini-vans) and trucks for transport. *Chapas* were used to arrive in Manica Province, while trucks were used to return with the maize. Others used rail to get to the Limpopo Valley and to return with maize. All respondents paid with cash.

Although during the recent past the road system has improved significantly as a result of donor financed projects such as ROCS (Roads and Coastal Shipping), road rehabilitation has not been accompanied by effective road maintenance programmes. Conditions of roads accessing many of the production areas are still precarious and has discouraged many transporters from entering these areas (DNCI, 1999).

Women buying in the South along the Limpopo normally stay in the acquisition zones from 3-7 days, depending on how efficiently they can get the maize from the producers to accumulation points along the line of rail. Carriers for the sacks are found amongst the homesteads in production zones and payment is usually in kind.

“There in Chicualacuala where I buy maize, for transport I have to pay the boys to carry the sacks on their heads (from the market to the train) and I normally pay them in goods such as cooking oil, sugar soap, capulanas, etc., because there money is not that important as there are no shops.”

Once the maize arrives at one of the stations in Maputo, maize is then transported to the markets where it is stored in small warehouses if not sold on credit to preferred clients on arrival. Transport costs 3,000-5,000 per 60 kg. bag.

By contrast, women trading in the central region find maize already accumulated in the markets where they can load sacks on to waiting trucks directly to their particular markets in the Maputo area. Women who buy maize in Tete can hire transport which takes them to Chimoio. From Chimoio, other transporters are found to take the load to Maputo. Once offloaded in Maputo, bags are carried to the point of sale or to warehouses by carriers.

Though the distance to the central region is considerably farther than the markets reached along the line of rail, transport is comparatively much cheaper (per kilometre), being 7,500 Mt (per *lata*) by truck from the Centre vs. 6,250 Mt by rail along the Limpopo.

5.3 Storage

In addition to the problem of transport between producer zones and pick-up points, storage was a further problem confronted by women purchasing in the South (Mabalane and Chicualacuala). There are no formal storage facilities in these areas so the traders have to arrange makeshift facilities, usually a house of a peasant or in improvised *barracas* (market stalls) which offer little security against theft and other risks.

Storage is not a problem in the Manica/Tete where maize is usually acquired in urbanised or peri-urban areas or in developed rural markets where facilities exist specifically for the storage of maize and other agricultural produce from the zone (DEA/MAP, 1995).

All the respondents store their maize with the small warehousemen, such as those found at the Bazuca market. Generally most of the larger markets have small warehouses to store maize. Warehousemen are registered with the Municipal Council to whom they pay daily fees. Warehouse space is rented to a variety of users, including both wholesalers and retailers who have nowhere else to store their goods. Bulk storage, in addition to maize, includes a range of other agricultural produce such as groundnuts, beans and rice.

Storage costs can quickly add up (usually 1,000 Mt per 60 Kg bag per day) so traders prefer to distribute as many of their bags to their clients on arrival as possible. This has led to credit arrangements made with regular trusted clients as wholesalers prefer to bear the risk of relatively safe credits than to bear the costs of storage and carrying. Credits are repaid according to the speed with which the borrowers manage to sell the advanced bags.

Ten per cent of the respondents said that they owned the storage space for their maize, the rest having to rent.

5.4 Trading patterns following the 2000 floods

The study was undertaken a few months after the worst floods in memory. As a result, access to principal maize growing areas for traders based in Maputo was denied at least up to the interview period. Since then access to Chimoio has been reopened but trading in the South has not been possible as a major rail bridge was still under repair in early 2001 and many of the roads to remoter production areas remain closed.

As an alternative to the main producing areas, female traders were restricted to trading in the District of Boane some 20 km out of Maputo-Matola nexus while others bought from urban warehousemen. Traders complained of high prices and low stocks and that the peasants were taking advantage of the supply and demand situation.

“With the flood problems I was obliged to go and buy maize in Boane in order to continue with some business but the problem is that maize in Boane is very expensive and there are many of us that go there to buy the limited stocks. Like this the peasants know the prices.”

Others complained that maize purchased from Maputo commercial warehousemen was of inferior quality and could only be sold to ration millers and traditional beer brewers.

“After the floods I bought maize from the wholesalers here in Maputo. However the maize from warehouse is not good, having germination problems or infested with insects. As such we have to sell the maize only to people who want to produce animal feed or traditional drinks. This is our only alternative to shutting down our activities.”

5.5 Choosing the purchase area

Maize trading involves a great variety of market typologies, varying from near perfect competition in the larger urban markets where the daily selling and buying prices are known by all stakeholders, to buyer-dominated situations in the remoter producing areas where buyer presence is occasional and producers tend to sell considerably below prevailing market prices.

According to some of the respondents, producers do not sell on credit because they do not trust itinerant traders as they constantly switch from one seller to another in their attempts to find the lowest prices. Even if their behaviour was more reliable, it is difficult to foresee a situation where sellers provided credit to the traders unless coming from the same family area.

In the South along the Limpopo corridor where trading is considerably less sophisticated, maize acquisition is done through barter, while in the Centre it is done entirely with cash, a significant advance on trading in the 1980s when almost all grain transactions by AGRICOM were done on a barter basis.

“I do not pay for maize with money, I only trade with basic products which they do not have such as sugar, soap, oil, capulanas (cloth), etc. For example I usually trade a capulana for two (20-litre) tins. We trade in goods because there in Mabalane and further in the bush the peasants don't need money.”

One respondent indicated that traders with higher disposable funds tended to trade in the Centre, while those with less funds traded in the South. In the Centre women normally purchased between 50-200 bags, while in the South women were inclined to buy up to a maximum of 30 bags.

“It is not worth me going to Chimoio to buy 30 bags of maize because I would waste the little money I have. Those women who buy in Chimoio have more money relative to us who buy in Mabalane.”

Typical of maize trading in many areas of Mozambique, during maize surplus months, traders will usually find maize readily available in the more sophisticated rural markets. As stocks dry up, however, traders are forced to travel into the interior to find maize stored in homestead granaries and to find willing buyers during the lean months. In the South, traders do not find maize for sale in markets but spend most of the year seeking maize directly from the producers. None of the respondents had purchased maize from producer associations (probably because there were very few or did not exist where they operated, unlike in Nampula).

One advantage of negotiating in the Limpopo Valley is that many of the traders have friends and relatives with whom they can stay for free, while most of those trading in Manica/Tete will have to bear costs of food and lodging (often done in small groups).

A serious disadvantage for traders operating in the Limpopo area is that, because of the lack of organised markets, the traders had to find their own maize and often the quality of the maize was poorer than that of Manica (see section 7 below).

Mechanisms for maize trading are summarised in Table 3.

Table 3. Mechanisms of maize trading

		South	Centre
Length of time to sell	1-2 weeks	Yes	No
	3-4 weeks	Yes	Yes
Number of buying trips per month	1-2 times	Yes	Yes
	3-4 times	Yes	No
Form of payment	In kind	Yes	No
	Cash	No	Yes
Quantities	0-30 bags	Yes	No
	30-150 bags	Yes	Yes
Purchase price (per <i>lata</i>)	20,000-25,000 Mt	Yes	Yes
Sale price	45,000-50,000 Mt	Yes	Yes

5.6 Client distribution

Distribution is one of the key components of the commercialisation process as it will determine the length of storage (a significant cost) and when further stocks are bought (Pene, 1998). According to the respondents distribution of their maize is generally made to factories, retailers and individual consumers from the markets themselves (in the case of our respondents Xikeleni Market). The factories include animal ration mills for lower quality maize and maize flour mills.

Traders naturally prefer to receive payments in cash but, when stocks are moving slowly, they will offer credit to trusted clients so that storage costs are reduced.

“We wait here for clients. Sometimes people from the (maize meal) rations factories come to buy our maize. I sell them at times between 50-100 bags and they come back to pay after a week. I sell on this basis because storage costs are charged daily. These people who pay after receiving are clients that I know and can trust.”

6. The economics of ambulatory maize trading

An attempt was made through the interviews to get an estimate of the costs of trading maize and the margins gained. Below are calculations made for traders operating in the central

zones and in the South. For the latter, it was assumed that board and lodging were provided by relatives or friends.

Profits for traders operating in the Centre (Manica Province)

Assumption: 100 bags of 60kg. purchased and sold

Costs

1. Transport to zone of purchase	380,000 Mt
2. Food and Lodging	200,000
3. Purchase of 100 (60 Kg. bags) (300 <i>latas</i>) of maize	7,500,000
4. Transport costs for maize	1,562,500
5. Carrying costs from truck/other carrier to storage room	250,000
6. Warehousing (assumption 100 bags sold over 2 weeks)	700,000
7. Carrying costs from warehouse to vending point	350,000

Total costs	10,942,000
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Sales revenue (300 x 45,000Mt)	13,500,000
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Profits will be approximately 2,558,000 with an investment of almost 11m Mt representing a yield of about 23 per cent per trip.

Profits for traders operating in the South (Limpopo Valley)

Assumption: 30 bags of 60kg. (90 *latas*) purchased and sold

Costs

1. Transport to zone of purchase	200,000 Mt
2. Food and lodging	0
3. Purchase of 30 bags (90 <i>latas</i>) of maize	2,070,000
4. Transport from point of purchase to mode of transport	100,000
5. Transport of 75 <i>latas</i> from pick-up point to Maputo	562,500
6. Transport costs (from railway to market)	90,000
7. Carrying costs from truck/other carrier to storage room	45,000
8. Warehousing	105,000
9. Carrying costs from warehouse to vending point	150,000

Total costs	3,322,500
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Sales revenue (30 x 45,000Mt)	4,050,000
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Profits are approximately 727,500 Mt on an investment of 3,322,500Mt giving a yield of about 22 per cent per trip, slightly lower than those travelling to Manica.

Yields will vary according to the volumes bought and the quickness with which the stocks are disposed. One trip to Manica per month will provide an income of approximately 3m Mt., substantially higher than women of this level of education could normally earn in the formal

sector. Two trips to the Limpopo Valley would earn traders more than 1m Mt of income, considerably higher than the minimum wage levels. The main constraint for potential traders to enter into this type of business would be to mobilise the necessary capital of between 3m – 10m Mt to make these trips viable.

Traders prefer to buy their maize in Manica (and Tete) because larger amounts can be bought per visit, allowing them to stay proportionately less time away per bag sold. Also of significant importance is the fact that the conditions for trading, storage and transport are much better in the markets of Manica and Tete.

Table 4. Regional cost differences (Mt/lata)

	South	Centre
Purchase price	23,000	25,000
Sale price	45,000	45,000
Transport costs	6,250	7,500

7. Constraints encountered by female ambulatory maize traders

Table 5 highlights the principal constraints encountered by the female maize traders.

Table 5. Principal constraints encountered by female maize traders

	South	Centre
Transport	4	0
Distrust	3	1
Vulnerability of women	5	2
Financial	7	0
Access	7	3
High prices	7	3
Low quality of maize	7	3

N.B. These answers refer to the commercialisation of maize during the previous year.

7.1 Vulnerability of female traders

Two forms of vulnerability were mentioned by the respondents. The first referred to the problem of child-bearing and raising. Younger women said that it was very difficult for mothers of young babies to engage in this type of business because the conditions faced during travel were harsh and unhygienic. Pregnant women also were prevented from engaging in trading.

“I was obliged to stop trading because, firstly I was pregnant and secondly because after giving birth my baby was very small and needed a lot of care.”

The second problem was that of security, particularly in the markets where they buy their maize. During their travels, their safety was said not to be a problem because they travelled in the company of men. The problem of security refers mainly to theft by thieves in the markets, though it was recognised that security guards found in many of the markets are effective deterrents. Theft was not felt to be a problem along the Limpopo Valley.

7.2 *Suspicion on the part of husbands*

Trading activities for many females involved in the informal sector implies absences from home, whether buying goods in South Africa, Swaziland or Zimbabwe or agricultural produce. Maize trading, however, requires women to be away from their husbands for periods of up to 2 weeks almost every month. Such long periods of absence are bound to create apprehension on the husband's side but appear to be tolerated because of the activity's importance to family welfare.

“My husband does not say anything about this subject because he says that the money from this business is to maintain the family.”

“My husband is always suspicious because where we go there are also men. But he remains quiet because my earnings help with household expenses.”

7.3 *Financial problems*

Several of the women interviewed operated with considerably less capital than they considered optimal for their operations resulting in less purchases of maize than they would have liked. Asked why they did not obtain loans from other traders, they said that they did not want to be in debt. This seems to be a common attitude amongst women in Mozambique and explains why savings schemes are so popular where they have been introduced as women prefer to accumulate the necessary capital to start income generating activities rather than to obtain it immediately but incurring a debt.

7.4 *Quality of maize*

Another problem particularly relevant to the South is the question of the quality of maize available to the traders. Quality is usually the result of the manner in which the maize is stored. As we have seen above, there are virtually no storage facilities available in places such as Mabalane and Chicualacuala. Storage practices of the peasants are rudimentary and there is little protection against humidity, rodents and insects. Little is done to encourage trade by making the produce more easily available to the traders, i.e. storing in sacks, transporting the maize to central pick-up points, etc. Maize is usually stored in traditional maize silos (*celeiros*) at the homestead. There is little evidence of any impact by extension workers, NGOs, etc. in terms of commercialisation.

Peasants are usually passive sellers of their surplus crops, waiting for traders to come by. In many cases surplus maize does not get sold in time to Maputo-based traders at higher prices, resulting in discounted prices for on-selling to ration companies or to neighbouring peasants who produce traditional alcoholic beverages.

7.5 Seasonal high prices and scarcity

Respondents complained about the difficulties they encountered during times of maize scarcity and how high purchase prices reduced demand and cut their profit margins to the point of barely recovering costs and their inability to pay for basic household expenditures. Some of the respondents spoke of diversifying into other crop trading, in particular rice.

8. Conclusions and recommendations

The study of itinerant maize trading for women is relevant and important to the question of feminisation of poverty for a number of reasons. First it gives us useful insights into an informal sector activity which, on the one hand, requires a minimum knowledge of the most basic business principles and some, relatively low level of education. On the other hand, it provides a reasonable return on relatively small investments that is considerably higher than the minimum wage and adequate to provide basic needs for a family of four. Although the study did not attempt to find out how many women were prepared to take up an activity which requires considerable travel and separation from their families, it is likely that many women, especially older heads of households with children not requiring daily attention, would be willing to take up maize trading if the minimum start-up capital was made available. One issue that requires further investigation is how accessible this activity is to new entrants. Evidence suggests that many of the traders started their business about eight years ago i.e. just after Peace and were able to start at that time with virtually no prior business experience. The situation today may have changed dramatically.

Under natural conditions, itinerant traders either finance themselves through accumulation from previous activities or, as appears to be most common, financed by their (normally) wage employed husbands or relatives. Though many women are resistant to credit because of their strong fears associated with formal interest-bearing loans, there would appear to be excellent opportunities for microfinance intervention.

The majority of the respondents successfully initiated their trading activities without previous business experience, using start-up capital from husbands, relatives or friends. Because of the complexity inherent in maize trading and the risks involved (theft, bad quality maize, etc.), it is recommended that financial assistance only be given to women who have previous business experience or to those who can offer suitable collateral.

One interesting aspect about the maize trading observed was the distinction between trading in the South (Limpopo Valley) and the Centre (Manica/Tete). Traders in the South operate with considerably lower working capital (about 3m Mt) vs. those operating further north (about 10m Mt), resulting in more work, more frequent travel and slightly lower returns. The distinction allows for a phased approach to assisting traders, starting with a loan of approximately \$150 and increasing to \$600, depending on the successful execution of the activity and capacity to repay the loan.

A major barrier inhibiting female uptake of informal commercial activities throughout Mozambique, but particularly acute in the northern provinces, is the fear of aspiring entrepreneurs to become compromised with debts. Microfinance programmes have so far focused on loan products and have only just started experimenting with savings promotion. Recent studies have shown that many women would much rather take the long-term route of

accumulating necessary start-up capital through savings than through an immediate loan. This study has shown that many of the female traders interviewed feel that the working capital with which they are working is too little for the potential capacity of their business. Lending to women with proven business skills should be encouraged wherever possible as this would give them immediate leverage with margins well in excess of interest rates (i.e. 23 per cent vs. 3-5 per cent per month). However, for those traders reluctant to enter into debt, microfinance programmes or the commercial banking system should encourage these traders to save a proportion of their profits, allowing them to build up their working capital. Innovative thinking is needed to promote this sort of accumulation. The revolving forced savings groups called *xitiques* or the mobile bankers found in the Maputo markets may serve as models to encourage savings. *Xitiques* of maize traders can be formed which would require each member of say a group of five to deposit an amount of say 500,000 each month (for higher end traders), which would result in accumulated amounts of 2,500,000 Mt every five months.

Maize trading is one of many types of larger scale trading activities in which women are engaged. Itinerant “wholesaling” is undertaken with other forms of agricultural produce, alcoholic beverages (imported from Swaziland and South Africa), small livestock, etc. Microfinance can play an important role both in terms of lending start-up capital, increasing working capital, or in terms of promoting accumulation through savings. So far most microlending programmes have focused on retail activities. This study has shown that there is considerable scope for promoting higher volume trading activities linked to the informal sector, in particular those managed by women.

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