

NIELS VAN DEN BOSCH

THE NATURE OF MARKETS AFTER RAPID RURAL CHANGE

UNDERSTANDING RURAL MARKETS IN MWENEZI, ZIMBABWE AND
MANICA, MOZAMBIQUE



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Picture front page: I purchased this painting on a local market in Harare, Zimbabwe. The painting represents a man repairing his bicycle. A familiar sight as bicycle repair shops where often found within rural markets. The style of the painting symbolises the fact that it often take a closer look before being able to realize what is happening.

THE NATURE OF MARKETS AFTER RAPID RURAL CHANGE

A COMPARATIVE ANALYSIS OF RURAL MARKETS IN MWENEZI, ZIMBABWE AND MANICA
MOZAMBIQUE

Student: N.W. (Niels) van den Bosch

Registration number: 860925107120

Study programme : Msc Development and Rural Innovation (MDR)

Supervisor: P.G.M. (Paul) Hebinck

Chairgroup: Rural Development Sociology (RDS)

Wageningen University

Droevendaalsesteeg 1

6708 PB Wageningen, NL

Tel: +31 (317) 48 29 80

Fax: +31 (317) 48 48 19

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Taking a stroll

Thinking of a typical rural African market resembles chaos. A scene of people everywhere, discussing, bargaining, shouting or moving about. Heat, noise, music and smells. It is not just a place where people buy and sell, but also a place where people linger and meet up, discuss, eat, drink, argue etc. It is a place of life which takes on an important role in the community.

The rural market in Manica, Mozambique does not form an exception in this. A quick stroll over the market learns that the market is in full swing. At the entrance of the market there is a continuous flow of 12-seater busses (chappas) coming and going. All of which are seemingly overloaded with people, luggage, bulks of food and the occasional chickens. Upon arrival or departure of these chappas, children quickly scramble to try and sell their 'on-the-go' lichis, bananas, peanuts, boiled eggs, bread buns etc. Some succeed, many have to take their losses and hurry to the next chappa. Surrounding the bus stop are the main market buildings. These can be divided into a series of (small) shops and 2 main market buildings. The buildings themselves are simple, yet purpose effective cemented structures with corrugated roofs. Most of them are decorated with self-painted advertisements.

The main market building is a big open-spaced building. Inside is packed with (mostly female) traders selling heaps of dried fish or beans. There are few male traders selling goat, beef and pork. Because there is no electricity or refrigeration, meat is slaughtered at site to keep it fresh. This also accounts



Picture: Inside the main market building in Manica. Heaps of dried fish from Beira are displayed.

for the smell. The smaller shops surrounding the market building are mostly run by foreigners coming from Nigeria, Liberia, Bangladesh, India or other countries. Entering, these shops appear relatively small, dark and basic. They are fully stacked with shelf's of different stuff, ranging from green soap bars, to candies, to soda's, to batteries and much more. Due to space issues, the outside of these stores are piled with 50kg

bags containing rice, beans and/or milli-meal. These shops are often operated by two to three persons: The shop owner himself, who supervises from a stool behind the counter, and one or two local employees.

The most characterising sight of the Manica market are the many petty traders who have set up small businesses between and around these central market buildings. Most of these businesses consist of not much more than improvised wooden stands. There are also those traders who are simply sitting on the pavement, trying to protect themselves and their products from the elements. Also here, most of these traders are female. Many of who sell food products such as tomatoes, unions, carrots, (sweet) potatoes, bananas, lichis etc. Similar to the fish- and bean traders, they have also stacked their products into little heaps. Once every so often you see traders rearranging the piles so that the best looking products (the ones least damaged by the sun) appear on top. Due to lack of space, many of these petty traders have set up their stands so close to one another that it is sometimes difficult to distinguish one business from another.



Picture: Improvised stands on the Manica market.

In the outskirts of this central area, one can also find other petty businesses. These are mostly non-food traders and service providers. Here one can find items ranging from cigarettes, batteries, matches, tools, second-hand shoes, cutlery, illegally copied CD's and DVD's, construction tools, electronics such as TV's, cell phones, mobile solar panels etc. Basically all items which are non-necessities such as food and groceries. In these outskirts one will also find the 'chicken-stands area'. These are Zimbabweans and locals traders who sell chickens and chicklets for both meat and production. Next to the chicken selling area, there is a line of businesses who provide services, such as bicycle shops, carpenters, welders and small taxi-lorries. The latter is used by traders to transport their commodities to the market. In addition, there is an area of shops who sell wood and furniture. The wood traders, carpenters and furniture traders seemingly all work together. (This is probably also the reason why they are all located in the same area of the market.) This part of the market (in context to non-food and service providers) is mostly operated by men.

As is the case in every busy market place, there are also many bars and stands, and even some restaurants, throughout the market where one can buy meals such as 'shima' (part of the local diet, made out of milli-meal) or roasted maize. Such places are often run by women. It are especially these restaurants and bars which seems to be the final destination of many lingering people as they have customers all hours of the day...

What this description does, is give a first impression of a rural market. It shows how chaotic, yet diverse, such a market can be.

1 PREFACE

This thesis research has been commissioned by Wageningen University, Wageningen for the completion of my Master (Msc) Development and Rural Innovation (MDR). In consultation with my supervisor, P.G.M. (Paul) Hebinck, the research has been conducted in Mwenezi, Zimbabwe and Manica, Mozambique.

The research has provided a unique lens into the adaptation and developing process of rural markets in the wake of rapid rural changes, by studying the nature of the markets in Mwenezi, Zimbabwe and Manica, Mozambique.

The set-up of the research, analysis and processing of the collected data has been done by myself and is based solely on field work done in Mwenezi and Manica.

For additional information and/or questions please contact:

Niels van den Bosch

Tel: +31 625440485

Email: niels.vandenbosch@hotmail.com

2 SUMMARY

Zimbabwe and Mozambique have both been subject to rapid rural changes. Were Zimbabwe has undergone the Fast Track Land Reform-programme (FTLR-p) in 2000, Mozambique has had to cope with the effects of 15 years of civil war which lasted until 1992. The wake of these events has created an agricultural and economic decline. This has also effected the rural market economies. Yet, were initially these market structures appeared fragmented, previous research such as that of Scoones et al. (2011) and Dermand et al. (2013) show that markets towns such as Mwenezi (in the South of Zimbabwe near the South-African border) and Manica (a market town in the West of Mozambique near to the Zimbabwean border) have been able to adapt and develop in the wake of these events. However, despite research, previous literature has failed to capture the social nature of these markets. By taking on a sociological approach, this study complements the work of Scoones et al. (2011) and Dermand et al. (2013) by analysing the nature of these rural markets in a more broader setting.

In doing so this study has shown three elements describing the nature of these markets. First, these market towns have been subject to new players as traders and customers from elsewhere have been attracted by opportunities. In Mwenezi this encompassed a gap of supply and demand: The general lack of commodities has triggered many players to engage in cross border trading with South-Africa or by sourcing products from bigger cities. In Manica however, the development which the market has undergone is not related to opportunities brought forth by the civil war. Rather it can be related to a series of other events. This includes the FTLR-p in Zimbabwe: The FTLR-p has not only pushed Zimbabwean traders to engage in (cross-border) trading in South-Africa, but also in Manica. In addition, white farmers who were forced to emigrate, resettled in the Manica district. In doing so, these white farmers brought with them knowledge and capital, thereby contributing to local agriculture and creating an economic push in the Manica market. Simultaneously Manica has also seen a gold rush in 1999, one year prior to the FTLR-p in Zimbabwe, which has attracted gold panners and traders. This has also created an economic impulse. The arrival of these new players has restructured the markets in various ways ranging from a general growth and increase in commodity variety to the extended use of social networks by traders to sustain their businesses. In the latter case the study shows that these markets are socially constructed. They have formed according to local forms of power play, opportunities and a general form of bricolage.

Secondly, the study showed that the arrival of these new market players has created a continuation and discontinuation of the market structures in the form of an informal sector. New players in both Mwenezi and Manica were banned from setting up formal business through exiting socially

constructed power structures. This has created a large informal sector. This informal sector is especially successful in sourcing new types of commodities on the market as they are not restricted by state controlled regulations. Yet, despite this separation, the study shows how both the formal and informal sector depend on one another to sustain themselves. This resembles much to what Van der Ploeg et al. (2012) describes as newly nested markets.

Finally, the study suggests that, despite its development, these markets are not necessarily an indicator for socioeconomic recovery. They function as means of last resort for marginalized groups as; they are poverty traps since they fail to innovate or reach large wholesalers and because the slow empowerment of marginalized groups (mainly female traders) is creating a counter effect in which traditional household compilations are distorted.

Thus, from a broader setting, this research shows indications that in the wake of rapid rural changes, the nature of these markets is a complex setting of intended and unintendedly created structures.

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4 INTRODUCTION

This thesis explores the dynamics of social change in conditions of rapid change. More specifically, it focusses on rural markets and the dynamics that emerge in such conditions. In doing so, it provides a unique entry point to debate post-crisis situations, the role of markets in recovering from stress situations and to explore whether new markets with new rules and regulations emerge.

Recently published articles and books have shed their light on this phenomenon but fail to capture the social nature of evolving markets. This thesis has therefore set out to engage within the sociological literature on markets and uses two different cases in an attempt to answer critical questions about the role of markets in rural development more broadly. One of such cases of rapid rural change can be found in Zimbabwe which has witnessed the implementation of the Fast Track Land Reform-programme (FTLR-p) in 2000. Under governance of president Robert Mugabe, the FTLR-p was designed and implemented to relocate local Zimbabwean farmers on the 75% of agricultural land which was owned by an elite group of white farmers (The Guardian, 2000). Yet, this rapid displacement of white farmers and labourers had created an agricultural and economic downfall across the country which affected all layers and sectors of society. This was later known as the 2008-hyperinflation of Zimbabwe. The work of Abel et al. (2006) for instance, has showed that, where the Masvingo province was once moving towards an ordered realignment of sectors and resources, it was suddenly dealing with major economic, social and ecological shocks. Amongst others this included a collapse of large commercial farms, collapse of industry, increase in food insecurity and large flows of emigration due to a decline in jobs and safety issues. With a period of media intensively feeding on such stories, in combination with stories of displaced farmers and the shocking and un-tactical public statements of President Robert Mugabe and his ZANU-PF¹ party, this view spiralled into an even worse daylight. However, in recent years, this opinion has slowly been coming around. For instance in the work of Moyo (2011) who states that, despite certain negative outcomes such as elites who have benefited from the process, the FTLR-p implementation has created substantial positive changes in the agrarian structure. For instance, smallholders have increased production and the poor are benefiting more than previously believed. In this same context, Scoones et al. (2011, 2012) author of *Zimbabwe's land reform: Challenging the Myths*, has described case studies of affected farmer markets in the Masvingo district, where he has confronted a number of recurrent exemplifications, or myths as he calls them. Amongst them, he challenges whether it is true that: There is no investment going on; that agricultural production has collapsed; that food insecurity is rife; that the rural economy is in precipitous decline and that farm labour has been

¹Zimbabwe African National Union – Patriotic Front

totally displaced. What is enquiring about the work of authors such as Scoones et al. (2011) is that it gives an indication that, in the wake of the FTLR, new actors have been able to adapt to the socio-economic situation. In doing so they have filled the gap between supply and demand, creating a mushrooming of new market structures.

A similar trend of rapid rural changes was also witnessed in Mozambique when the RENAMO-party² commenced a civil war against the ruling FRELIMO-party³ from 1977 until 1992. Having the greatest impact in the rural areas, it caused a lower output and growth of macro economy as; capital was destroyed; consumption decreased; markets became insecure; inputs became insufficient and there was a lack of (technical) assistance. In addition, there were no loans, credit-schemes or investments going on (Bruck, 1997 and Hanlon et al. 2013). Yet, despite these agricultural and economic downfalls, recent studies show that these markets have in fact been able to adapt to the situation and even expand explosively. For instance, looking at the Manica province at the West border of Zimbabwe, studies have shown an expansion of commercialized farms (Hanlon et al., 2013) and an expansion of demand and supply (Derman et al. 2013 and Pilosof, 2012). This has resulted in an increase in market developments. The two main reasons behind these developments rests on a better management of farms and a step-by-step progress and increase of contract farming (Hanlon et al. 2013).

What these cases suggest, especially the work of Scoones et al. (2011), is that rapid rural change does not necessarily lead to despair. In fact, the cases suggest that rapid rural change (as an effect of the failure of the state) opens the way for new rural market initiatives, thereby contributing to rural development. In this context, it may be argued that 1) despite the effects of an economic and agricultural downfall, new actors and new market structures are able to re-emerge/mushroom (or replace old structures) after rapid rural change, 2) new players create new markets, and 3) new markets act as indicator for economic and agricultural recovery.

The cases of Zimbabwe and Mozambique lend itself for obtaining a better understanding of the social nature of such evolving market processes after rapid rural change. It is the nature of markets which shows how, why and what kind of markets re-emerge and how they have influenced local livelihoods.

²Mozambican National Resistance

³Front for the Liberation of Mozambique

5 THEORETICAL FRAMEWORK

To understand the nature of a market, it is important to understand how markets are framed. In doing so this research complements traditional economists rural market research with a sociologists perspective by discussing that market structures do not develop only according to a strong demand and supply, but also through a social system. This chapter will first briefly elaborate on the classic economists vs. sociologists perspectives on markets. It will highlight on how knowledge and human agency are able to steer the structure of a market. It will then continue on how new markets are able to mushroom after forms of rapid rural change. This includes aspects of resilience and adaptation. This also includes the work of Van der Ploeg et al. (2012) who describes how new markets, or rather ‘new nested markets’, are triggered to emerge from failing governmental market structures through a process of social struggle. This gives an indication of how livelihoods and markets react and adapt when a market system is confronted with rapid rural change.

5.1 SOCIAL AND ECONOMISTS APPRAISAL OF MARKET STRUCTURES

Market structures have always been subject of long ongoing discussions between economists and sociologists. Generally the classic economists (later neo-classical) point of view has dominated by arguing that market structures operate due to a strong and sustainable supply and demand-system between trader and customer. This system is based on the principle that decisions and actions of each individual (market) actor is always made to better themselves in the best possible way. In doing so, the economists perspective understands that from all the choices that an actor can make, he or she always decides on the most beneficial outcome. This implies that these actors are perceived as fully knowledgeable and thus at all times make rational and flawless decisions (Granovetter et al., 2001). For such a (flawless-and-rational-decision-making) market structure to function, economists argue, it would have to fulfil certain basic criteria. Namely that:

- There are a large number of buyers and sellers on each side, such that no one can singly influence prices;
- There is perfect information, so that the value of the product or service is common knowledge;
- There are no constraints on new sellers to enter the market or on sellers to exit;
- There are no costs or benefits that accrue to third parties (externalities, such as pollution);
- They usually need an institutional structure in order to function, such as enforceable contract laws and property rights.

However, sociologists believe such market conditions are not consistent with reality. Economists limit themselves by focussing only on a perfect analytical market-scenario. Sociologists take a stand from economists by recognising that markets are more than just demand and supply and that most working markets do not operate in a perfect analytical market-scenario. Where economists claim 'social relations play only a frictional and disruptive role, not a central one in modern societies (Granovetter, 1985, p504)', sociologists understand markets as just that: A consequence of daily interactions which find place between the different actors, thereby grounding the working of markets on a social movement (Lie, 1997). Or as Karl Polanyi (1957) (Derived from Lie, 1997) argues; that all economic activities and institutions are entangled in social institutions. (Also known as the 'Market Society' apparatus.) As such, economies function within a social space. This social space includes features of tradition, culture, religion etc. A simple indication of this can for instance be found in the work of Makki (2012) who talks about traditional farming systems. Traditional farming systems are, as the word already spells out, for large part based on traditions. The way traders and customers operate is strongly interlocked with local and social believes, culture, religion, etc. Makki (2012).

In this notion of markets as social space, the relational interactions which find place on a market is not a coincidence, it is a necessity: Actors need one another to survive. As such, markets may be perceived as highly structured social spaces which 'present itself in the form of agents endowed with different properties that are systematically linked among themselves. (Bourdieu, 1989p19-20)' This can be highly extended and complex networks of relations.

To give this concept of social space some more grasp, I refer to Watson et al. (2006) who give an interesting insight of how markets act as social spaces in towns and cities. Their study, *Markets as sites for social interaction*⁴ has shown how specialized niche markets in the UK have taken over from many retail markets⁵ and in doing so have become a social space for and between different groups of society. It indicates that all markets (both retail and niche markets) in one way or another, may play an important role in the social life of communities. Specifically the study showed that:

⁴ The study has taken place across England from February 2005 to February 2006 and has focused on 8 markets, which were all varying in types of markets: Covered, uncovered, street markets, town-center markets, detached from and attached to shopping centres, different local sociodemographic profiles and urban and rural locations. The study was conducted by means of in-depth observation of social interactions, interviews with shoppers, market traders and local officials in these sites (and use of photographic records) and in-depth interviews with key national informants on markets.

⁵ This decline of retail markets has also been observed in the report by the House of Commons (2009). Yet, where the House of Commons (2009) mentions competition of bigger (super) markets, cheap retail and internet to be a main factor of decline, Watson et al. (2006) believe this is due to a lack of policy on market strategy and (especially) a lack investments made by local authorities: Due to a limited budget, local authorities often prefer to finance higher priority services such as; education, housing and social services.

- Markets were important sites of social interaction for all groups in the community, such as mothers with young children, young people and families with children. But most significantly for older people and women. Particularly at weekends. As such, some markets were also sites of social mixing as different backgrounds came together and interacted. Although there were some accounts of conflict and tensions (particularly on those markets with an exceptional high diversity), in general people adjusted well to the socio-demographic backgrounds of the community.
- Markets had a significant social inclusion role. For instance as places to linger, particularly for older people and young mothers. Some markets also appeared to be inclusive of disabled people, although in other places this was less evident. (Two important tools for markets to lure and keep customers to linger, thus to provoke social cohesion, included café/food courts and a (informal) place where people could sit down and relax.)
- The social life of traders played a significant role in creating a vibrant atmosphere in markets, and in forging social bonds and links in the trading community as well as with shoppers.

In terms of regulation of the markets, the study concluded that:

- For markets to function well as social spaces, various factors were significant. Essential attributes include; a diverse range of products fitting well with local needs and tastes; cafés or food vans on site or nearby; good access to the site, especially by public transport; an active and engaged community of traders; and a sense of the unexpected;
- Where markets are managed by local authorities, good local management and a strategic vision by the council could help in their development.
- There is limited national and local policy to encourage and support markets' role as a key social and economic space for the local community. Markets could play a more significant role in national policy agendas such as social inclusion, town-centre regeneration and healthy eating (Watson et al. 2006).

What Watson et al. (2006) have demonstrated is how markets play a social role for a community. It is more than just a place to buy and sell commodities. But rather it is a place where people come to interact.

As such, what I have tried to argue is that the nature of a rural market is partly shaped through centralized governmental set policies such as taxes, import regulations, price determination etc., and partly shaped according to a social system including features such as; tradition, culture, religion etc. and the forming of (personalized) networks.

5.1.1 Knowledge and human agency

Markets actors act according to certain rules and regulations. Above I have explained that these rules are not necessarily governmentally controlled (for example through state policies), but can also come forth from a social space. When everybody applies these rules, it forms the market structure. Yet, the question arises why does everyone apply these rules? I argue that these rules become a general accepted 'truth' through the distribution of knowledge. To explain this I refer to Foucault (edited by Gordon, C. 1988) who understands knowledge (in particular truthful and trustworthy knowledge), as something that is derived from our past experiences. The same is pointed out by Long (2001), who describes a body of knowledge as 'emerging out of a complex process involving social, situational, cultural and institutional factors. [...] is constructive in the sense that it is the result of a great number of decisions and selective incorporations of previous ideas, beliefs and images, but at the same time destructive of other possible frames of conceptualization and understanding. (Long, 2001p189)' What is meant with this is that, people tend to select their knowledge and act accordingly, to that what they know or are familiar with. Or in other words; that what we are confronted with on a daily basis, derived from one's habitus, is that what will be considered the truth. Within this same reasoning Bourdieu (1989) argues that, although people are not literally constrained by rules, they are still to some extent driven or locked in by their background. Their background has set certain unconscious rules, and has therefore framed certain issues, restraining people from individual choice. Even if an individual would undergo change, it would still somehow be linked to that what he or she knows. For example; a person who wants to start his or her own business, is more likely to sell a product or take on a certain entrepreneurial strategy which he or she is familiar with. This could be because this strategy or product is culturally rooted in that community, and/or because a neighbour, friend and/or family member has booked success the same way. What this also implies is that, as they all live according to the same habitus, when a market entrepreneur wants to set up business, that business will most likely resemble that of his or her neighbours. As such, we can determine that most behaviour is closely embedded in networks of interpersonal relations (Granovetter, 1985).

Yet, Giddens (1984) explains in his debate on structure and agency that, although markets are shaped and controlled by a social system/structural property, it does not necessarily mean that it is fixed: Actors are for a large part constrained by the general accepted discourse, but they are not *completely* constrained by the rules of structural properties. They are also free to choose their own actions according to their practical awareness/conscious. Or in other words, according to their human agency. Human agency is, 'the ways in which people (i.e. development practitioners as well as local actors) deal with and manipulate certain constraining and enabling elements, through the use of discursive and organizing practices, in an effort to enrol each other in their various endeavours or life-projects. (Long, 2001p89)' In this sense, Giddens (1984) believes that human agency simultaneously exists due to structure but also effects the structure. This is because the agents (participants/people) have an always present conscious which enables them to follow, but also change. In this sense, power does not only come from above, but is also distributed on decentralized level between the different actors. Therefore, the changing of market is an exchange between structure and human agency (i.e. practical conscious). So, although there is some form of structure which limits people to change, it is this same structure which also helps people to change.

In context to spreading of knowledge, it may then also be argued that those who control knowledge are the ones with power. Yet, it must be noted that there is no clear answer for this. For instance, where governmental set policies can influence religion, culture, values, norms etc. (for example through rendering certain actions unlawful), norms, values and culture can also influence governmental set policies (Merry, 1992), (for example through voting on certain political agendas, or by becoming thus essential for the social order that it cannot become undone through law and regulation).

Nevertheless, it becomes clear that market structures tend to develop partly through centralized and decentralized knowledge distribution and partly by 'adjusting' this according to ones human agency. This creates a system which is 'partly' formed according to a chaotic process. In this sense, the aspect of bricolage comes into place. Bricolage can be considered the construction of something new by means of random components (these can be ideas, beliefs etc. which form the consciousness) which happen to be there (Roth, 2008).

5.2 SOCIALLY EMBEDDED MARKETS AFTER RAPID RURAL CHANGE

As is often the case, rapid rural changes (such as caused by conflicts and wars) have a direct plummeting effect on the food and non-food supply of a country and thus also on the supply of rural markets. An important cause of the downfall of an existing market structure is the level of

vulnerability and the related *uncertainty* it causes amongst people. *Vulnerability* determines whether an actor is capable to deal with a stressor or not. 'Those who are unable to cope (temporary adjustments in the face of change) or adapt (longer term shifts in livelihood strategies) are inevitably vulnerable and unlikely to achieve sustainable livelihoods. (Scoones, 1998 p6)' *Uncertainty* can be referred to as war-uncertainty. War-uncertainty can occur when livelihoods have been confronted with the effects of war or conflict whilst not being prepared for it, nor have the opportunities to reduce the risk and/or have a clear perspective for the future. In combination with the risk of a lengthily conflict or repetition of conflict, people become reluctant to invest in (new) capital for continuing or re-setting up their businesses. This lack of certainty and confidence may reduce trade, investment and productivity and may further result in reduced market density, and migration flows (Bruck, 1997).

Yet, as I will argue in the following paragraphs, markets are also able to arise after rapid rural changes through *resilience* and *adaptation*. To clarify this in context of newly developing markets I will also refer to the work of Van der Ploeg et al. (2012) who describes these markets as 'newly nested markets'.

5.2.1 Resilience and adaptation

Being able to cope with shocks such as agricultural and economic downfall depends on the level of resilience and/or adaptation capacity of a community. 'A resilient community can be considered [...] a community that is able to prepare for, adapt to and live through shocks while not undermining its basic assets [...] (Heijmans, p17).' Or in other words, 'community resilience can be considered a process linking a network of adaptive capacities (resources with dynamic attributes) to adaptation after a disturbance or adversity. (Norris et al. 2008p127)' Yet, these are broad concepts. It is important to specify it in terms of the study. It is here where I refer to the concept of social resilience. 'Social resilience is defined as the ability of communities to withstand external shocks to their social infrastructure. (Adger. 2000p361)' As explained in Chapter 5.1 this includes the relations that actors have with their social surroundings. This is an important aspect for market structures under stress of war or conflict. For instance, when a market is under stress, traders may have difficulty in sourcing their commodities as suppliers may go out of business. Yet, when this trader has an extended network of suppliers and/or leads to new suppliers, he or she may be able to continue their business. Such social infrastructure also includes the ecological circumstance of actors. A community living at the coast for example, is likely to be dependent on fishery. Or a rural community which is prone to drought, is likely to be engaged in livestock production. Therefore, communities construct their livelihoods according to their physical and cultural circumstances. Or as Mutopo

(2011) describes it: 'Livelihood construction and the activities that men and women undertake in giving meaning to land in any agro-ecological zone depend on what land means to the people who use it on a day-to-day basis. (Mutopo. 2011p1035)'

However, when a conflict or war has created the effect that existing ecological, economic, or social structures become untenable, livelihoods or entire communities are forced to adapt to the circumstances. It may then prove necessary to configure an entirely new stability landscape - 'one defined by new state variables, or the old state variables supplemented by new ones. (Walker et al. 2004 p5)' This means that an existing structure makes room for a new structure to occur out of the old (weakened) structure. In practise this implies that traders seek and invest in new forms of trading. Walker et al. (2004) gives an example of this in a case study in south-eastern Zimbabwe where cattle-marketing/trading was declined due to a severe drought in the early 1980's. Because the drought had made the land undesirable for livestock ranging, it 'triggered a transformation from many individual cattle ranches to a few wildlife conservancies with all livestock and fences removed and managed collectively for tourism and hunting. (Walker et al. 2004 p5)' This shows that when actors adapt to the circumstances, they enable themselves to sustain their livelihoods. In context to human agency this can as such change the entire structure.

To comprehend this, it pays to look at the sustainable livelihoods framework (Adato et al. 2002). This framework helps in understanding the complexities of poverty and can be used as guide to address and overcome poverty. In short there are five indicators which determine sustainable livelihoods. The so called sustainable outcomes: 1) the creation of working days, 2) poverty reduction, 3) well-being and capabilities, 4) livelihood adaptation, vulnerability and resilience and 5) natural resource base sustainability. Pursuing these livelihood strategies depends on the access to certain assets and one's ability to combine and use these assets to one's advantage. These assets are categorized under; human capital (e.g. education, health); natural capital (e.g. land); financial capital (e.g. access to credit); social capital (e.g. community networks); and physical capital (e.g. infrastructure like markets and roads). To have access to these assets depends on, 1) the transforming structures of institutions, organisations, policies and legislations which actors are subject to, and 2) the level of vulnerability of actors which is determined by trends, shocks and seasonality. The use or combination of these assets can create three types of strategies (or a combination) which will result in the sustainable outcomes. Namely through agricultural intensification or extensification, livelihood diversification and/or migration. 'Either you gain more of your livelihood from agriculture (including livestock rearing, aquaculture, forestry etc.) through processes of intensification (more output per unit area through capital investment or increases in labour inputs) or extensification (more land under cultivation); or

you diversify to a range of off-farm income earning activities; or you move away and seek a livelihood, either temporarily or permanently, elsewhere. Or, more commonly, you pursue a combination of strategies together or in sequence. (Scoones, 1998p9)'

As such, if actors cope with and recover from stresses (such as agricultural and economic downfall) by maintaining or improving ones capabilities and assets now and in the future, whilst simultaneously sustaining the natural resource base in which they live, ones livelihood can be considered sustainable. It is then that (new) businesses, such as trading businesses, are able to survive and/or mushroom. It is also then when a community can be considered resilient. Also, it shows that the resilience of a community depends for a large part on the social structures that are in place. These social structures are simultaneously entangled within the environmental circumstances of which that community is dependent. It 'is an important component of the circumstances under which individuals and social groups adapt to environmental change. (Adger. 2000p347)'

However, in reference to the work of Scoones (1998) on the Sustainable livelihoods framework it must be noted that this framework merely acts as a guideline. He argues that the given indicators of a sustainable livelihood are not fixed but rather are always open to debate as different people may have different views of sustainability. What this may imply is that a certain livelihood strategies for one individual may create other opportunities for others and/or have other positive *or* negative impacts on other households. A classic example of this may be the distribution of micro-credit loans: Were one farmer may benefit from such a loan, it may also cause other surrounding farmers to lose business.

5.2.1.1 Attitude

Yet, for such transformations to happen, actors need to be confident over the future and willing to take (financial) risks. It is difficult to be the first to adopt 'unknown' business strategies. It is arguable to state that people in distress are not willing to take risks as this could put them in an even worse position. In this sense, much of these first initiatives depends on the 'innovators' and 'early adopters' (Leeuwis, 2004p131). This brings into play the question if war or conflict would change a person's attitude towards risk-taking. Where at first sight such change seems likely, Bruck (1997) rather understands change not as people changing their attitude, but rather their actions. In doing so he claims that people who are closer to desperation will not become risk-weary, but rather they will act differently simply to avoid complete 'deterioration of their situation. (Bruck, 1997p11)' In this sense, the level of resilience and ability to adapt can also partly be found in the attitude of actors: Where one may expect that in case of absolute disruption it are only those with sufficient savings who are

willing to invest in new businesses (as they are able to take a financial risk), it are in fact (also) the ones who are most desperate to do so. What this means is that, such desperation would (also) trigger people with little funding's/possibility to start new (low investment) businesses, no matter how small they are. This is important to realize in context of newly developing markets in the wake of economic and agricultural disruption.

Once again, this shows that the adaptation process/development of a (rural) market-economy is for a large part not thanks to the government and there, bluntly said top-down approach, but also from a strong, grassroots-run, social system. In doing so, actors use their own network and available knowledge to create new businesses. In fact, it may be said that the changes that a market structure undergoes after a destruction, are thus not random acts of desperation, but rather thought-out strategies which have been carefully considered. These thought-out strategies do not however undermine the importance of bricolage in such situations. For example, when a market structure has collapsed, people use whatever is at hand to base their decisions on. This may include for instance the use of the available road (physical capital) between Mwenezi and Johannesburg to engage in trading there.

5.2.2 Newly nested markets

What the previous chapters suggest is that the dis-functioning of a centralized market structure appeals to the grassroots level to initiate new ways of making a living, thereby creating new market structures. To bring the issue of discontinuation of new markets structures in more perception, I refer to the work of Van der Ploeg et al. (2012) on newly nested markets. Although Van der Ploeg et al. (2012) bases his research upon markets in China, Brazil and the European Union, (so not on Southern Africa) the principle of his reasoning remains relevant. It describes how the failure of centralized food and agricultural empires triggers the opportunity for new local market structures to develop out of the existing failing market structure. These new markets are 'embedded' or 'nested' '...in normative frameworks (and associated forms of governance) which are rooted in the social movements, institutional frameworks and/or policy programmes out of which they emerge. (Van der Ploeg. et al. 2012p139)' In a nutshell this means that the main market functions as a foundation for the existence of these newly nested markets.

These new markets are locally orientated and come forth and sustain themselves through strong social connections between the different market players. They can be determined as they have, 1) a specific focus. 2) They are grounded/dependent on local and regional resources. 3) They are often supported by state agencies (in various manners) and 4) they function through highly extended

networks (thereby interlinking with rural local enterprises on different levels). In this context they are understood as '[...] an archipelago of interlinked local markets that adapt (in varying degrees) to the specificities of local ecology, local history, local town-countryside relations, etc. (Van der Ploeg, 2012p151)'

The terms of *specificity*, *connectedness* and *rootedness* are key elements in the concept of such markets. Within specificity falls the fact that (trust) relationships between consumer and farmer/trader are stable. (Shortcomings of the trader or farmer does not quickly result in consumers going elsewhere.) It determines the use of resources, skills, social relations etc. The *connectedness* determines not only a stable relationship, but also a complex and extended network between farmers, consumers and traders. Notable is that there is no form of hierarchy to be witnessed; Each 'chain in the key' is equally important as an extended network and its flexibility creates more resilience. Also, connectedness refers back to the fact that these newly nested markets are a archipelago of interlinked local markets. Yet, the concept of *rootedness* shows that this is not only a social network, but also one where the commodities play an important role. It is a socio-material network. 'These social and material elements [commodities] explain the nature of this particular nested market. (Van der Ploeg 2012p152)'

Important to realize is that these new markets can occur given the extent to which a gap may form or increase between prices paid by the consumer and prices paid for the farmer/producer. When such a gap becomes too large, producers, traders, consumers etc. are forced to seek alternative means to sustain their livelihoods/adapt. They do this by making use and extending their personal networks to find or create opportunistic ties of supply and demand, thereby avoiding existing market structures. This means for example that supermarkets or other state controlled structures may become unused or, more likely, lose their script⁶. Instead, people create or seek smaller and/or localized businesses, products or stores which are better equipped to their needs.

Yet, to indicate the actual development and/or transformation to newly nested markets, Van der Ploeg et al. (2012) indicates 3 types of 'boundary shifts' that may take place amongst entrepreneurs. (Also see Annex - Boundary shifts)

⁶ In this context 'script' is seen as the usage of an end-product: 'A large part of the work of innovators is that of inscribing this vision of (or prediction about) the world in the technical content of the new object. [...] Thus, like a film script, technical objects define a framework of action together with the actors and the space in which they are supposed to act. (Akrich, 1992p208)'

- *Deepening activities*: ‘May involve the adding of specific characteristics and values to the end-products (e.g. high quality products, regional specialties and organic food). Deepening is driven by, and results in, the creation of more value added per unit of end product produced within the farm. (Van der Ploeg et al. 2012 p134)’
- *Broadening activities*: ‘May include secondary productive, non-agricultural, activities into the farm. These may include energy production, water retention, agro-tourism, the provision of care, landscape management, nature conservation and a range of traditional forms of diversification (as e.g. the widespread introduction of fruit trees in China). These activities enlarges the total farm family income. (Van der Ploeg et al. 2012p134)’
- *Regrounding activities*: ‘May involve reconstituting the resource base of the farm – reducing dependence on external resources and increasing the emphasis on internally available resources. Self-provisioning saves costs and becomes a major feature and can be reinforced by local networking (Van der Ploeg et al. 2012p135)’

To give a more tangible understanding of the differences of newly nested markets with existing agricultural markets, Van der Ploeg et al (2012) has used the following schematic comparison as analytical tool. (See Table 1)

	<i>General agricultural and food markets</i>	<i>Newly nested markets</i>
Who owns what?	Most linkages between production, processing, distribution and consumption of food are controlled by food empires.	Short circuits that interlink the production and consumption of food. These short circuits are owned or co-owned by farmers.
Who does what?	The role of farmers is limited to the delivery of raw materials for the food industry.	The role of farmers is extended to embrace on-farm processing, direct selling and the redesign of production processes that better meet consumers’ expectations.
Who gets what?	The distribution of value added is highly skewed; most wealth is accumulated in food empires.	Farmers get a higher share of the total value added.
What is done with the surpluses?	Accumulated wealth is used to finance the ongoing imperial conquest (take-over of other enterprises, etc).	Extra income is used to increase the resilience of food production, to strengthen multifunctional farming and to improve livelihoods.

Table 1: Differences between food markets and newly nested markets (Source: Van der Ploeg et al. 2012p142)

Notably, these three boundary shifts show similarities with the three livelihood strategies mentioned earlier. Namely deepening activities resembles agricultural intensification/extensification; They both relate to investing in an existing entrepreneurship and thereby increasing profits. Broadening activities resembles livelihood diversification; They both relate to seeking a way of income next to the exiting entrepreneurship. It is only within regrounding activities and migration as livelihood

strategy that some friction exists. Where regrouping implies becoming more self-sustaining, migration implies moving away altogether and seeking new forms of livelihood.

Nevertheless, reason for these newly nested markets to sustain for longer periods of time is that they are more reliable than the main market. Because they are formed within a local area, depending on local customers, local suppliers and local products, they are rooted in a strong social structure. As such they would not quickly be effected by social and/or ecological effects created by global markets. Nor can they be taken over by large capital groups as they also help the network as a whole to resist any potential take-over by food empires. This resistance partly resides in the material elements of the network: Certain commodities can be purchased for favourable retail prices elsewhere (abroad) and even informally. This could mean for example that newly nested markets can out-compete a state-run main market as they have a fast network which enables them to purchase products for favourable prices, possibly even across borders. This aspect of not being affected by the global market is even strengthened by the fact that there is a strong relation between customer-supplier: Customers do not switch from supplier as fast, creating a fixed clientele.

All in all, what the work on newly nested markets illustrates is that ‘...it are eventually the farmers, peasants, citizens and/or social movements that trigger rural development processes. (Van der Ploeg et al. 2012p136)’ Thus, based on the notion of Giddens (1984) that actors have a practical consciousness to generate change, it may then be said that; if enough actors undertake a change, the amount of these newly nested markets or entrepreneurships does not only grow in amounts, but also become more important/change the entire socio-economic structure of the market. As such, rapid rural changes may lead to new structures. In this same line Makki (2012), who has studied agrarian transformations in Ethiopia, found that, although in some areas, state implementation have led to large-scale mechanized farming (which resulted in a downfall of subsistence farming), in other areas it has caused commercialization amongst smallholder. The latter case/trend has also been witnessed in Mozambique by O’Laughlin (2001). He believes that the historical process of proletarianisation has in fact caused a diversity and variation of rural livelihoods (i.e. the development and shaping of agricultural commodity markets.) He describes that where in the mid-1970’s Mozambique witnessed a rapid process of proletarianisation, since the mid-1980’s rural livelihoods have been understood from a more individual setting.

5.3 THEORETICAL CONCLUSION

Concluding from the above, this thesis highlights on two theoretical conflicts. First, there is a clash between the social and economic perspectives of market research: Where economists understand

the behaviour of actors as rational decisions to better themselves, sociologists believe that markets house a social space. As such, the working of such markets are formed according to a complex network of habitus, knowledge and human agency. In doing so knowledge distribution plays an important role in the development of these market structures as it shapes what people, know, believe and how they act. This is important to understand *how* market communities adapt in the case of rapid changes. Secondly, the work of authors such as Scoones (2008), Scoones et al. (2011, 2012) and Van der Ploeg et al. (2012) gives a grip upon understanding the nature of emerging markets in context of rapid changes. Were one would expect a total downfall of markets, in fact they are mushrooming often as small scale markets. They are able to develop as an effect of the failure of the main market structure, yet take on a new form in terms of commodities and business strategies. To analyse such newly emerging markets, the mentioned boundary shifts and livelihood strategies form important focus points and indicators of (changes in) every-day life and the nature of these market structures in general. Specificity, connectedness and rootedness indicate the social structures. Whereas the concepts of *deepening*, *broadening* and *re-grounding* activities (and agricultural intensification/extensification, livelihood diversification and migration) show how these changes have come about in practise.

All in all, in context of rapid rural changes in the wake of the FTLR-p in Zimbabwe and the civil war in Mozambique, it raises the question how the adaptation process of these markets have affected the nature of such rural markets.

6 METHODOLOGY

This chapter describes the objective and methods that have been used to gather data for this thesis research. The study has used a combination of desk study and ethnographic observations which have taken place on rural markets in Mwenezi, Zimbabwe and Manica, Mozambique.

6.1 RESEARCH OBJECTIVE

The effects of the FTLR-p in Zimbabwe and the civil war in Mozambique has generated numerous scientific papers, books and articles. In terms of research done on the impact on local livelihoods in the Masvingo province of Zimbabwe and the Manica province in Mozambique, the work of authors such as Moyo (2011), Scoones et al. (2011, 2012), Mutopo (2011), Matondi (2012), Kinsey, Derman et al. (2013) etc. are familiar names. Their views and findings have led to interesting insights of how markets are adapting to the rapid rural changes. However, although these are important indicators for understanding the consequences of rapid rural change, the focus has always been somewhat on the agricultural, economic and political restructuring. To my knowledge there is still meagre information available on the social nature of these evolving markets. This seems surprising as trading often takes on an important role for many rural communities. Understanding the social organization of the markets in Mwenezi and Manica may provide a unique lens into the behaviour of rural actors across (Southern) Africa whom are confronted with similar rapid rural changes. This thesis has therefore set out:

To provide a unique lens into the adaptation and developing process of rural markets in the wake of rapid rural changes, by studying the nature of the markets in Mwenezi, Zimbabwe and Manica, Mozambique.

6.1.1 Research questions

In context of the objective this thesis upholds the following main research question and sub-research questions:

- ***What is the nature of the rural markets in Mwenezi, Zimbabwe and Manica, Mozambique which have emerged after the Fast Track Land Reform-programme and the civil war?***
 - *What has triggered the (re)emergence of the markets in Mwenezi and Manica? - What has been the strategic considerations for actors to do so?*
 - *Who are the market actors and what are their roles?*

- *How do the markets operate?*
- *How do the new market structures differ from the old/existing market structures? – How does power/knowledge come into place?*
- *How have livelihoods been affected by the markets in Mwenezi and Manica?*

6.2 CASE SELECTION

The research has taken place in Zimbabwe and Mozambique. These specific countries have been selected as they provide unique cases in which rapid rural change have altered local forms of livelihood. In Zimbabwe this was due to the implementation of the Fast Track Land Reform, whereas in Mozambique it has been the civil war which has steered towards rapid changes in rural sites. As the countries border one another there has been much migration, meaning that especially in the border regions there has been much social and cultural interaction.

Within Zimbabwe and Mozambique, this research has focussed on two particular sites. Namely the Mwenezi district in the Masvingo province and the Manica town in the, likewise named, Manica province (Mozambique). These specific locations have been selected for a number of reasons. 1) Mwenezi is a hotbed where FTLR has had an important impact on rural communities and thus has been a familiar site where previous research has been done before. 2) Manica has been selected because it has shown to be an important area where white farmers re-settled after fleeing Zimbabwe, and 3) Mwenezi and Manica make interesting case studies as they are both situated near borders (Mwenezi is situated near the border of South Africa, whereas Manica is near the Zimbabwean border. Market borders show to be rich in creating new market strategies as they have another country to accumulate some sort of trading scheme with. In addition, through both towns runs a main road which provide interesting trading opportunities. This has been shown in previous studies as that of Mutopo (2011) and Dermand et al (2013). It is within this context that Mwenezi and Manica prove to be a rich and interesting scenario of interrelations between factors of border crossing and trade and re-settlements of displaced farmers.

Within each of these sites, the research has selected a number of local (agricultural) markets to collect data from. In Mwenezi the focus has been on; Sarahuro, Maranda Business Centre, Maranda turnoff, Rutenga Growth Point, Lundi and Matibi turnoff (TNP). In the Manica province the focus has been on the main Manica market and one smaller suburb market (Nobeza Nolta) which is 4,5 km away from Manica town. Selecting the types of markets did not have any specific requirements. They mainly consisted of agricultural related markets and/or mixed markets (food, non-food commodities and/or services).

6.3 STUDY APPROACH

This thesis research is an individual initiative. As such I have not been influenced by an organization of any sorts. This also accounts for the study approach. Based on issues of reflexivity and the reasoning of Bourdieu (1989) (that people, including me as researcher, are to some extent driven or locked in by ones background), this research is based on a constructivist approach: That what I have analysed and presented in this report is as such framed in context to that what I am familiar with and/or can relate to. Because the research question is broad, it incorporates many aspects which are of influence on the nature of markets. This also implies that the research tackles aspects which each individual may have a different opinion/experience on. It is based on inductive reasoning, in which both desk,- and empirical findings have led to a conceptual level.

The research has been confronted with security/research permit-issues. (Also see Chapter 6.3.2.2) In this regard the field study in Mwenezi has not been conducted by me personally, but by two staff members of RUZIVO-Trust whom are well familiar with the area; Elmon Mudefi and Wilbert Marimira. The same data collection methods where used at both sites. During the time of the field visits, contact was upheld between Mudefi, Marimira and myself. Towards the end of the field visit we finalized our the field study by brainstorming over our results. The data of Mudefi and Marimira is collected in the report *Masvingo rural agrarian change project report: Emerging markets in Mwenezi district* (RUZIVO-Trust, 2012). It is within this thesis report that the findings of Mudefi and Marimira are analysed and merged with the findings of myself.

During the field study I have been supported by the NGO RUZIVO-trust (stationed in Harare, Zimbabwe). They have provided background information and connections with different stakeholders. In addition, they have supported in practical matters such as providing office space and transportation. Whilst doing my field study in Mozambique, the NGO Resiliencia (stationed in Chimoio, Mozambique) also offered support in the form of office space and connections to stakeholders. Costs made by the research team in Zimbabwe have been financed by Wageningen University and Research Centre with a total sum of \$500 US. All other costs were on my own expense.

6.3.1 Data collection and processing

Identifying the historical context of these markets prior and/or during the rapid rural changes has for large part comprised of desk study. Understanding the development after the rapid rural changes and (for the second part) analysing the nature of these structures has been a combination of desk study and qualitative data collection methods such as semi-structured in-depth interviews,

ethnographic observations and mind-mapping. Much data has also been collected through considerable numbers of casual conversations. During the interviews data has been cross-checked by repeating certain questions in other phrasings and/or discussing certain answers with other people. The data collection for the field study was conducted in approximately 4 months. It took place from September till December 2012. I have held residence near the Manica market and occasionally Harare and Chimoio.

6.3.1.1 *Semi-structured in-depth interviews*

For the in-depth interviews the study selected 4 target groups. Namely; random types of traders, officials in institutions (such as city councils, NGO's, public figures etc.), producers/farmers and customers/clients. For each of these categories a different interview format was used (See Annex – Interview formats). The conducted interviews formats used in Mwenezi were the same as the ones in Mozambique. It should be noted however, that these formats were merely a guideline. Within both research sites around 30 interviews were conducted, each taking up to 2 hours. Interviews have been conducted on site (market places, farms, gold panning mines etc.) to provide a richer image and to keep interviewees in their comfort zones. All interviews have been recorded and/or minuted. However, due to the sensitiveness of certain subjects a number of interviewees did not want to be recorded nor mentioned by name. (Also see Chapter 6.3.2.1) Therefore I have used different codes to refer to interviewees for quotations in this report. Due to the language barrier I conducted most of the interviews in Mozambique with use of a translator.

6.3.1.2 *Ethnographic observations*

Living within the same area as Manica market I spend much time on the market. As such I have become familiar with certain aspects of the markets which I would normally not have seen. These ethnographic observations enabled me to observe the market with minimal reflexivity issues. 'Ethnographic observations yield descriptive richness missing in the economic approach [Gregory & Altman 1989] and ethnographies are veritable treasure troves of insights on markets [Firth 1939, Bohannan & Bohannan 1968, Strathern 1971, Beatty 1992]. (Lie, 1997)'

6.3.1.3 *Mind-mapping*

Both in Mwenezi and Manica interviewees were asked to draw out maps of the marketplace. This was used to get a better visualization of important parts of the market. Depending on what the interviewee drew, one could pinpoint important parts for that area and its possible influence on the general nature of the market.

6.3.2 Unfolding field events

The research has coped with several constraining field events. The most determining ones for the research have been on ethical issues and attaining a research permit.

6.3.2.1 Ethical issues

The events which have occurred as an effect of the FTLR-p and the civil war have become a sensitive subject (especially in the case of the FTLR-p). People were often reluctant to talk about certain issues such as political viewpoints, aspects of corruption, illegal use of traditional medicine, illegal gold panning, drug-trafficking etc. This has made it difficult to collect certain data. Therefore a restrictive approach was needed during interviews and/or a re-phrasing of questions. This was especially the case when interviewing for instance, staff members of the city council or interviewing at locations surrounded by other people who were within listening distance. On occasion therefore I would reschedule an interview at a more discreet time and location. As mentioned, I was also asked on numerous occasions not to record conversations.

6.3.2.2 Research permit

To do research in Zimbabwe, a research permit is required. Due to the political situation of Zimbabwe it is challenging to gain such a permit, especially for foreigners. It has been strongly advised (amongst others by RUZIVO-Trust) not to conduct interviews without such a permit, especially in Mwenezi. Due to complications I was unable to obtain such a permit. As mentioned, this has been the reason for Elmon Mudefi and Wilbert Marimira (two staff members of RUZIVO-Trust) to conduct the interviews for me in Mwenezi.

7 BACKGROUND

The FTLR-p in Zimbabwe and the civil war in Mozambique make interesting case studies. Both countries have witnessed how conflict and the collapse of the economic and agricultural sector have triggered a trend of rapid rural changes. Yet, rather than total destruction, both countries show how new market structures are developing. This chapter provides an overview of the effects of the FTLR-p and the civil war on the agricultural and market sectors of the Masvingo district in Zimbabwe and Manica district in Mozambique. In addition, it highlights on how forms of cross border trading and other circumstances such as a gold rush have influenced this.

7.1 FAST TRACK LAND REFORM IN ZIMBABWE

Zimbabwe lies in the South of Africa. It is landlocked between South-Africa, Botswana, Zambia and Mozambique. The capital is Harare. Since 2000 Zimbabwe has been known for the implementation of the FTLR-p. In a nutshell, the FTLR-p was designed and implemented to reclaim the 75% of agricultural land (The Guardian, 2000) which was owned by an elite group of white farmers and resettle local Zimbabwean farmers there to, more equitably, redistribute the agricultural land. Whilst many of the white farmers and their farm labourers where (violently) forced to leave everything behind and emigrate (Hammer, 2010), local farmers got to the opportunity to grow and sell various crops on large scale (Moyo, 2011).

The rapid implementation of the FTLR-p had a great impact on the agriculture and economic sector. What these influences have exactly been is still debatable. Initial responses from researchers have argued an all-round negative effect causing an economic and agricultural downfall. This translated in the nationwide hyperinflation of 2008 and the fact that the country was dealing with a massive shortage of basic supplies. One of the areas which has been effected by the FTLR-p has been the province of Masvingo. Masvingo, also known as South-East Lowveld, lies in the South-East of Zimbabwe and covers around 57.000km². It is known for its high temperatures and drought (average of <400mm per year) and the occasional floods and disease outbreaks. Due to its low agricultural potential the area is mostly suited for wildlife conservation and livestock production (Osofsky, 2005. Derived from Cumming, 2005). In Masvingo province lies the Mwenezi district. Mwenezi is well connected. It lies along the A4 highway and railway, which connects Harare and Masvingo to Johannesburg. The main roads from Chiredzi to Bulawayo also pass through Mwenezi.

It is in relation to Masvingo, and thus Mwenezi, that Cumming (2005) argues that, where the area was once moving towards an ordered realignment of sectors and resources, it was suddenly dealing with despair. Cumming (2005) mentions that rather than having a positive impact on local

livelihoods, the FTLR-p has caused a series of major shocks in the economic, social and ecological systems. These include:

- Large areas under commercial agriculture have been converted to small-scale subsistence farming. This goes hand in hand with deforestation and the sale of fuel wood.
- An increase of poaching of valuable game. Amongst others for bush meat markets. In addition, this has also lead to a loss of valuable natural capital.
- Decline of sugar production, threatening the industry with nationalization;
- Outbreaks of animal diseases such as foot and mouth disease;
- Loss of social capital
- Emigration due to decline in jobs or safety issues (Also see Hammer, 2010);
- Disruption or total loss of production on irrigated estates;
- Loss of capital investment;
- Lack of inputs and resources to use newly settled land productively (by resettled farmers);
- Increasing food insecurity, and;
- Collapse in the tourist sector.

With a period of media intensively feeding/reporting on such stories, in combination with stories of displaced farmers, doubtful allocations of land and the shocking and un-tactical public statements of President Robert Mugabe and his ZANU-PF party, this view spiralled into an even worse daylight.

However, in more recent years, this opinion has slowly been coming around. As mentioned in the Introduction (Chapter 4) Scoones et al. (2011) has confronted a number of these recurrent myths about Zimbabwe's land reform by describing case studies of effected farmer markets in Masvingo. The work of Scoones et al. (2011) shows that the FTLR-p triggered a undeniable reconfiguration of the rural area. Many of these new farmers in Masvingo came from elsewhere. They resemble a new generation. Most are under 50 years, better educated and skilled, have varying backgrounds and are well connected. 28% of the land area was distributed amongst these new local farmers. (During the time of their study (2011) there were still 200-300 white-owned farms operating in Mavasingo.) The average size of a smallholder farm (A1 farms) contains 37ha whereas the average size of large scale farms (A2 farms) contains 318ha.

Despite the fact that the production of wheat, coffee, tea, export of beef and tobacco all suffered/declined, other products have seen an uprise. Namely, national maize production has

become more variable and small grain, dry bean and cotton production has all increased. The study also showed that cattle populations has been rapidly growing as large investments are made by the new farmers. Also, the sugar estates in Masvingo have largely remained intact during the FTLR. All in all, over half of the 400 sample households of the study of Scoones et al. (2011) have shown to be improving their livelihoods. Farmers are investing, employing labour and intensifying farm operations. Yet, there is still the remaining 46,5% which has difficulty sustaining their livelihoods. Many of whom have become reliant on relatives and friends. In addition, one of the points of struggle remain the poor infrastructure from the farms to towns. This limits access to services and support. But also to shops, clinics, schools and markets.

These new farms and their increasing produce has not only reconfigured the agricultural sector, but also the markets: Small scale irrigators have started producing horticultural products for local and regional markets; cotton producers sell to private sector companies, livestock producers are developing a new value chain linked to, amongst others, butcheries and supermarkets; sugar producers deliver their canes to mills and other markets; and others are engaged in contract farming and cooperation's for a range of products. Much of this marketing has also become more efficient as much business is managed by mobile phones and internet.

These self-sustaining market communities have been developing from a grassroots level. People have adapted to the changing circumstances by tapping into their existing (social) structures. Or as Mutopo (2011) puts it: ...the different livelihood pathways that have emerged in the south-eastern low veld of Zimbabwe should be understood within the differing notions of natural and social landscapes in Southern Africa. (Mutopo, 2011p1025)' This is especially interesting when considering that as of early years already, rural areas have always been largely dependent on their own economic structures. In fact, Zimbabwe's government has since the mid-1980's always been depended on the strong private sector to carry the economy of the country (AfricaFiles, 2008). This became especially clear with the introduction (and eventual failure) of the Economic and Structural Adjustment Program (*ESAP*). It is in this same line that Matondi (2012) stresses the need for more collective action/cooperation and social capital in rural areas. As this could '[...] help agriculture in the medium to long term. (Matondi, 2012p233-234)'

ESAP

The Economic and Structural Adjustment Program sought to transform Zimbabwe's tightly controlled economic system to a more open, market-driven economy. The restructuring sought to promote higher growth and to reduce poverty and unemployment by (1) reducing fiscal and parastatal deficits and instituting prudent monetary policy; (2) liberalizing trade policies and the foreign exchange system; (3) carrying out domestic deregulation; and (4) establishing social safety net and training programs for vulnerable groups. The focus was on the formal sector as the engine of growth. (World Bank, 2012)' (Also see: Saunders, 1996)

Studies suggest that the evolving new markets that have come about can also be related to existing migration flows and the cross border trading that comes along with it. Mutopo (2011) has described such a case on off-farm activities by women in Mwenezi. She describes how, due to the economic and agricultural limitations brought forth by FTLR-p (lack of commodities, hyperinflation, collapsed food [processing] industries etc.), women now travel long distances to South-Africa in order to trade/market products there. In doing so they are able to sustain their livelihoods in Mwenezi. This is not only done by women but also by others who have been affected by the FTLR-p. For instance, many arts and crafts traders were forced to engage in cross border trading as they lost their business with the



Picture: Large arts and crafts market in Harare. Much of the products are sourced from smaller arts and crafts traders across Zimbabwe.

introduction of 'Operation Murambatsvina' in 2006 (RUZIVO-Trust, 2012) which wiped away many illegal businesses. (One respondent [*IM*] indicated that their stands were burned and destroyed and they were banded from doing such business again⁷.) In recent years however, many of these cross border traders or permanent settlers that have once moved to South-Africa, have slowly been returning to Mwenezi. This has to do with the fact that the economy has been growing again in Zimbabwe.

All in all, it is undeniable that the FTLR-p has had an influence on Zimbabwe, touching almost every level of society. However, rather than all despair, the work of authors such as Scoones et al. (2011), shows interesting indications of rural markets which are able to adapt to the rapid rural changes as brought forth by the FTLR-p. Something rather striking considering much of the previous research argues that markets have collapsed and will remain so without a strong governmental backbone. As such, what is enquiring about Scoones' et al. (2011) work is that it gives insight in how people have been coping with the economic and agricultural downfall through initiating, not only new farms but also new (agricultural) markets.

7.2 CIVIL WAR IN MOZAMBIQUE

Mozambique lies on the East border of Zimbabwe. It also borders Tanzania, Malawi, Zambia, South-Africa, Swaziland and approximately 2700KM of coast with the Indian Ocean. The capital is Maputo. Although Mozambique has witnessed an economic growth over the last decennia, the country has always struggled to develop (Bruck, 1997). Currently, Mozambique is one of the poorest countries of Africa (GDP US\$ 14,605 [UNSD, 2013]). The fight for independence, civil war and its natural disasters, such as the drought in 1981 and the flood in 2000 (EM-DAT, 2009), did not improve to this situation.

Following independence from the Portuguese colonization in 1974, the FRELIMO-party came in power in 1975. After a short period of relative peace and economic stability, the RENAMO-party commenced a civil war from in 1977 which lasted till 1992. The war erupted in various rural areas and intensified and extended to the rest of the country. (Bruck, 1997) Besides bloodshed, the civil war had also caused a lower output and growth of macro economy. This was a direct consequence of capital that was destroyed and consumption which decreased ('suggesting that the behaviour of very poor agents in a war economy is affected by their immediate concern for survival, thus placing a

⁷It may be noted that since 2009, arts and crafts traders began the process of acquiring documentation to do their business.

premium on short-term consumption at the expense of savings and investment. [Bruck, 1997p55]') In addition, the agricultural backbone of the country remains underdeveloped.

The province of Manica is located in West-Mozambique and covers an area of 60.000 km² and a population of 1,412,245. In Manica province lies Manica town. It lies approximately 20 km's from the Zimbabwean border of Machipanda near Mutare. Manica town itself is approx. 4596 km² and has 200.000 inhabitants (in 2005). Manica is well connected. Following the main road to Beira (EN6), it is 65 km's from Chimoio, the biggest nearby city. In between Chimoio and Manica there is a mayor cross point going North to Tete. Manica is also the last mayor stopover for the train to and from Zimbabwe. Manica is known for its varying ethnical background. Due to the civil war, and in search for labour opportunities, people have been moving across the border of Mozambique and Zimbabwe for decennia. For instance, Manica is a popular destination for many Zimbabwean traders and gold panners (Bolding et al. 2012). Just as in Zimbabwe, Shona (which is natively spoken in Zimbabwe) is a commonly spoken language in Manica, next to Portugese which is spoken throughout the country. There are also many foreigners in Manica such as Lebanese (often linked to the gold panning sector and/or high end shops), Chinese (often linked to gold mining) and others such as Nigerians, Bangladesh etc. who have high-end shops. Manica is also often brought in account to Indústrias Florestais de Manica (IFLOMA), a Mozambique-based forestry company which plans to plant 73,000 hectares of pine and eucalyptus trees and construct a paper factory in the provinces of Manica and Sofala (Macauhub, 2012). Manica province has a rich agricultural soil. It has an average temperature of 21C and an annual rainfall of 1000-1020MM. Most of which falls during November till April (Ministério da Administracao Estatal, 2005). Manica's geological circumstances offer perfect conditions for agriculture, especially fruit production. In fact, it is one of the best places in the world to produce litchi (Hanlon et al. 2013). Yet, despite these equipped ecological circumstances, 15 years of economic instability and violence during the civil war in combination with a lack of agricultural education, have kept the agricultural sector underdeveloped. This is also acknowledged by Hanlon et al. (2013) who suggest that the problems confronting agriculture today include insecure markets, insufficient inputs, lack of (technical) assistance and no credit and investment⁸.

⁸ It should be noted that the last statement is doubtful as *this* thesis research has indicated that the government in Mozambique has set up a 7 million-notion which is used to hand out loans for beginning traders. (Also see Annex 13.6.1)



Picture: Remains of a tobacco-drying construction in Manica. Many of them were built in the period that white farmers settled in the area.

Nevertheless, despite these constraining elements, Manica has still witnessed some sort of development. For instance, it is also Hanlon et al. (2013) who have shown in their study in the Manica province there is an expansion of commercial farmers. There are a number of reasons for this development: Part of the emergence of these markets may be linked to increase in local agricultural production. This can be related to a better management of farms and a step-by-step progress and increase of support from outside which works with contract farming (Hanlon et al. 2013) and a series of periods where irrigation furrows were constructed in the area. (The last period in which many irrigation furrows were constructed found place in 2002 [Bolding et al. 2012].)

Part of the development also came when the FTLR-p in Zimbabwe forced white farmers to relocate. As response to the poor agricultural and market conditions, the Mozambican government lured these white farmers to relocate in Manica. Hoping to boost the agricultural sector they offered them land and tobacco-contracts. Although these relocations did not succeed due to wrong contracting of tobacco producers and investors (Hammar et al. 2001) and only 3 of the 50 resettled farmers still remain in Manica (Hanlon et al. 2013), it may still be said that these resettled farmers created a new supply and (eventually) demand for local rural markets in Manica (Derman et al. 2013 and Pilossof,

2012). During an interview Amanda Hammer mentioned that these farmers brought with them knowledge, capital and provided job opportunities for local Mozambicans. In addition, they brought, or triggered an increase in seed supply, clothing, fencing, agricultural equipment, restaurants etc.

Another aspect which is of importance to the growth of these markets includes the Manica gold rush in 1999. Mozambique has witnessed a long period of gold mining throughout history. It dates back to the pre-colonial era. However, it wasn't until the Portuguese colonists authorized international companies to mine for the gold, that it became a significant trademark for the country. Throughout history Mozambique has witnessed several gold rushes. Due to the political violence and instability as a result of the war for liberation and the following civil war, the gold production decreased significantly. As a consequence, the gold mining in Manica province stopped altogether between 1975 and the end of the 1980s. Yet, due to a severe drought in 1981 farmers were triggered to abandon farming and engage in gold panning to make a living. As such, after the civil war the gold panning continued in Mozambique and heightened between 1992 and 1995. In Manica however, the gold panning only resumed in 1999 when a young girl discovered a gold deposit (Mawere, 2011)⁹. With the start of this new gold rush in 1999, Manica had become an attractive place for many gold miners and traders. Especially the Lebanese where focussing on Manica. Manica also attracted a large group of individual miners. Many of whom came from Zimbabwe who were trying to escape the effects of FTLR in Zimbabwe¹⁰. As such, there used to be many Zimbabweans (more than Mozambicans) gold panners in Manica. In 2008, Manica province housed a total of 20.000 gold panners (Mawere, 2011. Derived from Spielgel International 2008). (Also see Chapter 8.1.3.3 and Annex 13.9)

Concerning migration, likewise to the case of Masvingo, Manica has also witnessed a flow of migration, especially with Zimbabwe. Zimbabwe and Mozambique have always had a rich history of interchangeable migration flows throughout history Derman et al. (2013). (Also see Annex – Migration flows) Where Mozambicans have fled towards Zimbabwe hoping to escape the civil war violence in the 1980's, the study of Bolding et al. (2012) has shown that currently, Manica has once

⁹ This story of this girl who found the gold deposit in the work of Mawere, (2011) was also mentioned by one of the interviewees in Manica. He told me that this particular girl had dreamed about a place where there was gold. She told her father. The father didn't believe her. Then the girl had another dream and told her father again. When the father finally went to look at this place, he found a gold vein. This had started the gold rush in Manica. The family got very rich as every miner had to pay a percentage of their findings to the father of that girl (**Gt**).

¹⁰ These Zimbabweans did not only come to Manica to escape the political situation in Zimbabwe but also because individual mining was restricted in Zimbabwe, whereas in Mozambique it was (and is) tolerated.

again been at the receiving side of these migration flows. Many Zimbabweans sought refuge in the market opportunities by engaging in cross border trading or settling permanently. Especially after 2000's cross border trading became an important aspect for the development for the Manica market. This is confirmed as 'the numbers of people involved in this kind of cross-border trading [in Manica] has increased steadily from 2006 to 2009 as the Zimbabwe dollar plunged. (Bolding et al. 2012p34)' Other Zimbabweans engaged in gold panning in Manica. Yet, the arrival of these newcomers in Manica displayed a mix of reactions. Where some locals showed solidarity and were tolerant to the refugees -as they themselves had experienced the shocks of civil war-, others were less accepting. They referred to the times that they were refugees in Zimbabwe themselves and were treated as second-rank citizens (being blamed for local cholera outbreaks and increases in crime levels). An interesting aspect of their study was the fact that Bolding et al. (2012) made a distinction between the different types of migration forms of Zimbabweans traveling to Manica. Namely; those who sought a fixed settlement in Mozambique. This includes for example the white farmers and their former farm labourers who were lured by contracts. But also those Mozambicans who have once moved to Zimbabwe and who were now returning to Mozambique due to the hyperinflation and/or their wish to return to their homeland one day. The other migration form where those who were basically forced to engage in cross border trading as it was their only option to sustain their livelihoods. Within these groups a distinction can be made of those who could tap into their previously existing social networks in Manica (family, clan, church etc.) and those who had no network at all. It were especially the ones who were forced to engage in cross border trading who were also the ones who lacked certain social networks in Manica. It is also especially for this last group, that Manica did not offer much opportunities other than cheap labour or running within illegal circuits such as; gold panning, prostitution or setting up illegal trading businesses and/or engaging in illegal border crossing of products for trading (Bolding et al. 2012).

Nevertheless, the skilled and cheap labour provided by the Zimbabwean immigrants created a huge expansion in the area under furrow irrigation in Bárue (North of and in between Manica and Tété) and an expansion of the individual gold panning in Manica. (In the latter case this was because the many Zimbabweans engaging in gold panning in Manica, triggered local Mozambique farm labours to step-over to gold panning as well. This caused the gold panning to rise. Also, in Zimbabwe, illegal gold panning is restricted whilst in Mozambique it is still tolerated.)

In terms of changing governance in the districts (Manica and Barue), it can be said that, the mass immigration of Zimbabweans has led to a reinforcement of traditional Chiefly authority in rural Mozambique. 'The politics of land and settlement in both study locations have been influenced by

Zimbabwean ways of doing things, whereby Zimbabwean settlers have become the clients of fledgling patrons of Chiefly lineage by approaching local sabhukus and unofficial Chiefs for a place to settle. (Bolding et al. 2012p35)' In addition, the report mentions accounts of (Zimbabwean) traders who created their own following through church, farming entrepreneurs and/or ruling parties. This Zimbabwean rise of power on the Mozambique border side was lead and supported under the banner of the Chakwaedzera Association.

Also, the work of Bolding et al. (2012) states that '[...] after the dollarisation of the Zimbabwe economy the numerous day traders, money changers and prostitutes plying Mozambique's roads and public spaces more or less disappeared overnight. In contrast, the presence of hawkers [traders] and other types of daily border crossers was never as numerous in a remote zone like Pandagoma [Manica]. (Bolding et al. 2012p34)'

All in all, what is interesting about Manica is that literature suggests that in the 8 peaceful years after the civil war and the implementation of the FTLR-p in Zimbabwe in 2000, the market town has never really undergone a booming agricultural or marketing development. This is even more noteworthy considering the fact that the geological circumstances are more than appropriate for cultivating. Literature such as that of (Bolding et al. 2012 and Hanlon et al. 2013) suggests that this development has only started in the 2000's, *after* the implantation of the FTLR-p in Zimbabwe. Also, it is during this same time that Manica has undergone its gold rush in 1999.

8 EMPIRICAL FINDINGS

The following chapters shows the key findings of this research. This thesis has started out with the suggestion that 1) despite the effects of an economic and agricultural downfall, new actors and new market structures are able to re-emerge/mushroom (or replace old structures) after rapid rural change, 2) new players create new markets and 3) new markets act as indicator for economic and agricultural recovery. In context to the nature of markets as social spaces, as described in the theoretical framework (Chapter 5), the findings of this research are divided in three parts. Part I and Part II has incorporated the first two assumptions. Part I reflects upon the development of the markets after rapid rural change. It shows that the market structures in Mwenezi and Manica have in fact undergone development/growth after the rapid rural changes. In doing so it highlights on the arrival of new market players, the actual market alterations and the market functioning. It will become clear that these new market structures in Mwenezi and Manica show similarities to what Van der Ploeg et al. (2012) argues are newly nested markets. Part II indicates that the development of these markets should in fact be seen as a continuation and discontinuation of the exiting main market structure. In short this implies that the study has revealed how the arrival of new players and forms of power play have triggered a discontinuation of the exiting market structure. As such, the market development is not only witnessed in the main formal sector (network market sector), but also in a thriving informal sector (petty trader market sector). Part III of this chapter reflects on the third assumption. It challenges the work of Scoones et al. (2011) by indicating that the development of new market structures does not necessarily act as indicator for socioeconomic recovery. It goes beyond an economic perspective by looking at the social consequences of these new markets on local livelihoods. In doing so it reveals how these market developments also have a counter effect in the sense that; they act as means of last resort (rather than a sign of economic wealth), they can be seen as poverty traps for many (uneducated) women and finally, that they affects household compilations.

8.1 PART I - CONTEMPORARY MARKET STRUCTURES

As mentioned in the background (Chapter 7), literature such as that of Scoones et al. (2011) and Derman et al. (2013) suggests that the markets in Mwenezi and Manica have undergone a development as an effect of FTLR-p and (to a certain extent) the effects of the civil war. Where Mwenezi has seen an up rise of middleclass farmers who are investing in their farms and businesses (Scoones et al. 2011), Manica has seen an expansion of commercialized farms (Hanlon et al. 2013) and an expansion of demand and supply (Derman et al. 2013 and Pilosof, 2012).

This study supports this. It argues that Mwenezi and Manica have in fact undergone a development/growth after the FTLR-p and the civil war. Although it is difficult to state when these markets emerged exactly, it is evident that many of the business centres, for example, as found in Mwenezi, were either old or fairly young (after FTLR). The markets which were already existent prior to the FTLR-p developed as central point of a community where people would gather or organize meetings. In time these locations also became places where people could access various services such as healthcare and education. Neshuro in Mwenezi is a typical example of this. Neshuro, which at first only housed the Mwenezi hospital, the Mwenezi high School and other government offices such as Agritex, has become a well familiar market-site which now attracts many customers. Another example in Mwenezi is Rutenga, which never existed prior to the implementation of the FTLR-p, but now has a flea market and a proper residential area where people are building their houses.

Yet, these developments are comprehensive. To get a better understanding of the nature of these new markets, this chapter discusses what these developments are and how they have affected the market players and communities on daily basis. It first focuses on the arrival of new market players. This includes who these market players are and what has triggered them to move to market towns such as Mwenezi and Manica. In doing so it shows that, although Mwenezi appears to be developed as a direct result of FTLR-p, Manica's development is not so much related to the civil war, but rather *also* to the FTLR-p and the coincidental gold rush of 1999. Secondly it looks at the actual market alterations. As mentioned, these are specified to the day-to-day activities of traders. Lastly, the chapter focuses on the actual functioning of the markets. It discusses aspects which are of influence on the functioning of these trading businesses after rapid rural changes.

8.1.1 New market players

The effects of the FTLR-p and the civil war has caused a downfall in marketing. This was specifically witnessed in Mwenezi where commodities simply became unavailable as hyperinflation broke out. With a lack of business, both traders and consumers were triggered to leave places like Mwenezi and seek business opportunities and/or commodities elsewhere. In recent years, many people that have once moved to South-Africa, have slowly been returning to Mwenezi. The same was also witnessed in Manica. Although people have once fled Manica, since the start of the land invasions and economic crisis in Zimbabwe in 2000 an increasing number of labour migrants has returned back to Mozambique, due to loss of livelihood and anti-foreigners violence in Zimbabwe (Bolding, 2013).

Gathered from interviews and conversations I have summarized a number of push- and pull factors which traders indicated for why they wanted to (e)migrate to Mwenezi or Manica and engage in

trading. (Some of which corresponds with the background information.) Push factors included; hyperinflation and lack of supply (only in Mwenezi); and loss of jobs (only in Mwenezi). Pull factors included; opportunities to fill the gap between demand and supply (only in Mwenezi); support from NGO's; economy boost through the 1999 gold rush (only in Manica); distribution of tobacco contracts and resettlement of white farmers (only in Manica); inexpensive to start a business (only in Manica); good location and infrastructure in relation to mayor roads and borders, and; because of already exiting personal connections. (In Annex – Push and pull factors, I have discussed these push and pull factors in more detail.) The fact that people were attracted by opportunities is supported by the work of Dilley (1992) who describes that people engage in trading as markets 'allow choice to be exercised, rationality to be displayed and personal goals to be optimized. (Dilley, 1992p279)'

What is interesting about these findings is that these factors are not *all* related to the effects of the FTLR or the civil war. As mentioned in the background (Chapter 7), many traders came to these markets as a direct effect of the FTLR-p and/or civil war. However, in Manica, the study clearly shows that people were also attracted by the gold rush and/or because they already had existing connections. As such, many of these traders were also attracted to these markets as they saw opportunities. This is especially the case for men, as women were often bounded to stay home and take care of family and children. The Zimbabwean women that did trade in Manica were often traders who did not settle permanently or were (young) widowers.

With many traders coming from outside the area and even cross borders, the markets in Mwenezi are now operated by a mix of players. This ranges from old and young men and women to children. Most of whom are of Zimbabwean origin. Businesses on the Mwenezi market fluctuate from traders engaged in; livestock, crops, groceries and other items such as fuel, arts and crafts etc. Notably, where the food sector in Mwenezi is mostly occupied by women (many of whom are single mothers and/or widowers), men seem to be more specialized in the livestock sector, non-food products, grain and/or selling fuel: Basically all sectors which are considered physically challenging and/or dangerous (such as sourcing and selling of fuel which mostly happened during the night). This role division also has a cultural aspect. In context to the livestock sector for instance; 'for a man not to have cattle is a public shame. In Mwenezi, this belief is especially strong, with young men aspiring the most to have a herd of cattle before marriage so that some of them will then be used to pay lobola. (RUZIVO-Trust, 2012p24-25)'

In Manica there is a similar group of mixed market players. Yet, the vast majority include women who are engaged in food commodities such as crop products, fish and beans. Men are mostly active in

small livestock or non-food commodities. Children are often walking around with food products on-the-go, such as selling boiled eggs to passengers at the bus station. However, in comparison to Mwenezi, the Manica market houses a larger variety of ethnic backgrounds. As explained in the background (Chapter 7), these include a large group of Zimbabwean traders who came to engage in cross border trading or gold mining. Yet, there are also many Lebanese who are often linked to the gold trading, Chinese who are often linked to gold mining and others such as Nigerians, Indians, Bangladesh etc.)

The study in Manica also showed that the market is clearly divided in segments. This segmentation makes it easier for traders in the same sector to communicate and/or cooperate, but also for customers who are seeking a specific product. The main market segmentation includes elderly female food traders and few (young) men who are selling pork and beef inside the main market building. Outside the main market building there is also a clear segmentation. Namely those of the younger food and non-food traders, crop traders, chicken traders, electronic traders, carpenters, wood-workers, shoe-traders etc. Another type of segmentation included the so-called Nigerian shops in Manica. The Nigerian-shops are fixed shops which are often located in small concrete buildings at



Picture: Zimbabwean cross-border trader selling his chickens from Zimbabwe on the Manica market.

the centre of the Market. They specialize in selling bulk quantities in both food and non-food products to smaller market traders or to customers who live in the rural areas and who buy products for a whole month. In general these shops were known for generating relatively large profits. Despite their name, they are not necessarily operated by Nigerians but also by traders from other foreign countries such as India or Bangladesh. Yet, they are called Nigerian shops because the many Nigerians operating in Manica are known for their business skills.

8.1.2 Market alterations

The development of these markets are revealed by a number of aspects which

were considered (by mostly traders) as generally significant market changes. These changes are considered as having an important impact on day to day activities. These include physical growth, increasing varieties of commodities, changing demand, increasing competition, change in local households, a power shift and an increase in illegal businesses.

8.1.2.1 Physical growth

Markets in both Mwenezi and Manica have become/are becoming flooded with new businesses. This development is easily confirmed when walking around the market places: There is much life, there are various types of commodities for sale, ranging from basic food crops to solar panels and there is clear evidence of an increase of stands and new buildings under construction. At Neshuro Growth Point near Mwenezi for example, approximately 8 new shops were under construction. Also, since 2000, Mwenezi has established a new Growth Point at Rutenga business centre. (Because Rutenga is more central, the district Administration offices, which are now in Mwenezi, are expected to shift there as well.)

A similar growth can also be witnessed in Manica. Approximately 30 meters next to the main market building, the city council has been constructing new shops which are reserved for approximately 100 traders. These spaces lend itself well for either shops or small restaurants. A second market building was also in construction which was to be used by crop, meat and fish traders. Also, the market place is physically expanding with an increase in stands. In fact with exception of the Nigerian shops in Manica, the markets were build up out of hundreds of small businesses. most of these small entrepreneurs/stands were not big. These businesses consisted of one stand and were often one-manned. Due to the their impoverished situation, most traders could only afford stands which were very basic. As such, most stands one would find in the markets were improvised small wooden



Picture: Construction of new shops on the Manica market.



Picture: Construction of a new market building on the Nobeza Nolta market, Manica.

structures located in the open. They were not much more than self-made wooden tables of approximately 1,5m² and an umbrella to stay protected from the sun. Other materials where stands where made from consisted of a piece of cardboard, plastic, 20 Litre tins (specifically identified in Mwenezi), coolboxes, baskets, sacks, push carts and/or wheelbarrows as stands. Especially push carts and wheelbarrows seemed practical as traders would not have to load and unload every morning and evening. (Similar stands were also found in Mwenezi) However, the condition of the stands also depended on the type of traders. In Manica, some traders, such as the fish,- and meat traders all had stands inside the main market building which were all concrete tables. Yet, there were also those traders, such as the ones who would sell from house to house and those on roadside markets who did not have any stand. Those traders engaged in arts and crafts (mostly in Mwenezi) would also make their artwork at the market place itself. This made it interesting to look at, thereby adding value to the product. Nobeza Nolta, a suburb market in Manica, has also slowly been expanding with more stands in the last years. It has now become an important site for amongst others, local farmers who want to sell their products in bulks. (Also see Chapter 6.2)

These physical growths are also confirmed by traders. A prominent figure (**Tmf**) in Manica mentioned that: *“When I started, there were just few [traders]. From 1990¹¹ it grew. People began to get farms. Tomatoes and onions could be produced and be brought to the market. From then, many more have come.”* There was also one account of a vegetable trader (**V-1**) who mentioned that *“way back it was quiet here. Now it’s noisy. [...]long back you would hear only one person with a radio.”* (With the unfolding of time, traders of electronics have adopted strategies such as playing loud music to attract customers. The increasing noise of the market is thus proof of a market in development.)

This physical growth has also been witnessed in terms of market denseness. In Manica there were many accounts of traders who were complaining that they had to operate in crowded spaces and/or that they had to be relocated. As will become clear in PART II (Chapter 8.2.2), the centre of the market is operated by the formal network traders, whereas the informal petty traders are mostly located on the outskirts of the official market. Consequently, with the growth of the formal sector, the informal petty traders were pushed further away from the centre, meaning they had to be relocated. In this sense, the market is growing inside-outwards, rather than adding onto the outer layer. An example of this came from a trader selling wood to carpenters (**Vws**). *“...there is constant movement of my stand. Every time I’m put on another stand. [...] It is difficult to establish fixed*

¹¹ For the market to develop in 1990 is interesting as this is 2 year prior to the end of violence in 1992. Perhaps this respondent was confused or it was mistranslated.

buyers¹². [...] Here in Mozambique the population is growing big. And many vendors are coming in to sell their things. So there is an expansion. The city council is willing to divide more land for more people. So there is a shift of sections. [...] Also, some people would buy the land where people are selling. If you're in those places they have to sell it again." In the last part the respondent referred to the fact that, because the market is growing, it is becoming more interesting for real-estate brokers. Many of these petty traders are currently making illegal use of land of the city council. This is condoned as long as there is no other use for it. Yet, with an economic growth of Manica, the land is becoming more valuable for the city council. As a response to the lack of space, the study showed that traders in Manica found innovative ways of staying as close to the busy centre as possible. For example, one could find a row of small wooden shops that traders had built over an open sewage canal. Traders had used boulders from the railway tracks to lay across the sewer and build their stands on. One of these shop owners (**NR**) explained that they build their shops there because they wanted to be as close to the market centre as possible (in relation to foot traffic). He rented these boulders from someone working for the railway station. As such it remained property from the railway.

The fact that traders resort to these sorts of methods does not only show a growth in the market, but also a need for space. This lack of space was also one of the reasons why there were so many small mobile informal petty traders in Manica. (Also see Chapter 8.2.2.2) Having businesses which were small enough to take with them, meant they could easily operate in the formal sector without having to fear to be relocated and/or fined. In Mwenezi similar forms were witnessed. For example, traders who had their stands in wheelbarrows. This meant they could easily take it away at any given time. (Also see Annex – Institutional influences)

8.1.2.2 Commodity variety

The development of the markets in Mwenezi and Manica is perhaps most evident in the arrival of new businesses and commodities. Where in both cases, these markets used to evolve primarily around basic food crops, they now offer an abundance of products in the food, non-food and service providing-sectors. This implies that the markets now house many stands and sectors where different types of commodities are sold.

¹² The respondent indicated that due to these relocations he had lost his fixed clientele.

In terms of food businesses, the most common commodities which can currently be found in the Mwenezi markets include: **cotton** production, **livestock** (cattle, goats, chickens), grain (maize, sorghum, rapoko), vegetables (tomatoes, onions, green millies), fruit (bananas, lichis) and items such as roundnuts, ground nuts and mopane worms (madora). In terms of non-food and service providers this included clothes and shoes, fuel, craftwork and labourers. In terms of food products in Manica, respondents indicated that the market now offers more exclusive products. A spokesperson from the Ministry of Agriculture in Manica (**Ma**) mentioned that: *“Where it used to offer only homestead grown products such as tomatoes, potatoes, unions and fruit, one can now also find more exclusive products such as baby-corn, pirri-pirri and paprika.”* In terms of non-food and service producers, the Manica market offers products ranging from motor spare parts, to clothing and shoes, electronics, household and farming equipment, carpenters and welders, truck drivers (for transporting

commodities) and even prostitution etc. (Also see Annex - List of commodities Mwenezi and Manica for a detailed list of commodities and services which can be found in the Mwenezi and Manica markets).



Picture: Stands with second-hand shoes for sale on the Manica market.

Cotton

Cotton is not necessarily sold in bulk on the market, yet it deserves mentioning as it is the favorable choice for cash cropping in Mwenezi. The cotton which is produced in Mwenezi is bought up by companies in Harare. These cotton producers were in cooperation with the cotton companies. Since 2001, these companies provided credits for the cotton producers, which the producers had to pay back after sale of the harvest. This system worked well as the producers felt that they could produce a good quality of cotton and also be able to pay back on time and retain customers. Yet, it must be noted that these farmers were also disappointed as the prices dropped last season from \$0.80 per kilogram to \$0.30/\$0.35 per kilogram.

Livestock

The production of livestock is well equipped for the drought ridden area of Mwenezi. Especially in combination with a sufficient irrigation scheme. This has led to a thriving livestock sector. Statistics obtained from the department of Livestock Production and Development (LPD) at Rutenga Growth Point show that increasing volumes of livestock are sold every year in Mwenezi. In 2009 for example, a total of 176.075 cattle was sold. In October 2012 this has increased by 187.720. This thriving livestock sector is also related to the fact that Mwenezi lies alongside the Harare-Beitbridge highway. This means that traders have relative easy access to cattle auctions alongside the road

Those buying livestock for production purposes are often young (married) men who work in South Africa and have their wives in Mwenezi. The fact that they work in South Africa often implies that they have some sort of financial capital to market in livestock. Yet, they also buy cattle to resell again with profit. In doing so they keep the cattle in feedlots for at least a month so that they can (re)gain weight.

These livestock markets either operate through *auctions (mariketi)*, *private sales* or the *kilogram method*. *Auctions* are held on designated locations and are organized and governed by the city council. In addition, they are secured by the police and the LPD. Yet, because Mwenezi is so big, and distances are hard to bridge, especially for the elderly in remote rural communities, the cattle markets, would often move from one community to another rather than always setting up at a fixed location. As such the elderly do not have to travel large distances to shopping centres or other markets (sometimes more the 12 km), but rather save their money for when the cattle market to come to their community. In doing so they would buy groceries for one month. Such auctions have become so popular that they are also attracting other traders to set up business. *Private sales* of livestock would find place at the homestead of the farmer. (Often deep in the rural areas.) They involve bargaining over the price between farmer and trader/customer. Often this is at disadvantage of the farmer as he or she may not be up to date of the accurate price of livestock. This same method is also used for the marketing of other small livestock such as goats, chickens, rabbits etc. (The small livestock markets often have fixed locations.) The *kilogram method* however, requires the trader to transport the cattle to a butchery where it is weighed in and sold according to its price in kg. Although this method appears to be the most fair price for seller and buyer, it also has some drawbacks. For starters, some of the parts are already removed from the cattle prior to the weight in. Also, the trader has to take time and make costs to transport the animal to the butcher/slaughterhouse. This can be very expensive as these markets are often located in towns and cities elsewhere in the country.

In regards to the small livestock markets in Mwenezi, goat markets in the district were driven and initiated by the Swedish Corporation. This is not to say that local people in Mwenezi were not selling goats before, but that the market became more important. In doing so it deepened its roots and are now operating at designated points where goat sell-pens were build. Whereas initially, there were no or just few markets where goats were sold. Manica does not have the same vibrant livestock trading as Mwenezi. Apart from small livestock such as chicklets and goats, farmers do not raise livestock, nor is it imported on large scale. In fact, if pork or beef is sold, it is often for special events such as weddings, birthdays etc. As such, during the field study there were no observations or talk about producers or traders that operated through livestock auctions in Manica. The (relatively) few traders that did trade in livestock got their cattle, pork or goat from individual farmers in the rural areas or larger cities such as Maputo. They would sell it on the Manica market or to butcheries or privately. For those selling on the Manica market, the main market building houses an area where animal products are sold. This lack of livestock marketing also becomes clear realizing that there are only two butcheries in the whole of Manica; both belonging to the same person. Dried fish would come from Beira. Yet, for chickens, there were also many traders who crossed borders to Zimbabwe where they would import the chickens illegally to sell on the market. This was a risky business which was perhaps more of men's job. These chicken traders were located just outside the main market building. Most likely because many of the chicken traders were informal.

A clear difference between the Mwenezi and Manica markets was that, where Mwenezi is big on cattle/livestock, Manica only offerses small livestock such as goats, chickens and dried fish. This can occur for a number of reasons: For example because Mwenezi is prone to drought, making livestock one of the few options which thrive, whereas Manica has cultivable land, especially suited for fruit and vegetables. This is also acknowledged by a white farmer who mentioned that traders in Manica can make more profit with cultivating then with livestock production and trading. Another possible explanation came from a prominent figure (**Mb**) who explained that Manica is a poverty ridden district whilst livestock and cattle ranching is an expensive entrepreneurship which requires a large starters-capital. This respondent also mentioned that Mozambique is a “...fish-eating country rather than a meat eating country.” This is partly due to the fact that fish is a cheap alternative to meat. Especially when considering that Mozambique has a large coast. But also because eating fish has been embedded in the local diet. This also accounts for the many dried-fish traders in Manica.

8.1.2.3 Demand

The arrival of new commodities goes hand in hand with changing customers and changing demands. This can be seen by the fact that, where these markets used to be visited by mainly individual buyers living within the community, they are now attracting more customers from further away and especially different types of customers. In Mwenezi for example, the livestock sector attracts a range of customers, not only from the district but from the whole country. This ranges from private buyers, to customers varying from the Zion Christian Church (ZCC) to high schools, to commercial farmers etc. This livestock is mostly bought for slaughter or production purposes, but it can also be used for traditional functions and funerals. Notably, the research in Mwenezi also showed that most traders and producers, especially those at the irrigation scheme, try to sell to supermarkets as this would give them a guaranteed price. In other instances, traders would concentrate on private (smaller) markets as they believed there was more room for negotiation, and thus more room to come to an agreement over the price.

Manica market has also been attracting a larger variety of customers. This would range from private consumers within the community to institutions such as schools and hospitals. As schools and organisations often demand a fixed amount of products in bulk, it becomes clear that these markets are becoming more stabilized. Notably, the suburb market in Manica, Nobeza Nolta, attracted another type of customer. Rather than focussing on private consumers, the market attracted many farmers coming from the rural areas who would sell their products in bulk on this suburb market. (Rather than selling it on the main market.) This method prevented the farmers from going all the way into town to sell their crops in small quantities. Rather they could sell their crops in bulks on the



Picture: Nobeza Nolta market, Manica

suburb market. As such, Nobeza Nolta functioned as a type of wholesaler for customers. A bar owner near this suburb market (**Bo**) mentioned that, in turn, the suburb traders sold these products to traders who had a stand in the main Manica market. Simultaneously they would buy items such as

clothing and other household goods and sell (or trade) it to the farmers whom had just delivered their products. To stimulate this, the Manica city council has been building a small market-building just beside this suburb market where traders could operate from in the future. (Further on it will become clear that Nobeza Nolta also attracts gold panner coming and going to the gold sites.)

8.1.2.3.1 Seasonality

The types of commodities which were available on the market could fluctuate per season, thereby affecting supply and demand. Mwenezi is most part of the year extremely dry and warm. As such, the diversity and change in commodities on the market is for a large part dependent on the season and whether something is in high demand and/or high supply. Grain and other crop products for example were in high demand in Mwenezi because they are scarce due to drought. Yet, other products, such as livestock, round,- and groundnuts and mopane worms have shown to naturally thrive in Mwenezi. They are available almost all year around. In some cases, traders would abandon marketing in the off-season and engage in other seasonal activities such as harvesting mopane worms or working in fields. Due to these seasonal changes in commodities, RUZIVO-trust (2012) noted in their report that in Mwenezi, ‘...generally, the markets in the district are characterised by dynamism as a wave of different commodities enters the market in a particular season and come to extinction at the end of the season. Suddenly as the new season sets in, a wave of new commodities also floods the market. In other words, traders respond to changes in seasons which ultimately dictate what should dominate the market. (RUZIVO-trust, 2012p11-12)’ However. The study also showed cases in which traders varied in seasonal commodities. For instance, ‘part of the Nuanetsi farm being operated by

Sabot is a successful multi-dimensional business arena. Sabot is operating a crocodile farm, wildlife, livestock (cattle) and a dairy farm. (RUZIVO-trust, 2012 p11-12)' (This is one of the large-scale farming operations in the area. It covers 350,000ha. [Scoones et al. 2011])

The market in Manica is also seasonal: It is most vibrant from June till December. This is the time that farmers are harvesting and gold miners are getting paid. Whereas from January till May the market is slow. One respondent, an electronics trader (**Nes**) mentioned this was because, during the period from January till May or April, miners are not working and thus do not have money to spend. (The official rain season is from November till April. The rain makes it possible that the non-supported tunnels that miners use, flood and/or collapse. This makes mining impossible and too risky.) In addition, farmers are cultivating their land during that time, meaning they do not have any food crops to sell. As a result of this seasonal shortage, many traders were forced to seek alternative means of generating a profit. It is for this reason that many female traders had husbands or children working in the goldmines to generate a profit to over bridge the off-season. As such gold panning is one of the coping strategies for many people in Manica to make a living. Not only as buffer to bridge the off-season of the market but also as means to invest in new crops for those families living from subsistence farming. Yet, as mentioned, this was difficult and risky as gold mining was not possible during the rainy season.

To cope with seasonal shortage, the study showed that traders in Manica adopted different strategies. This included making long trips to source these products. For instance when seasonal products such as tomatoes and legumes would be finished, traders would cross borders to Zimbabwe to source those products there. As such, the movement of certain food products crossing the borders between Manica and Zimbabwe is also seasonal. Another example came from a trader in Manica who had a large business in grain (**H2**): They got their grain from small farms, individuals or the fields which they cultivated themselves. In the off-season they would travel long distances to buy it from large wholesalers. (From observation there were two trucks on the terrain which were most likely used to do this.) This business had been operating since 2000. Yet, another strategy to cope with seasonal shortage was switching of products. For instance, a female trader (**Vlfm61**) mentioned that she sells vegetables and fish depending on the season. When the crop season was coming to an end, she started selling dried fish which came from Beira. Another strategy included focusing on non-seasonal products such as those selling non-food products or services. A lady (**Vssp**) selling ready cooked shima (a traditional meal) on the market, mentioned *“the seasons don't affect the demand simply because my business is always needed.”*

In addition, the study also showed that in Manica, religion was an important factor for the logistical structure of the market. Because most traders were in the apostolic sector, they did not trade on Fridays, Saturdays and Sundays. As such, traders had to accurately decide on when and how much commodities to get.

8.1.2.4 Competition

The development of the markets goes hand-in-hand with increasing levels of competition. However, the study has shown some contradicting findings. Several interviewees in Manica claimed that, despite the increasing amount of new traders, there was little to no competition. This was for instance stated by a female trader (**Vlo1**) sitting outside Manica market. *“There is no competition. People won’t get angry with each other if one is doing better business than the other. [...] It depends on the friendship whether you sell or not.”* Another trader (**Nes2**), an electronic shop holder who immigrated from Nigeria claimed: *“Nigeria is populated more than here, competition is too much. Here competition is not too much. The market is still developing.”* Simultaneously however, there were also respondents who argued that new traders are creating excessive competition. For instance, a female trader (**Vlbb**) sitting inside the main market building in Manica, mentioned she has trouble selling her product (beans) as everyone around her was selling the same thing. She indicated to having trouble just to break-even and days that she failed to sell anything, forcing her to throw away products at the end of the day which went bad. These high levels of competition were also witnessed between for example chappa-conductors. A formal chappa-driver in Manica explained that illegal chappa drivers ‘steal’ customers from them, and in doing so force formal chapas¹³ out of business. However, it are especially the traders in the food sector that indicated to having trouble with competition. Amongst others the following three reasons for such high levels of competition have been identified.

- *Oversupply*: Despite the fact that there is a large variation of products, there is also an abundance of the same food crops. Amongst others this is related to the arrival of new commodities from outside the region. An example of one such product which had clearly swamped the market in Manica was bread. Initially Manica did not have bread. Bread, as can be found on the market now, initially came from Zimbabwe and is now baked in Manica itself

¹³ Many of these chapas are not owned by the people working on them, ie. the driver and the conductor. The driver and conductor get a cut of the profits they make. As such, it is important for them to fit as many passengers as possible. Maintenance of the vehicle is thus less important as it belongs to someone else. Making as many trips as possible per day is important.

by Zimbabwean bakers. This introduction was such a success that it competed with the local bakeries, running them out of business.

- *Lack of entrepreneurial strategy:* There is little difference in quality and price of products. Most traders copied each other's strategies. As will be explained in more detail in Chapter 8.3.1.1 this is for large part related to the lack of education/business skills of (new) traders and the fact that traders are unwilling or unable to take risk by investing in new products and/or strategies.
- *Lack of space:* The market is densely packed in one area as everyone tries to set up business as close to the centre as possible. (More foot traffic.) With a lack of space traders have set up business side to side. In combination with the fact that products are all displayed in the same manner (in a heap with the best looking products on top) it is sometimes difficult to establish where one stand ends and the other started. This creates much competition.

All in all, despite some contradicting findings, the study shows strong indications that competition is an issue for many traders. One possible explanation for the fact that there were also traders who claimed otherwise may be that they were reluctant to mention anything as their colleague traders were within hearing distance during the interview.

8.1.2.5 Local households

The market development is, at least to a certain extent, contributing to the increase of capital of local households. Upon asking how the market growth had effected peoples livelihood, the most common response in Manica came from traders such as one of the female fish traders (*vlfm53*) in Manica. She mentioned that due to the market, she now has money to feed her children and put them to school. In addition, Manica has seen an uprise of houses and cars. People are investing in their houses. This is also confirmed in the joint project *Credit, Savings and Economic Empowerment for Women* (SARPN, 2007), which shows that the savings which are generated by women's groups in Mozambique are used to invest in house renovation, health and/or school fees.

However, once again, the study found some contradicting findings. Where some interviewees claimed that the development of Manica (town) was due to the fact that traders were making more money with their trading businesses, others claimed the development of Manica was *directly* related to the profits from gold panning that people were spending. A spokesperson of the NGO Kwaedza (*Pk*) mentioned that: "...you have to be very blind! People see vendors buy bigger houses or drive

cars. But one cannot be a vendor and build a house with such profits. Either you buy gold and sell gold, buy and sell diamonds to make money. That Manica is growing comes from the gold. Not from the traders.” (Also see Annex - Gold panning) Simultaneously, others mentioned that the development of Manica is directly related to the increase in cross border trading. As such there are different perspectives on how and why households are now able to sustain themselves.

8.1.2.6 Power shift between traders and the city council/state

In context to competition, the development of the markets can be witnessed in the fact that a power shift is taking place. Although the study has not identified a clear understanding of existing power structures prior to RRC, it has become evident that new power structures have come into play. As will become clear in PART II (Chapter 8.2.1), this can mainly be seen in the formal network sector which has been forced to use power structures to weaken the threat of competition from new players. It is also since the market has been developing that the city council in Manica has used this success to stay in power through means of giving out loans, creating better trading locations, targeting ‘easy’ manipulative groups and tolerating of illegal businesses. As such, markets in Manica may even be seen as a political tool for governments to stay in power. PART II also highlights on the fact that due to the power shift an increasing group of informal petty traders are becoming less dependent on the state and more dependent on their personal networks. (The use of these personal networks will be explained in more detail in Chapter 8.1.3.5.)

8.1.2.7 Increase in illegal businesses

One of the city council members in Manica (**Cc**) noted that; *“...it is not uncommon for a growing market to attract increasing illegal activity. This can be witnessed in every part of the world.”* An increase in the illegal use of power structures, the increasing amount of informal petty traders (also see Part II) which are tolerated and the corresponding illegal border crossings and bribes shows Mwenezi and Manica markets did not form an exception on this. In Manica specifically, the study also showed other forms of illegal businesses. This would range from pickpocketing, prostitution, unofficial gold trading, illegal money changing scams, and the illegal trade of commodities. (Such as illegal *alcohol* substances towards Zimbabwe.) The fact that there is an increase in illegal businesses shows that there is money to be made and that the markets are thus developing. However, as will become clear from Chapter 8.3.2, illegal businesses also indicate that these communities remain in poverty.

Alcohol

The (mis)use of alcohol on the Manica market earns a separate notification. Many people, especially men, could be categorized as alcoholics. In fact, it was not uncommon to see intoxicated people wandering about the market from early in the morning till late in the evening. A goldpanner (Gt) mentioned that many people drink to forget their miseries and use it to gain courage when descending in the dangerous and illegal gold mines. In this context Kindanao, a cheap home-brewed form of alcohol, was a popular drink amongst many alcoholics. In Zimbabwe however, Kindanao was illegal.

8.1.3 Market functioning

The alterations which the markets have undergone go hand in hand in with changes in the market functioning. To demonstrate how the markets in Mwenezi and Manica have undergone change, I have reflected on the three boundary shifts/livelihood strategies as explained in Chapter 5.2. In doing so, the study revealed a number of elements which have shown to have influenced the way these markets currently function. This includes cross border trading (migration); supply through resettled white farmers in Manica (deepening activities - agricultural intensification/extensification) and; gold panning in Manica (broadening activities - livelihood diversification). Other important which are of influence on the functioning of the markets include: infrastructure, the extensive use and dependence of social networks and institutional influences.

8.1.3.1 Cross border trading

Cross border trading plays an important role for the markets in Mwenezi and Manica to develop. As mentioned in the background (Chapter 7) It is through cross border trading that the markets in Mwenezi have been able to stock food and non-food commodities despite the general shortage of supplies in the country. In Manica cross border trading has enabled the markets to grow beyond a basic agricultural crop market in the sense that it now also supplies a large variety of non-food items.

Interviewees indicated that “long ago” traders would source their products within the districts. For example, basic products in Mwenezi, such as green millies, tomatoes, potatoes, vegetables and onions were easily accessible from producers in the irrigation schemes in district. In Manica, traders would (also) travel inlands to buy from small homestead farms. It was only for exclusive products such as grains from Mazowe or fish from Beira that traders had to make long trips. Also, customers were mostly people living within the community. However, as an effect of FTLR-p and to some extent the civil war, old and new traders in Mwenezi and Manica have had to source their products from elsewhere. In the case of Mwenezi this was due to the fact that white farmers were displaced, meaning local traders were no longer able to source their products from white farms. In the case of

Manica, the 2008 Zimbabwean hyperinflation caused many Mozambicans (who initially fled from Manica to Zimbabwe) *and* Zimbabweans (who were trying to flee from Zimbabwe) to engage in cross border market trading. Many of whom have now permanently settled in Manica (Bolding et al. 2012 and Derman et al. 2013)

As such, cross border trading has become an important supply source. In fact, traders indicated that cross border trading between Mwenezi and South-Africa has closed the gap between existing food shortages. One such example, which has been referred to on numerous occasions already, is the work of Mutopo (2011). Her study has focussed on women in Masvingo who started marketing in commodities in Johannesburg after the FTLR-p. With a general lack of commodities, this can currently be considered an important, if not the most important, source of food and non-food supply for Mwenezi at this time. In addition, there were also accounts of traders scouting food and non-food products in bigger cities such as Bulawayo or Harare. The main products entering the Mwenezi market from South Africa now include, amongst others, basic food stuff and commodities such as; cooking oil, sugar, sweets, biscuits, mealie-meal and bread¹⁴. (Basically all products that are not available or scarce in Mwenezi.) At the same time, commodities such as roundnuts, groundnuts, livestock etc. would find its way from Mwenezi to South Africa.

In Manica cross border trading has also showed to be important for the supply large of the market. Yet, other than Mwenezi, were both food and non-food products are for large part sourced abroad, Manican traders appear only to engage in cross border trading for non-food products. (Tobacco, clothing etc.) Traders indicated that, despite small-scale agriculture, many of the food products reaching the Manica market still come from small homestead farms or white resettled farmers within the direct surrounding. (Dried fish or pork is also still sourced in Beira or Maputo.) The main products which enter the Manica market from cross border from Zimbabwe include commodities such as chickens, electronics, household items, agricultural tools, tobacco and other non-food items. The flow of products going from Manica to Zimbabwe. This included processed products such as Kindanao, second hand clothing and shoes.

What can be seen from the above is that in it are especially basic food products and non-food products that are crossing borders into Mwenezi. Whilst in Manica it are mostly non-food commodities that are entering the market. This may be explained by the fact that Mwenezi's

¹⁴ It is notable that Mwenezi has a shortage of bread whilst at the same time it are Zimbabwean traders who have introduced bread in Manica.

agricultural sector remains insufficient to stock the market, as an effect of the FTLR-p and issues with drought. Thus remains depended from outside sources for food-supply. Whereas Manica's agricultural sector seems to be providing enough food-supply to fill the demand of the market, despite the lack of irrigation systems, but not enough non-food commodities.

All in all, the study showed that the markets have become flooded with products from cross borders. This enabled them to develop. In fact, as mentioned in the push and pull factors (see Annex 13.5) there is a general believe which prevails amongst many of the interviewees in Manica, that the economy-boost (as result of increased border crossings to Zimbabwe due to the hyperinflation) has not only developed the market, but has caused the *entire* town to develop. A respondent working in the Manica city council (**cc**) mentioned that *"...because the board is letting products enter regionally [...] people are now able to produce a lot of agricultural products themselves. On district scale, products such as sugar, beer, drinks, camarou [fish] and Vumba¹⁵ are even being exported."* The interviewee stated that, due to cross border trading, Manica has even been able to create an (export) industry such as the Vumba water. However, as noted that there were some accounts in Manica who noted that this flow of new commodities also created competition amongst traders and certain products. (Also see Chapter 8.1.2.4) An example which has been referred to before is the introduction of Zimbabwean bread in Manica which has dominated the market and made local bread makers redundant.

8.1.3.2 White farmers

Traders in certain commodities in Manica have shown to be specifically focussing on white farms as their main suppliers. One respondent, a young female trader sitting outside selling bananas (**Vlbo**) mentioned this was because white farms were often considered qualitatively reliable and cheap. An example of such farms is that of (**Wf**) a *white resettled farmer* just outside Manica: His farm used to grow tobacco for 7 years. When their tobacco production did not generate enough profits they needed another source of revenue. They now produce large amounts of Lichi and Bananas. Ideally they wanted to market this to the local Mozambican markets on large scale, but due to a lack of market they were forced to export it to neighbouring countries such as Zambia and South-Africa. However, this changed when a big delivery of bananas which was supposed to be exported was retained due to a fruit-fly epidemic. As a result, the farmer was forced to sell the batch of bananas at low costs to the local traders of the Manica market. Where initially this did not generate profits, it did create the opportunity for local traders to buy low and sell high (Buying for 90M and selling it for

¹⁵ Aqua Vumba is the only company in Manica. It provides bottled water.

200-300M per bunch). This enabled many traders to start or extend their business with the profits they made, simultaneously creating a higher supply for bananas. With an increase in demand (for the farmer) and because selling to the local market meant that traders would come to the farm, choose and harvest the bananas themselves, the farmer could cut costs on packaging, sorting and transportation.

The counter side of this seemingly win-win situation is that these local traders have for a large part become dependent on this farm and this system to sustain their businesses. In fact, when there was an opportunity for this farmer to export a big batch of bananas to Zambia again, he did not have enough to sell to the local traders. This turned out in protest of angry traders blocking the roads so that the trucks full of bananas could not pass. Currently the farmer sells part of his supply to local traders and part is exported (including some corn, beans and paprika). This is a classic example of how a market can become dependent on one product.

In addition, near the cross point to Tete (from Manica to Chimoio) there are also a number of other large white farms. Amongst them is a large poultry and cow farm. These white farms are also fixed sources of supply for individual traders of Manica. Yet, these farms manage to market most of their produce to bigger cities such as Maputo, Beira, Limbano etc.

White resettled farmer

This particular trader got a visit from the Dole Food Company Inc. in 2007. They were extremely enthusiastic about the production of his lichis. "They had never seen lichis like these anywhere else in Africa. (*Wf*)" Initially, Dole wanted to set up a contract for him to produce on large scale. Yet, with a minimum of 2000 tons, the production capability of his farm was too low. As a response, the farmer initiated a project to distribute lichi-cuttings to local farmers (local farmers would receive them for free and commercial farmers would buy them), in order to create a base for lichi production in Manica. Once the region will become big on lichi, it would be able to sell in large quantities to companies such as Dole. According to the farmer, this initiative has already reached a potential of 1000 tons thus far. If this project would indeed become successful, it may change the agriculture and market setting of Manica completely.



Picture: Individual gold panners at work, deep in the rural areas of Manica district.

8.1.3.3 Gold panning

As mentioned in Chapter 8.1.2.3.1, the markets are seasonal. In combinations with levels of rising competition, many traders have trouble to break-even with their businesses. In Manica, gold panning plays an important role in the supply of businesses. Gold panners are able to send remittances back to their family. This is not only used to over-bridge the off-season but also to buy new stock when traders have been unable to make a profit. As such it takes on an important role for sustainment of businesses in Manica.

However, it may be noted that one of the gold traders (**Gt**) told me that the gold is becoming scarce. Many of the individual miners are running out of business and with them the Lebanese gold traders. This is partly due to the arrival of large Chinese gold mining companies. As many of the companies started mining on the ground where individual gold panners were active, many gold panners had to leave. According to several statements this did not always go voluntary, but with the force of local police. Many of these traders are thus moving elsewhere, mostly to Tete to engage in individual gold

panning or other types of mining. Others remained in Manica and found jobs in the Chinese gold mining companies. However, these jobs are limited and salaries are low.

8.1.3.4 Infrastructure

Sourcing products from elsewhere, implies that more people have been using the existing infrastructure to do so. Yet, despite the fact that Mwenezi and Manica are well connected (they both lie alongside a mayor road) sourcing of supply offers a challenge. Especially for those engaging in cross border trading. Sourcing products from elsewhere means making long trips (sometimes up to 2 weeks) to places such as Chimanimani, Mazowe, Bulawayo and South Africa (in the case of Mwenezi) or Beira, Maputo, Tete or Zimbabwe (in the case of Manica). These trips do not only take up much time but they are also expensive and dangerous. Especially for women.

The uprise of sourcing products from elsewhere has also triggered a new form of business, namely the transport business. Small haulage trucks and chappas is the main form of transport and are used in both Mwenezi and Manica to transport people and products to and from the markets. At almost any given time of the day, these trucks and busses can be found loading or unloading products. They are often owned by someone and rented out to individual drivers. Yet, although they are a common and cheap form of transportation, they take a toll on quality preservation of the products. Because the trucks are often open and have no form of refrigerating, the products (especially crops) are exposed to the elements throughout the transport. In addition, truck drivers gets paid per load. As such, traders wait till their trucks are full. Consequently, overloaded trucks are the rule rather than the exception. In combination with poor conditions of the trucks and rural roads, this also has severe consequences for the quality preservation of the product. Yet with little other option, other than public transportation, bicycle or walking, traders have no choice then to use these haulage trucks.

8.1.3.5 Use of social networks

In the theoretical framework (Chapter 5) I have referred to Lie (1997) on the work of Polanyi (1957) who argues that all economic activities are entangled in social relations and institutions (Also known as the 'Market Society' apparatus). In this sense markets can be treated as social networks which are established by traders and are therefore socially constructed. This role of social relations has also shown to be important for the markets in Mwenezi and Manica to function.

Traders have to be creative to sustain businesses and thus their livelihoods. In doing so most traders have to resort to their personal networks. In fact, the study has shown that these markets' day to day operations function according to a social space. What is meant with this is that traders make use of

their extended personal networks to engage in day to day business. Through extended networks, traders were often deeply rooted in the social structure of their market community. This showed to be the case in both Mwenezi and Manica as most traders, often those who had been around for longer periods of time, admitted to having either friends and/or blood relatives working on the market or town with whom close (work) relations were held.

In Mwenezi, most people have learnt to network on daily bases and to build important relationships that are crucial not only for their everyday life but also for setting up business. In doing so, traders in Mwenezi indicated that when setting up business, they started by building their social networks at lower level, cooperating with friends and relatives. This was also confirmed in Manica as one of the respondents (*IM*) mentioned that “...either one has a large family living in the area or one has being living here for long time.” It has become clear that it are often the ones with the least extended network that make the least profits.

These networks are evidently an important tool in day to day activities. The most striking uses of such social networks were related to; gossip and knowledge sharing, the development of cooperation’s between traders, trust, social obligations and bribing.

8.1.3.5.1 Gossip and knowledge-sharing

The study has shown that the markets in Mwenezi and Manica act as a social space where people stay updated, knowledgeable and/or learn from one another. A female trader in Manica sitting on the pavement (*Vlosm*) indicated that gossip and knowledge-sharing with other traders is an important tool in gaining business skills. The knowledge gained from personal connections, gave traders an indication of how to run a business. She mentioned many of the traders were selling a particular product simply because their mother, relatives and/or friends were also selling it. This was also expressed in her phrasing; “...I learn from my sisters...” That knowledge sharing is important was also shown by another female trader in the main Manica building. She said she had got her (privileged) position in the main Manica building because, due to her many years of operating as trader on the market, she had gained not only connections and savings, but also know-how. This enabled her to develop the business and acquire a spot in the main market building. This experience/business knowledge was thus transferred from one trader to another.

Similar findings were also presented in Mwenezi. The study showed that the majority of the traders in the Mwenezi market got their business knowledge from friends and family. They were getting experiences and learning from the interactions with various players in the field. In addition, the study

in Mwenezi revealed that some traders would also spy on other traders to keep updated with current information. For example on who was supplying them with particular business commodities and for what price. Because this was a common issue, some traders had become somewhat careful on who they were exposing sensitive business information to.

Other respondents, amongst whom a prominent figure in Manica (**Mb**) also indicated that the market was used as a way to spread news, or used as bulletin board to form or promote new (religious) groups: *“People would literally start preaching to attract believers.”* Likewise, a respondent in Mwenezi (**iM**) mentioned that these market places and the traders operating them had also become a source of knowledge for example, various government departments, NGOs and academics. (It is also in this regard that traders have generally become very sensitive on whom to provide information to in context to political instability.)

Thus, it may be argued that, because traders learn from one another through forms of knowledge spreading, markets may be seen as educational instruments or as awakening platform for many people. An interesting example of this came from earlier mentioned resettled white farmer (**Wf**): Prior to the FTLR-p, there were not many traders selling bananas in Manica, only lichis. This was because Mozambican traders were only good in selling lichis. Much like the introduction of bread, bananas became more popular when many Zimbabweans came to Manica after the hyperinflation. He noted that Zimbabwean traders were very organized and skilled in selling bananas. Currently, many Mozambican are also selling bananas because they learned from the Zimbabweans. In fact, the farmer mentioned that traders are now using it as a more elaborated food source in terms of how they prepare it, for instance by cooking and frying it. This small example shows how traders learn from each other when there is new input.

8.1.3.5.2 Cooperation

Due to marginal profits most businesses were one-manned as trader could not afford to employ external labour forces. To overcome this problem, many traders in both Mwenezi and Manica (and/or producers, such as farmers in the irrigation schemes in Mwenezi) formed small cooperatives. These groups of 3 to 5 traders would form according to the already existing social relationships between them (family, friends, neighbours etc.). They would work together and assist one another. For instance in the form of: financial support when someone did not sell enough; or when someone had debts; or assisting when a trader could not attend the market; or teaming-up when sourcing commodities; or when transporting commodities from market to store rooms etc. The study in Mwenezi also showed that in certain markets, these groups had adopted a method of selling

different commodities so that they may not compete with one another: For example, one group member would sell tomatoes, the other would sell beans, the other would sell potatoes etc. Eventually they would rotate. Forming these groups made these businesses economically more sustainable and resilient. The advantages of these cooperation's and its importance for many market players is recognized as is also supported by the local Manica city council. As such there was a strong cooperation between these producers and traders. People take care of each other through groups. One of the reasons why many traders preferred to work with their groups, was either because they believed that organisations were not bringing any meaningful benefits to the community, or they simply did not know any organizations with which they could cooperate.

A small exception on such groups could be found in Manica of an association of 10 women who had set up a chicken business outside the market in Manica. These women were not family or friends prior to the formation of the group. They were selected and used micro-credit loans provided by an NGO to set up business. However, after being sponsored for some years, this specific group was still unable to sustain themselves. Now they were sponsored by another NGO. (Similar women's groups were however successfully initiated in other areas of Mozambique, such as in Inhambane (East Mozambique) by the Mozambican NGO Kukula (Associação dos Técnicos e Profissionais em Desenvolvimento Rural.) (SARPN, 2007)

There are also forms of cooperation within the markets. For instance, the Nigerian-shops which, amongst others, play an important role in supplying smaller (informal) traders on the same market. Another example are the furniture and wood businesses on the Manica market. These furniture traders would place their order with the carpenters and the carpenters would buy their wood from the wood traders. All of these businesses were located next to each other on the same market.

Gold panners and traders also showed to have strong individual cooperation systems. The gold that individual gold panners sell to gold traders does not happen directly on the market. Many of the remaining (mostly) Lebanese trading businesses have fixed connections with the individual gold panners. When a panner has gold to sell, he calls his trader to sell. It goes without saying that this is not a legal method. Yet the government does not take any action against it. "It is tolerated. [...] If there was no panning it would be very bad in Manica. (Gt)" (Also see Chapter 8.1.3.3 and Annex 13.9)

8.1.3.5.3 Trust

The reason why many of these traders engaged in the kind of group formations as explained above, rather than for example, work by oneself, was partly due to trust-relations. It was mentioned that

people who are close to you were more faithful and had the willingness to help and were also less costly. As such business relations were not able to exist without having established a trustworthy and meaningful relation. A respondent in Mwenezi (*IM*) mentioned that these markets and groups in which traders were engaged had become a second home for many. *“My son, we know each other very well and what is going on in our homes. We also support each other financially, socially and morally at all times. If you see the way we are relating, it’s actually difficult for you to distinguish and prove that we are not relatives”*. This shows that traders value solid personal relationships when cooperating with someone else. An example of how such trust relations influenced the market was that traders were often willing to sell their products on credit when the consumer would not have cash. This was common for the whole Mwenezi market. (The study in Manica did not give examples of this happening on the main market. Only in the rural areas.) There were also accounts in both Mwenezi and Manica of traders who were engaging in barter trade. This method was an outcome for poor customers. Traders would for example exchange clothes for chickens, crops or even casual labour. An example of this was ‘a trader in Rutenga [Mwenezi] who was ordering a 20 liter bucket of tomatoes for only 2kgs of sugar in the communities. 2kgs of sugar costs \$2.30 and the tomatoes were giving her a profit of about \$15. Other traders were selling 2Kgs of sugar in exchange for a gallon of roundnuts, groundnuts, maize or any other crop. (RUZIVO-Trust 2012p13-14)’ Another example of the importance of trust was shown in the main market building in Manica. Many women selling beans and dried fish used scales to weigh out the quantity of the product. They used to use tin cans in different sizes to estimate the quantity. However, when traders started denting the tin cans on purpose to make it appear as more, customers got annoyed. As such many traders have started to use weighing scales to win back the trust of customers.

The study has also showed that traders are building long distance relationships to use to their advantage. An example of this can be found in Mwenezi of livestock traders who have shown to have extended networks of other traders and buyers from all over the country. As traders make long trips to source products they are creating a networks of friends and acquaintances outside the region. This expansion in network has led to a more efficient system, as traders can now simply inquire business know-how/opportunities/prices etc. by telephoning their contact, rather than having to physically go there themselves. This was not only important for livestock traders, but also for cross border traders and traders selling fuel in Lundi¹⁶. (The latter would communicate with truck drivers to supply them

¹⁶ Lundi is partly a resting point for truck drivers on transit between Johannesburg and Harare. Truck drivers would sell fuel to the traders who in turn would re-sell the fuel to other bypassing vehicles. More often than not traders would mix other spirits to the fuel to make it appear more litres.

at Lundi. This also showed the importance of mobile phones for many business owners in Manica.

“...store-owners and farmers want to be kept in touch with opportunities... (Nes)”

What this demonstrates is that these trust relations are a necessity in the practical sense of running a business. These socially created cooperation's and the level of trust were important tools of survival. However, as will become clear in PART II, there are also groups on the market that struggle to establish such trust relations and networks.

8.1.3.5.4 Social obligations

There were several considerations for a customer to buy from a certain trader. For many customers, the quality and price of the product featured as one of the main determinants. In Mwenezi, some customers would even go to Masvingo or South Africa to buy certain products there as they believed the quality or price there was better. Customers would also take the appearance and hygiene of a trader into account. One respondent (*IM*) even noted that no one would want to buy from a trader who is shabby, dirty and unrepresentable. However, equal to trust relations, social obligations also play a crucial role in the functioning of the market. In fact, the research indicated that the relationship between customer and trader is perhaps the most important factor for where the customer will buy his or her product. Customers prefer and/or are socially obliged to buy from someone he or she knows (friend, neighbour, family member etc.) in order to support that person's business. Despite the fact that his or her commodities are of lesser quality, higher price etc. In other words, customers are being driven by a cultural norm which states: *“wokwako ndowokwako”*. This simply implies one cannot be helpful to a stranger when his or her relative is also in need. It should also be noted that, many traders preferred to sell their best commodities to members of the same apostolic church. This also highlights the importance of networks.

This social obligation is not only important for the customer-trader relation, but also for traders amongst each other. The reason for this came from a spokesperson from the NGO Kwaedza (*PK*) in Manica who mentioned that *“if one person [trader] gives a discount, they get in trouble with the others. [...] If the women don't sell anything, the men get angry because they don't get anything to eat. But if they sell below or for a better price, their neighbours [colleague traders] gets angry.”* It is a vicious circle. Traders are in some way entrapped into keeping their price low whilst at the same time not trying to offend colleague traders. The counter side of this is the increase of competition.

This shows that these markets housed a strong culture of social obligations. However, there were always some instances where customers had no choice but to buy from traders he or she did not

know. This could be seen amongst the fuel dealers in Lundi: As Lundi did not have other forms of fuel selling, truckers or other people on transit who were desperate to refuel, were obliged to buy fuel from a local fuel dealer. (Even though these fuel dealers were known for manipulating traders by mixing the fuel with paraffin or petrol mixed with spirit, to make it appear as more.)

8.1.3.5.5 Bribing

Bribing is an important factor for goods to enter the market from cross borders. Many traders engaging in cross border trading have built close relationships with border officials who regulated the movement of goods between the two countries. Traders pay small bribes, rather than import taxes. An example of this comes from a tobacco trader in Manica (**Vtv**) who has been making illegal crossings to Zimbabwe in order to buy the rejected tobacco from B1 farms. The tobacco is then sold on the Manica market where people can either buy in bulk or they can buy a single cigarette. He has been doing this business for over 5 years, making such trips approximately 4 times a month. On asking why he was involved in this particular business, he answered that he had no choice, as he did not have the money or the savings to start up a business which generates more profits. "...it is more expensive to do business in chickens for example..."¹⁷.

Yet, these illegal border crossings is risky. If one is caught, one can lose their products, get high fines and/or even imprisonment. It is especially risky for traders engaging in certain bulk products such as tobacco as it has to be transported in big bundles. This requires the use of vehicles/public busses. One can also cross border by foot through the Penha Longa mountains. However, this takes a long time, it is not accessible for vehicles and it is dangerous. Bribing border officials is thus considered the best option. In the case of Mwenezi it should also be mentioned that there were traders who simply placed orders, rather than going there themselves. They used those traffickers of whom they knew had good relationships with the border officials. As such, they made use of the networks of others. These power relations between traders and officials is key to the success of border trading.

8.1.3.6 Institutional influences

The study shows that institutional influences also play an important role within the functioning of the market. In Chapter II I will explain that the state/city council has acknowledged the increasing importance of these markets on the community. In doing so they stimulate the market development and formalization by applying regulations. Although there was not much data available on specific influences within the current institutional influences in Mwenezi, the study in Manica showed that

¹⁷ He was standing next to a chicken stand at the time of the interview

the Manica city council, which was set up in 1988, had set certain regulating mechanisms. Part of the tasks of the city council included; giving out loans for beginning entrepreneurs (for example micro loans); collecting rent and tax from traders for maintenance of the market; regulating importation of products; regulating the safety and hygiene of the market and providing physical structures/buildings/stands etc. for officialised market businesses. In this sense, the restructuring and functioning of the market can also be seen through forms of institutional influence. (See Annex 13.6 for a detailed description of institutional influences.)

8.1.4 Sub-conclusion - Contemporary market structures

As mentioned in the theoretical framework (Chapter 5), Van der Ploeg (2012) has shown how the failure of centralized food and agricultural empires triggers the opportunity for new local market structures to develop out of the existing failing market structure. These new markets are locally orientated which come forth and sustain themselves through strong social connections between the different market players. I have argued in Part I that the markets in Mwenezi and Manica has seen similar developments: Where Mwenezi and Manica were once places people fled from FTLR-p or the civil war, they have now become a place of attraction. There are a number of reasons for this. One of which includes the fact that after the FTLR-p in Zimbabwe, opportunities arose for new traders as hyperinflation caused a national lack of supplies. In Manica, opportunities have also arisen. Yet, the study suggests that in Manica, this development did not occur directly as a consequence of the civil war, but rather during the gold rush in 1999 and the implementation of the FTLR-p in Zimbabwe in 2000. The FTLR-p contributed to Manicas development in the form of a resettlement of white farmers and new traders who provided know-how, capital, job opportunities and cheap labour. The gold rush gave the market town an economical boost.

The study has shown that with the arrival of these new players, the markets which have mushroomed after the RRC have changed. These changes include: Physical growth of the markets; larger commodity variety which encompass both food, non-food and service sectors; change in demand in which the markets have become attractive for fixed customers such as schools and institutions; increase of competition; changes in household capacity; shift of power where traders are becoming more reliable on their own networks rather than the government (This is especially the case for informal traders); and an increase in illegal businesses.

There are also a number of aspects which play an important role for the functioning of the market. This includes 1) cross border trading. It is through cross border trading that traders have been able to source, not only new commodities such as food crops, but also new types of commodities such as

non-food products and ultimately service providers. Notably, Mwenezi cross-border traders especially source food products, whereas Manican cross-border traders especially source non-food products such as tobacco. It is during the period of 2000, that cross border trading has become important for the markets in both Mwenezi and Manica. 2) In Manica traders have also showed to source their products from the few remaining white farmers who settled in and around Manica province. This is important for the supply of the market. 3) In Manica gold panning has shown to take on an important role as it provides traders with a financial buffer to sustain their businesses and/or over-bridge the off-season. 4) The infrastructure plays an important role for traders to source products. Especially when making long trips cross borders. 5) The study showed that it is through social networks that traders are able to; spread knowledge, cooperate, create trust relations and are able to sustain their businesses through social obligations and bribing. The latter is especially important for cross border traders to import products without having to pay import taxes. The use of these social networks is one of the most important similarities with newly nested markets as proposed by Van der Ploeg et al. (2012), as it includes the role of highly extended networks. Also, I argue that gossip and knowledge-sharing have become important tools for the development and sustainment of businesses as they are used to gain valuable business information and/or skills. 6) Finally the study showed that in Manica, institutional influences play an important role for the functioning of, especially the formal market in Manica. This includes; giving out loans for beginning entrepreneurs (for example micro loans); collecting rent and tax from traders for maintenance of the market; regulating importation of products; regulating the safety and hygiene of the market and providing physical structures/buildings/stands

From this conclusion I take notice from the work of Watson et al. (2006) on how markets act as social spaces in towns and cities. Their study *Markets as sites for social interaction* recommend that local and national level should adjust their policies and strategies to meet the markets' socio-demographic profile, thereby making sure markets meet the local needs. This could be done by improving the market site: such as proper vending stalls, or buildings which protect against the weather. But also for example by improving infrastructure to and from the market. However, apart from policies, it is also important for traders to stay well connected to other markets or retail outlets to make sure the offer is well adjusted to the demand. Interestingly enough, market building, infrastructure and social connections have all shown to be important aspects of the study.

8.2 PART II - CONTINUATION AND DISCONTINUATION AFTER RAPID RURAL CHANGE

This chapter argues that the development of the Manica and Mwenezi markets should be seen in terms of a continuation and discontinuation. In doing so I argue that the vast amounts of the new

players entering the markets have been exposed to existing power structures. This has triggered a bifurcation of the market in the sense that a thriving informal (petty trader) sector has been developing next to the main formal (network) market sector. These informal markets have been able to develop due to the fact that they are unregulated. This enables the opportunity for traders to tap into new (and often illegal) revenues.

To demonstrate this, the chapter first focusses on the existing power structures in Mwenezi and Manica. In Mwenezi this mainly consists of powerful market spokespersons, whilst in Manica there are forms of political manipulations which regulate the market. Secondly, the chapter focusses on how these power structures have created the bifurcation of a formal network market sector and an informal petty trader sector. Thirdly, the chapter shows how the informal petty traders sector and the formal network sector have in fact used one another to develop and sustain.

The chapter will explain these markets and its continuation and discontinuation in context to what Van der Ploeg et al.(2012) describes as newly nested markets. However, rather than seeing the discontinuation of the informal sectors as newly nested markets, and the main formal sector as a main-market, I argue that both the formal and informal sector show elements of newly nested markets.

8.2.1 Power structures

The study showed that new traders who want to engage in an official/formal business come upon a social barrier which can only be overcome if one is connected to people in powerful positions. In the case of the Mwenezi, this was someone who was active within the local governing body. Whereas in Manica, one was obliged to vote for FRELIMO (Mozambique's biggest political party). In this context the study has identified 2 forms of power structures. Namely; through appointing a spokesperson (in the case of Mwenezi) and through political manipulation (in the case of Manica).

8.2.1.1 Market spokeswoman in Mwenezi

In Mwenezi each official market had a spokesperson. In most cases these spokespersons were elderly female traders who were well familiar in the market. Often they have been active on the market for long periods of time and/or have friends or relatives working within the local government. This person's task is to monitor the market and its actors and report back to the city council. In doing so the spokesperson has the ability to mobilize or even refuse new traders according to the strategic policies incorporated by the city council. That many of these spokespersons are female is partly

related to the fact that trading is considered a women's task and that men seek other jobs such as gold panning. (Also see Part III)

However a young female informal trader mentioned that these spokespersons would often misuse their power to their advantage: By not allowing new traders to set up business in the formal market sector, it was believed that these spokespersons wanted to protect their own business, or those of friends and family from excessive competition. They would deliberately choose a non-strategic place for new traders to set up business. Or, they would falsely accuse new traders of wrong doing to exclude them from the market. As such, these powerful spokespersons would have a certain monopoly over the market. (Yet, despite their powerful position, spokespersons were also often victims of hatred and/or accused of witchcraft themselves as their success and power resulted in hatred against them.)

8.2.1.2 Political manipulation in Manica

For a new trader to set up business in the formal market sector of Manica, his or her political preference plays an important role. Deciding to vote for the FRELIMO-party basically means one would be favoured by the city council in the sense that they would be officialised and be appointed a stand at a strategic location. Evidently, this was an illegal strategy played out by the city council to collect votes for FRELIMO. This was confirmed by almost every trader I spoke. However, it should

Citizenship

To officially work in Manica one needed to have Mozambican citizenship. This was also needed to come into account for loans; a stand on the formal market; to cross borders without paying high visa costs etc. In this regard (and according to one of my translators) many of the foreign traders and goldpanners operating in Manica used fake ID-cards. These were easily bought through bribed officials. This would take approximately one to two weeks to receive. It were especially Zimbabwean traders who bought these false ID cards.

also be noted that, despite most respondents knowing 'someone' who received such advantage, there was not one respondent who claimed to have received such favour him/herself, nor mentioned a specific name.

Political manipulation was mostly applied on small petty traders and not on Lebanese, Bangladeshi, Nigerian etc. traders. Most likely this was because these traders were seen as welcoming stakeholders as they brought with

them capital to invest in Manica. The fact that these traders did not have a Mozambican *citizenship* may also have played a role. There were also accounts that the lack of Mozambican citizenship was sometimes even an issue for those new petty traders from Zimbabwe who were willing to vote for FRELIMO.

The study has also identified a number of other forms of political manipulation (or at least questionable methods), that the Manica City Council applied to stay in power. Namely, through distribution of locations and loans, by targeting female traders and through tolerating of informal (trading) businesses.

- *Locations and loans:* As mentioned, traders who voted for FRELIMO would be appointed a stand which is located in the centre of the market where there was much foot traffic. Thus increasing the chances of selling commodities. However there were also several respondents who noted that only those traders who voted (or agreed to vote) for the FRELIMO-party, could apply for a micro-credit loan from the 7 million dollar-notion. (Also see Chapter 8.1.3.6 and Annex 13,6) Those who did not vote for FRELIMO were thus not appointed a good stand location *and* were excluded from applying for a loan.
- *Female target groups:* According to a prominent figure of the Manica community (**Mb**) the mayor of Manica used the 'development of the as a campaigning strategy when he was voted into office. In doing so he mainly focussed on women to cash as many votes as possible, as, according to the respondent, they were the largest trading group and considered easily manipulated. The idea that women formed an easy and effective target group came from the fact that 1) it were mostly women being or wanting to be active on the market, 2) it is believed that women are more easy to convince of political strategies as most of them are illiterate and 3) because women are more likely to vote as it makes them feel more liberated. As opposed to men, who "...don't care. They rather drink beer then stand in queue for hours."
- *Tolerating informal businesses and practises:* Another form of political manipulation played out by the city council was the toleration of certain illegal activities. For instance the tolerating of vast numbers of informal traders; tolerating of cross border traders; tolerating of illegal gold panning etc. For obvious reasons tolerating informal businesses have its drawbacks. For instance; the work is often heavy, dangerous and unregulated; the city council misses on tax-income from the many informal traders; it is more difficult to regulate prices and commodity import when there is much competition from informal traders etc. In addition, there are also environmental consequences such as the fact that large parts of land are slashed and burned and/or destroyed through illegal gold panning. Another issue of tolerating (illegal) gold panning is the fact that it is clogging up irrigation systems of the few



Picture: One of the rivers in Manica district. Fine dust from the gold mines has turned the rivers red, clogging up irrigation systems and destroying water-life.

commercial farmers and killing water-life as fine dust is entering the rivers and canals. (This is explained in more detail in Annex – 13.9)

However, the reason for tolerating these activities are clear. According to prominent figure in Manica (**Pk**): “...it creates employment for those who don’t have a choice.” Or in other words, health and safety regulations do not weigh up against providing for oneself. Another respondent, a Bangladesh shop owner (**Bso**) noted that the city council simply lacked the **funding** to do anything about it. Of course, there were cases where regulation was applied. For example in Manica, where people from the city council were patrolling around. (Also see Annex 13.6.2) But as mentioned, this is not a waterproof system. Officials turn a blind eye or are easily bribed.

Funding

Due to lack of funding, the City council in Manica encouraged its own employees to have a business on the side, apart from their job at the city council. This was suggested as, from experience, the government has not always been able to pay salaries. With an extra income on the side, these fixed employees are less likely to switch jobs and thus be replaced within short periods of time. Also, the ruling term for the mayor is 5 years. The incubation time in between mayors may affect the payments of salaries. One such example was a man who had a successful bar in Manica. Simultaneously he was the Assembly chairman of the city council.

8.2.2 Network and petty traders sector

For logical reasons, traders want to set up business close to the main centre of a market, as this is a place with much foot traffic. However, such places are hard to come by. For one because they are located in a central spot. This implies that they are often regulated by the city council. This means that using the stands, maintenance, security etc. requires payment of rent and tax. In addition, traders would have to make relatively high investments in his or her business to stand out of the already existing competition. Yet, the study has also revealed that the formal main market is controlled by power structures. Above I have described that both Mwenezi and Manica house certain power structures which new market traders are exposed to. I argue that these state controlled power structures have influence on the nature of the markets. As described by Foucault, those who are in power will remain in power as only they have the ability to change a discourse (see Chapter 1.1.1.3.). By excluding potential threats (in the form of new players who bring competition) and only including useful players (for instance traders who vote for FRELIMO), city councils are able to stay in power.

However, at the same time a bifurcation of an informal sector is emerging and has been steadily growing. This bifurcation is related to the fact that the new comers are unprivileged or socially weak. This implies that this group did not have the capital or support to obtain a descent stand at a descent location or have a starters capital to buy commodities. Rather, they were forced to set up an informal make shift business with whatever capital was at hand.

That many of these newcomers are considered weak is related to the fact that many of them 1) failed to create a financial buffer whilst working abroad and/or many people send remittances home to their family and friends, 2) many of them had to cope with poor health, such as HIV/Aids. (HIV/Aids is one of the main reasons why there were so many widows and/or single mothers on the market.) And 3) many of the traders who were not born and raised in Mwenezi or Manica and thus had no useful connections such as family and friends living in the areas. This last part complies with the work of Bolding et al. (2012) who makes a distinction between Zimbabwean traders engaging in business in Manica: Namely those who sought a fixed settlement in Mozambique, those who planned to go back to Zimbabwe some day and those who engaged in cross border trading. Within these 3 groups, Bolding et al. (2012) made the distinction of those who had and could use their existing networks (family, clan, church etc.) to get by in Mozambique, and those who didn't have any connection or place to go. In this context, not only were new traders seen as competition and as such excluded from the formal market sector, they were also weak in the sense that most of them had no internal support.

One such case of a newcomer who was rejected on the formal market in Manica, was of a young female trader from Zimbabwe (**Vlo2**). She mentioned that when she came to Manica she was turned away because she did not have any friends or family on the market. She explained she wanted to set up business in the centre market, but she didn't know who to turn to. She and many other newcomers had to resort to informal petty trading. She had been operating in the informal sector for 2 years now. With a growing number of such cases, the informal markets has been steadily growing and even outgrowing the formal sector. In doing so, these power structures has created a clear separation between informal market sector and the exiting main formal market. In addition, it becomes clear that the vast majority of powerful market players are part of the formal main market and the vast majority of weak players are part of the informal sector. This will be clarified in the next paragraph.

8.2.2.1 Formal (network) markets

The formal sector represents those businesses which are officialised by the government. In short, formal markets are those 'governed by high quality and food safety standards and where the activities of companies can easily be monitored. (RUZIVO-Trust, 2012)' This implies that these businesses are supported by the city council in terms of loans, security, safety, hygiene, buildings etc. (Also see Annex 13.6) An example of formal business include cattle markets and auctions in Mwenezi, or dried fish traders in the main market building in Manica. Formal businesses are often located in the centre of a busy area or community so that they are easy accessible for traders and customers from surrounding communities. Being located centrally implies a large and steady flow of customers. As such, businesses in the formal sector often generate high turnovers in comparison with informal businesses. In Mwenezi such formal markets could be found in small rural towns such as Sarahuro, Maranda and Rutenga. These are considered the so called growth points¹⁸. In the Manica district, the Manica town could be considered the main growth point of the area as it is the biggest market town in the region. (Also see Chapter 6.2)

As mentioned in the previous paragraph they are often operated by powerful players or players which have such extended networks of friend and/or relatives that they are well rooted in the community. (Such as connections to the governing bodies.) They are and/or have powerful connections which enable them to get good locations for their stands and sustain high profits. In Mwenezi these are often elderly female traders, many of whom are direct or indirectly connected to

¹⁸Growth points is a typical termination for busy rural villages. They are often located in between different communities making them accessible to the communities surrounding them. In doing so they often form the foundation for other, smaller markets to operate from. In addition, they are often target areas for rural development initiatives (NewsDay, 2013).

the market spokeswomen. In Manica however, they are operated by both elderly and young female traders. Although these traders are not necessarily powerful themselves, they are privileged in the sense that most of them agreed to and are allowed to vote on the FRELIMO-party because these formal players are so dependent on their personal networks to obtain their formal positions they may be seen as formal network markets.

It has become clear from observations that most of the formal traders are marketing in food products. One of the reasons that was given for this is that food trading has always been the primary commodity of the market. As such, it has been the main focus point of state policies. This translates to the fact that the city council is more likely to give out loans to food-traders and/or construct buildings which are ideal for food traders, then to traders operating in non-food, often illegal, commodities from cross borders.

Yet, where formal traders have an advantage over informal traders as they operate in strategic locations and buildings which are supposedly safe, hygienic and maintained, they are also restricted by the state's and/or city council's regulations and policies. For example, formal traders are not allowed to sell certain products, such as Kindanao (a cheap home-brewed form of alcohol). They are also obliged to pay rent and taxes for their stand. In this sense, state set regulation also restrain formal traders (to a certain extent) from adapting and/or expanding their business strategies to changing circumstances. In addition, these formal markets are also restrained from developing due to the competition that they encounter from each other and the expanding informal sector. In this sense there is a limit to the possibilities for formal traders to tap into new revenues.

8.2.2.2 Informal (petty trader) markets

Informal markets are 'not registered by statistical offices which are illegal and which may be done due to scarce earning opportunities. (RUZIVO-Trust, 2012)' As such, the informal sector is not officialised by the government. In contrast to the formal market, they are illegally build and thus do not have a defined structure. They are often distinguishable from formal market as it are those kind of business which do not revenue high profits, nor have a high starters capital and which market small quantities at a time. For example, one would find an informal trader selling crops or household goods. Yet, one would not quickly find an informal cattle trader (as cattle implies high starters capital and turnovers). The sort of business which falls under this category are very broad. Where the formal businesses are mostly active within the food sector, the informal sector includes both food, non-food and service providers. Other informal traders which can be found in include; traders who sell from house to house (Mwenezi); fuel dealers (Mwenezi); gold panners (Manica); and many traders selling

processed foods ready for consumption (Mwenezi and Manica). (Within and alongside the market place one can find small food shops where processed meals would be sold to customers, such as traditional shima or roasted maize. Often the raw product would be bought on the same market.)

The reason why they encompass such a broad spectrum of commodities is related to the fact that they have no regulative restrictions. Although the informal sector is limited in the sense that traders have no support from the state or city council, simultaneously, this enables them to develop freely and rapidly as they are able to tap into new revenues and possibilities. For example by getting cheap or new commodities through illegal cross border trading. In this sense, these informal markets are influencing the demand and supply.

With many new comers being forced to set up informal businesses, this sector has been steadily growing. In fact, the vast majority of the markets in Mwenezi and Manica are currently operated by informal traders. Rutenga market in Mwenezi for exmaple, started in 2006 with two people under the tree who were selling tomatoes and vegetables. Now this growth point has approximately 20 shops, but almost around 200 informal business people operating there. Many of whom are arts and crafts traders selling their products directly to tourists on transit (Despite 'Operation Murambatsvina' in 2006. (See Chapter 7.1) Yet, how big the informal sector in Mwenezi exactly is, is difficult to say. This is partly because formal markets overflow into the informal markets. Besides, there are many small mobile informal businesses of salesmen who are continually on the move, going from one house to another. This is difficult to register. The expansion of informal markets has also been witnessed in Manica. The city council of Manica states that the main Manica market now houses 700 official/formal stands. Yet, it is estimated that there are well over 700 informal traders. In the entire Manica province it is well over 900 (Cc).

As mentioned, informal markets are often operated by an unprivileged/weak group. Often they consist of younger petty traders (both male and female) whom have immigrated from elsewhere and thus are not yet familiar in the region. As such, in comparison with formal traders, many of them do not (yet) have extended networks and are thus not well rooted in the community. They are thus resorted to setting up business around the outskirts of the official market as they do not have the ability to engage in formal trading. In this context these informal markets can be referred to as petty trader markets: It are markets comprised of traders who are often small and generate less profits. Nevertheless, this does not mean that informal market traders do not make extensive use of networks, yet other sort of networks: These informal networks are equally important for the

informal sector as they are for the formal sector. It simply implies that the informal sector is for large part composed of small petty traders.

8.2.2.2.1.1 *Petty traders as main cross border traders*

I argue that the growing variation in demand and supply on the markets in Mwenezi and Manica can for a large part be found in the informal petty trader sector. There are a number of reasons for this. As mentioned above the petty trader sector is not only growing rapidly, but it is also unregulated by the city council. This implies that, because informal traders are not restricted by these state implementations, nor supported (in terms of for example; a loan for a food-trading entrepreneurship) they are free to engage in every types of commodities/businesses they seem fit. (Preferably commodities which are in high demand and/or where there is little competition.) As such, where formal network traders are still limited in the sense that they can only trade certain state approved products, petty traders are *also* able to tap into new commodities. Often through illegal, cross border trading. Two such examples are the illegal trade of Kindanao to Zimbabwe or the illegal tobacco bulks towards Manica. This does not mean that formal network traders do not trade in such products. It simply implies that formal network traders are more likely to engage in businesses that



Picture: Informal petty traders setting up business as close to the main Manica market as possible. Some have used the outer-walls of the main building to build their improvised stands against.

are supported by the state; such as the food sector. An interview with a member of the city council (**Cc**) in Manica has showed that, at least in Manica, food trading has always been the main focus point of state policies. This translates to the fact that the city council is more likely to use its (financial) capabilities (such as giving out loans and/or constructing buildings) on that what is considered most important; the food trading businesses/sector. Non essentials such as tobacco are not considered to have a high necessity. As such, one will find the informal sector in Manica focussing on food, non-food and service providers, whereas the formal network traders mostly engage in food products. (However, it is incorrect to state that there are *no* formal service providers or formal non-food businesses at all. Nor is it correct to state that the formal sector has not engaged in illegal cross border trading.)

In this regard I argue that the development of the informal petty trader sector has partly gone hand in hand with the expansion of the non-food and service-providing sector. For this reason it is therefore also fair that, in general, the continuation of the markets can mostly be found in the food sector. Whereas the discontinuation of the markets can be found in both food, non-food and service provider sectors.

8.2.3 Complementarity of Network and Petty Trader Markets

Mentioned above, I have argued that the development of the markets in Mwenezi and Manica is partly related to a rapidly growing informal sector. This informal sector has developed near or directly next to the formal sector. For instance, in Manica, the market is composed of a main market building which is completely surrounded by small informal trading businesses/stands. This has also been witnessed by RUZIVO-Trust (2012) which shows how local (formal) market sites in Masvingo have become surrounded by illegal stands in the outskirts of the official market site.

I argue that, despite the fact that the many informal traders are creating competition for the formal market, the growth of both the formal and informal sector play a complementary role in the market development as a whole. Reason for this is that the informal petty trader sector has targeted the already existing flow of customers who are attracted to the main the formal sector. As such they set up business as close to the formal market as possible. This is confirmed by a trader (*iM*) in Rutenga (Mwenezi), whom had chosen a place to set up business close to a big supermarket. She noted that *"...everyone wants to buy in Chingwanga Supermarket, and so after buying there, they will also pass by me and pick one or two items."* Another clear example of this includes the cattle markets in Mwenezi: The success of these markets has attracted other types of traders who follow the cattle markets to set up business. The money which comes free at these cattle markets is easily spend on

these small, informal, food and non-food business. As such, the cattle market would attract both formal and informal traders (and even shop owners). This was so profitable that one shop owner even indicated that the revenue he receives on a single cattle market (which may last up to three days), is far more than what he receives for a month at his shop in Neshuro.

However, simultaneously the study has shown that informal sectors can also attract formal businesses. This happens when the presence of many informal businesses has created a significant money flow which triggers formal business to also mushroom around that area. A number of examples of this include fuel dealers in Lundi (Mwenezi): The widespread presence of illegal fuel dealers created an effect of other business mushrooming around that area, both formal and informal. These illegal practises created more foot traffic and therefore new business opportunities. In fact, one interviewee (*iM*) said that, “*without these illegal fuel dealers, Lundi will crumple into ashes.*” Another example includes the road between Masvingo and Johannesburg: The road leading from Masvingo towards Johannesburg functions as a market place on itself. It has enabled women to, not only travel to Johannesburg to sell their products there, but also use it to trade products during the 9 hour bus drive. The fact that people gather at those markets for trading, thus create a flow of money transfer, attracts other people who try to sell their products by setting up their illegal stands in the outskirts of the official market site. An example in Manica includes the construction of a concrete building near the suburb market Nobeza Nolta. Nobeza Nolta, which started out as a small informal market where producers would sell their produce in bulk, has developed in such a way that it is recognized by the city council as an important aspect of the functioning of the main Manica market. (Also see Chapter 8.1.2.1) In this sense, both informal and formal markets may be interlinked with each other.

8.2.4 Sub-conclusion – Continuation and discontinuation

The study has showed that the markets in Mwenezi and Manica can be perceived as a continuation and discontinuation of the main market structure. This is related to the arrival of new players and the existing power structures. In Mwenezi this power structure include powerful market spokespersons who have the ability to determine where and if new market players set up business. This power is often used to eliminate potential competition from newcomers. In Manica this power structure includes political manipulation which is used by the city council to stay in power. This implies that when newcomers do not vote for the FRELIMO-party, one will not be allocated a central location on the market (thus have less foot traffic) and/or not being able to apply for a loan. Other forms of manipulation on the Manica market included; doubtful allocations of loans; mainly targeting female

groups as these are considered easily manipulated, and; turning a blind eye towards informal businesses and practises.

As a result of these power structures, new arrival are excluded from the formal sector and forced to set up an informal business. For large part the formal sector therefore complies of traders who are well rooted on the market. They have access to extended network/connections with powerful persons such as the spokespersons or members of the city council to obtain preferred market locations and/or loans. In contrary, many of the informal traders are either new (immigrated to the markets from elsewhere) and/or not well connected. With their social weak position they do not have the ability to obtain preferred central locations and/or loans and where thus resorted to setting up small businesses in the informal sector. Despite the fact that these informal players have few social connections they simultaneously are most dependent on such social connections as governing bodies provide little to no support to the informal sector. In this context, the study showed that informal traders are desperately using the few connections that they do have. With many of these weak traders, the informal sector has grown rapidly, outnumbering the formal sector. Notably, although an expansion of types of commodities was witnessed on the market, the formal sector was mostly involved in food crops, whereas the informal traders are bringing new and varying types of commodities to the markets. This is mainly done through illegal cross border trading. This acknowledges the fact that the informal sector -as discontinuation of the main market sector- plays an important role for the market structures and development.

Also, the study has shown that the informal and formal network need one another to exist. The discontinuation has occurred due to existing power structures. However, this informal sector has established next to or near to the formal sector as the informal petty traders target the already exiting foot traffic of the formal sector. Much of this complies with what Van der Ploeg et al. (2012) calls newly nested markets which also use an existing market structure as foundation to develop from. Simultaneously however, the continuation of the formal sector sustains itself through the informal sector as well. The rapidly growing informal sector brings with it not only more foot traffic, but also varying commodities from cross border trading. This also creates the opportunity for new formal businesses to develop. For instance in Lundi, where the many informal fuel dealers have created such a money flow that formal businesses are also mushrooming.

8.3 PART III - MARKETS AS INDICATOR SOCIOECONOMIC RECOVERY

The work of authors such as Scoones et al. (2012) and Dermand et al. (2013) reveals that markets in Mwenezi and Manica are developing and growing after the economic and agricultural downfall. This

has also been demonstrated in the previous chapters where the arrival of new players has triggered a discontinuation of the market structure. However, I argue that, although these markets have shown to be developing, they also encompass a number of aspects which suggest that this development houses a counter side -thereby arguing that although a market is growing, it is *not necessarily* a indicator for socioeconomic recovery.

To demonstrate this, I first argue that the growth of these markets can also be seen as a means of last resort for many people: The fact that so many people are engaged in marketing shows that there are little other options to generate an income from. This is especially the case for women and uneducated people. Secondly, the chapter describes how these markets act as poverty traps: With the increase in traders operating on the markets, competition levels also increase. Simultaneously, business skills that traders acquire (and use) do not come from educational background, but are learned from fellow traders operating on the same market. This creates a situation where traders simply copy each other strategies, rather than innovate and lower competition levels. Finally, I suggest that the market developments are affecting culture in positive and negative manner. Focussing on women empowerment it becomes clear that women are becoming less dependent on their husbands. However, with this growing independency, the study has shown that women are more easily (and falsely) portrayed as being alcoholics and/or prostitutes. This is creating friction within households and marriages.

8.3.1 Markets as means of last resort

As mentioned in the theoretical framework, traders who have come upon despair need to adapt to their circumstances to survive. As mentioned by Scoones (1998), there are three livelihood strategies which actors can undertake to become sustainable. These include agricultural intensification or extensification, livelihood diversification and/or migration. Focussing on the trading sector rather than farming, Part I and II has shown that there is a link between these livelihood strategies and the market development. Namely the study has shown that traders have engaged in cross border trading (which resembles migration) and people have engaged in the trading business (which resembles livelihood diversification). It is particularly this aspect of people engaging in trading as form of livelihood diversification on which I will focus.

I argue that the study has shown that trading is one of the few means for many people in Mwenezi and Manica to sustain their livelihoods, especially for women. This is because, with a lack of jobs and a lack of education, many men moved towards bigger cities whilst the uneducated and/or women remained behind. Many of whom are resorted to either engage in subsistence farming, gold panning

or trading. Most of whom engage in trading. The study in Manica showed that there are three main reasons for this. Namely that 1) it are especially women who are uneducated, 2) because farming and gold trading are physically challenging and dangerous and 3) because especially women are socially bounded to stay in the community as they have to take care of their family and children. One such example is of a young female trader (**Vgl**) in Manica who had been active for 5 years: Despite the fact that she had her O-levels, she realised she couldn't proceed with her education as she had obligations in Manica. As such she chose to sell her products on the market.

8.3.1.1 Education

Women in Mozambique are marginalized. They do not have the possibility to engage in (rural) economic activities, nor have access to basic services such as loans and credit. This is even worsened by increasing HIV infections amongst women and the fact that many of these infected women also have to take care of other AIDS patients, children and/or family (SARPN, 2007). In addition, with a lack of education, female traders have no other option then to engage in an unskilled profession such as trading. Especially Manica copes with a lack of education. In fact, it was estimated by a prominent figure and (primary) school teacher (**Mb**) that only 10% of the people have “*some sort of [primary] education*”. This lack of education has to do with Mozambique's civil war which has created a large educational gap between young and old people. “*The years of civil war equals the years of no education.*”. As women are traditionally responsible for the household and for subsistence farming, especially women are uneducated and illiterate. Another constraining element was that it was common believe that girls who went to school would become prostitutes. As such, with little to no education, many women did not have much other option then to engage in trading. Besides, as women form the basis of agricultural production and often use to sell (surplus) production, engaging in marketing of products is a logical alternative for women. In fact, the market in Manica was described as a “*safety net for many women*” by a gold trader (**Gt**). In addition, traders indicated that these markets were actually a form of schooling where they were learning on a daily bases. For example about business skills, or mathematics. This has also been demonstrated in Chapter 8.1.3.5.1, where the study in Mwenezi has indicated that traders have become a source of knowledge for various government departments, students, NGOs and academics.

However, it should also be mentioned that on account of several interviewees, it is becoming more common for girls to attend school. Those who had basic education indicated that it helped them in basic trading skills such as mathematics and reading. In addition, the study also showed that there was a group of women traders in Manica called *Pamberi na Morgan* who were encouraged to do literate classes in the afternoon.

8.3.1.2 Physical constrictions

As mentioned, Manica did not offer much jobs for the uneducated. It was either gold-panning, farming or trading. The first two options were indicated as “...too difficult for a woman.” They are dangerous and physically challenging. As such they were seen as men’s job. According to a gold trader (**Gt**) most of the women one could find on, for example a gold panning site, would sell pre-cooked meals during day and/or work as prostitutes in the evening. In this sense, trading is one of the few options left for women to sustain their livelihoods.

8.3.1.3 Forced trading and social boundedness

Other than men, who have showed to immigrate in search of jobs, many of the women working on the markets were partly there because they are socially bounded. This is related to the fact that women have the traditional task to take care of the children and family. As such, they cannot simply leave everything behind. Upojn asking why there are so few men engaged in trading in Manica, An elderly female trader mentioned that men rather work in the mines than on the market as “they were afraid of losing their manhood.” In this sense, social status is an important factor for men in Manica. Yet, most responds reasoned that men preferred working in the mines as it brings quick money. It was estimated by a gold panner in Manica that (currently) approximately 60% of the men in Manica were active in the gold mining, of which 50% of them were from Zimbabwe and 50% had a Mozambican nationality. Yet, with the men failing to provide for them they are simultaneously forced to engage in trading. In Mwenezi for example, with many companies shutting down, men had trouble finding jobs. Where a number of them engaged in the trading business, others went to South-Africa in search of jobs. Many of the women remained behind and engaged in (cross-border) trading. They are now strongly rooted in the market sector. In Manica a similar event was happening. When gold got scarce many men relocated to other parts of the country such as Tete where they found work in the gold panning sector. However, more often than not those men failed to send their earned money back to their families. Ultimately, with no money to feed their children, women has no other choice other than to engage in the trading business.

Managing these (traditional) household responsibilities simultaneously with their job as trader was considered extremely challenging as it implies making long hours. Especially when also having to travel long distances for in search of commodities. This was described, not only physically exhausting, but also risky. Especially when making such long journeys alone.

8.3.2 Markets as poverty-traps

Although the markets are growing in terms of traders, commodities and customers, the individual profits that traders make remain slim. In this context I argue that the markets in Mwenezi and Manica act as a poverty traps. The study has provided a number of reasons for this. Namely the fact that there is a lack of innovation: Traders copy each other's strategies rather than innovate, thereby creating an increase in competition. This lack of entrepreneurial mind-set is directly related to the fact that traders are unable and/or unwilling to take (financial) risks as a result of uncertainty. Also, I argue that, despite the fact that Manica lies alongside a mayor route, the market town lacks the capability to attract mayor national and international market players/wholesalers. This keeps these markets operating on small scale. Finally, I argue that cultural norms such as the use of traditional medicine is keeping traders from expanding their businesses.

8.3.2.1 Lack of innovation

The markets of Mwenezi and Manica lie alongside important routes. This would suggest that the markets are exposed (and certainly not isolated) to ideas, products and market strategies from outside, and thus not be bounded by only those strategies applied in their own surroundings. However, the study has showed that, especially in Manica, there is a lack of innovation. Many traders tend to copy each other strategies by selling the same commodities for the same price in the same manner. As mentioned in Chapter 8.1.2.4, this contributes to an increase in competition and keeps the market from developing to its potential. I argue this is partly related to the fact that 1) traders have a lack of entrepreneurial skills, 2) traders are confronted with high risks and uncertainty 3) traders are constrained by social obligations, 4) traders are unable to take risks due to uncertainty and 5) Mozambican traders are accused of having poor attitude.

8.3.2.1.1 Entrepreneurial skills

Especially in Manica, traders operate with the same marketing strategies. Strategies which he or she is familiar with. I argue this is related to education. As mentioned in Chapter 8.3.1.1 there is a lack of education in Mwenezi and especially Manica. Yet, in Chapter 8.1.3.5.1 I have mentioned that despite this lack of education, people do learn from one another through gossip and knowledge-sharing. In this sense the only input a traders receives on, for example innovate knowledge skills, is that what his or her neighbours also already knows. In addition, in a remote community such as Mwenezi and Manica and a dense market with traders sitting side to side, it is not surprising that gossip and stories easily travel and new information from outside is often scarce.

With little input on new strategies and knowledge from outside, traders thus have no other options than to copy and share each other's knowledge and tactics. Unfortunately, this is creating a market-system which is for large part built upon the same business strategies. In this context I argue that, although traders have business knowledge and skills, due to little or no education, many traders lack an entrepreneurial mind-set. This restrains people from innovating. One of the respondents (**Mb**) in Manica gave an example of the marketing of umbrellas and blankets: *"When it starts raining today vendors all buy a whole stack of umbrellas to sell. So today they make money, but tomorrow when it has stopped raining they can't get rid of the umbrellas. So they sell it under retail price, losing any profit made the day before. This same principle goes for basically everything they sell on the market."*

Referring back to Chapter 5.1.1 and the work of Foucault (1988) and Bourdieu (1989), the study has shown to give a classic example of the fact that people tend to select their knowledge and act according to their habitus as it is that what they know or are familiar with. Also, it shows that, the more extended ones network, the more chance to receive relevant information.

8.3.2.1.2 Risks and uncertainty

Despite the fact that many traders copied each other's strategies, most traders also explained that they wanted to expand their business in the future. However, as became clear, they were unable to do so as 1) they had no money to make costly changes within their business, and 2) they had no possibility to regain their old businesses if their innovations fail. As such, traders are unable to take the financial risk of expanding. This is an interesting finding because, as explained in Chapter 5.2.1.1, it are not only the wealthy who are able to take risks by innovating or expanding their businesses. It are the poor/less fortunate who do so as they have nothing to lose.

8.3.2.1.3 Social obligation

As mentioned earlier in Chapter 8.1.3.5.4, traders are in some way entrapped into not innovating as this could offend colleague traders. As such they are to a certain extent limited in their social obligation.

8.3.2.1.4 Attitude

On several occasions, I have mentioned that in Manica, traders from cross borders are far more successful than local Mozambican traders. There are a number of reasons for this. The main reason that respondents gave was that foreign traders were simply better educated and experienced businessmen. As a farmer (**Wf**) put it: *"Zimbabwean vendors are very organized..."* However, a prominent figure (**Mb**) in Manica (a Zimbabwean) also mentioned that this was due to the fact that

Mozambicans were considered lazy and not very resourceful. According to these respondents, it is their attitude that keeps them from innovating. *“That’s why the Zimbabweans who come here take advantage and take all the limelight. Mozambicans are afraid of starting new things. They’re afraid of expending. Unless they know someone has done it before and it has worked well, they won’t do it. They can’t ever sell anything which hasn’t been sold by someone else.”*

8.3.2.2 Lack of market

Part of the fact that markets remain small, is that there is a lack of marketing. The market in Manica is too small for large wholesalers to get involved. This has for instance been demonstrated in the example of the white farmer who preferred to sell all of his produce to the local Manica markets yet was forced to export large quantities instead. (See Chapter 8.1.3.2) A member of the Manica city council (**Cc**) mentioned that part of the problem why farmers (and thus traders) were not developing as they should, was because the agriculture sector is still underdeveloped. He gave an example of how large supermarket-chains such as Shoprite prefer to buy bananas from South Africa, rather than from local farmers in Manica. Despite the fact that the bananas in Manica taste arguably better (according to Shoprite investors), they are not treated with chemicals (whereas the bananas in South-Africa are), they are located closer (in context to transport costs) and they are cheaper, Shoprite prefers the bananas from South-Africa. According to the respondent this was because the bananas from South-Africa could be bought in larger quantities and because they simply looked better (bananas in Manica are often green with some black spots as they have naturally matured with no use of chemicals). As such, large chains are forced to comply with the demand from consumers who want good looking products and farmers and markets in Manica remain small.

8.3.2.3 Traditional medicine

I argue that excessive use of traditional medicine is keeping traders from making rational business decisions. Especially in Manica this form of believe was still very much alive. Seemingly a great deal of the traders, and other people, used it to maintain or create greater profits. Several respondents (**Pk, Cc, Gt, Vws, Mb**) argued that, in times of hardship, traders rather secure themselves by relying on traditional medicine than by changing business tactics. For example, rather than collectively investing in better equipment or skids, it was rather the rule than the exception that miners used alcohol and traditional medicine to overcome fear and insure good profits before descending in the mines. Although none of the respondents admitted to it, everybody did know ‘someone else’ who used it. The mass use of *traditional medicine* in Manica also became clear as the market housed at least two stands where they sell traditional medicine, both located at the front and back entry of the market. Once someone practises medicines, it is not easy to disclose. The believe becomes stronger,

and traders become dependent on the uses of these practices, rather than making rational decisions. (Consequently resulting in the fact that businesses do not thrive.) In addition, there is the issue of appearance. It has been pointed out that people who make great profits are often accused of using traditional medicine. As mentioned, the same goes for the powerful spokespersons in Mwenezi. Because they have the ability to exclude new traders from joining in the existing market, and thus proceed in informal trading, these elderly women would be accused of possessing witchcraft power which they would use to harm others. Understandably, this is not a status one wants to have. In this context the interviewee also mentioned that people are therefore careful in showing off his or her wealth -afraid of being accused of witchcraft-.

Traditional medicine

In order to increase ones business, traders in Manica would buy traditional medicine (consisting of not much more than twigs and stones) on the market. Yet, it is also possible for traders go to certain people, such as the church sect Madzikaba, who meet in the mountains. If one would go there and asks to increase his or her profits, the Madzikaba-witchdoctor would give that person 3 stones. The believe was that, once he or she had all 3 stones in the pocket, all his or her products would be sold in minutes. Yet, the respondent also talked about more serious and sinister uses of traditional medicine: Often children and orphans were lured, kidnapped and mutilated to use their hearts and genitals for making the medicine. One of the examples a respondent gave was his witnessing of a child being abducted for such purposes. (Fortunately this child was not harmed due to his intervening.)



Picture: Traditional medicine for sale on the Manica market.

8.3.3 Markets as influence on household compilation

Culturally speaking, the role division of households in Mwenezi and Manica has always been very strict. Women were responsible for the household work and taking care of their children and elderly family members, whilst men would earn money through farming or casual labour. However, throughout the study, it was mentioned on several occasions that a shift is taking place in the household compilations. Much of this was in context of women empowerment and their role in the market. Yet, where at first sight this seems positive, it also has a counter effect in the sense that traditional household compilations are falling apart.

8.3.3.1 *Changing gender roles and women independence*

As mentioned in pervious paragraphs, there are many women active on the markets in Mwenezi and Manica. This dominant role of women in the functioning of the markets has created a sense of independence. Amongst others this can be seen in the fact that; 1) Women have become less dependent on their husbands as they are now making their own money. (As mentioned, due to the fact that they had more control over their money, they were now able to put their children school.) 2) It has become acceptable for women to make long trips without their husbands. (For instance when sourcing for commodities or engaging in cross border trading.) And 3) Women have formed so called women-groups to become economically stronger. As such, their status in general has become more important in the community. Women were even being elected as leaders in churches.

The fact that women are able to take care of themselves, rather than being dependent on their husbands, has not only brought about a new sense of independence, but is also slowly altering the cultural aspects. In this context a group of female widowers (*V/w*) who sold wood in Manica, noted that *“women are even drinking beer now!”* (Something which was practically unimaginable a few years ago.)

The study in Manica has also showed that women’s independence has been stimulated in other ways. For example, through the city council in Manica who has been targeting and stimulating women to engage in trading. (Also see chapter 8.2.1.2) Another example in Manica is related to a local radio programme which use broadcast every Thursday from 7.15 to 8.00. People would call in to discuss certain cultural and social issues. Because these (often sensitive) issues were being discussed on the open air, it triggered discussions on the market. It was mentioned that these women, triggered by discussions of culture and social issues, would encourage one another to become more liberated. In this sense a change of independence was happening. In this context, these markets can even be seen as a platform where cultures adapt and viewpoints develop.

Child labour

Despite the fact that more children are attending school now, there are still considerable amounts of children active on the market. As a result of being or becoming a single mother, one would often find children selling products on the markets to generate an extra income. These children traders can be considered part of the informal petty trader sector. They would continuously be on the move selling ready to consume products such as boiled eggs or bags of peanuts. In Manica, a respondent (**Mb**) mentioned that *"...there are a lot of vending children. They do the informal trading. Many selling of Kindanao. Throughout the day the child is collecting the empty bottles. At the end of the day they may have 200 of those bottles which they sell to people who sell cooking oil. [Cooking oil is stored and sold in bottles of Kindanao.] If he has 200 he has 100MT. So they see money, and they don't want to go to school. A lot of children drop out because of this. Whilst the parents think they're going to school, the children are doing this informal trading. But some parents also like it as the child brings in extra income."*

There were also children active on the market who were commissioned by the city council to clean the market. (It should be noted that the official market buildings were surprisingly clean.) All in all, child labour was common in both Mwenezi and Manica.

In Mwenezi, this new role for women has slowly been accepted. In fact, many female traders indicated 'that their husbands were now respecting them as they knew that they were bread winners. (RUZIVO-Trust, 2012p26)' Also, traders indicated that many of their (jobless) husbands in Mwenezi have started helping out in the household such as doing laundry, taking care of the children and cooking (typical women's jobs). Others are now assisting their wives in the evening to carry commodities back to the storerooms and to sell when their wives have gone to order new stock.

8.3.3.2 Counter effect of women-independence

The empowerment of women also has a counter-effect. For instance, due to the increase of independence women are being falsely accused of wrongdoing: Upon several occasions, both male and female respondents indicated that, when women are engaged in paid jobs other than household, they are

quickly associated with prostitution. Especially when on travel seeking for commodities days in a row. This happens in both Mwenezi and Manica. As such, it happened frequently that women

were wrongfully accused of having extramarital affairs, causing brake-ups and distortion of traditional household compilations. These accusations also happen when men move away for long periods of time when away in seek of jobs. According to a female trader (**Vlfm61**) in Manica she was falsely accused of wrongdoing (what exactly is unknown) which caused her husband to leave. This phenomena also accounts for the many single-female traders in Manica and Mwenezi. (In Mwenezi it was estimated that around 70% of the women where either widows of single mothers.) In other instances, successful women were being accused of witchcraft. Another counter-effect, which has also been discussed earlier, is that women are now obliged to take care of their family *and* financially

provide for them. This is physically challenging. In combination with the fact that many of the men who moved away fail to send remittances back to their families, the market is seeing an increase of *child labour*. This is noteworthy considering that, as mentioned earlier, many respondents also mentioned that they were able to put their children to school due to their independence.

8.3.4 Sub-conclusion – Economic and agricultural recovery

The development of these markets is not necessarily a sign of socioeconomic improvement. In fact, the study shows evidence that the markets in Mwenezi and Manica may be considered a means of last resort. The fact that so many people have become involved in trading is because they have little other choice and trading offered one of the few opportunities out of further poverty. This is especially the case for women in Manica. This reasoning can for instance be found in the fact that many husbands, who moved elsewhere seeking for paid labour, failed to send back remittances. Therefore, women, who are often uneducated, lack the physical capabilities needed for gold panning and are socially bounded to remain in their community, had little other choice than to earn money through trading.

The study has also showed that these markets can be considered poverty traps. Despite their development, the individual profits that traders make remain slim and there is still much poverty. This can be found in the fact that there is a lack of innovation. With little education, the spreading of knowledge and entrepreneurial skills remain limited to copying each other's strategies. This creates an increase in competition. Also; traders do not have the financial buffer to take risks of innovating; traders are bounded to social obligations (meaning that if someone stands out, they will be looked down upon by fellow traders), and lastly; it is claimed that in Manica, local traders have a poor attitude when it comes to business. Besides innovation, the markets in Mwenezi and Manica remain too small for large wholesalers to get involved. Food products in both markets are still produced, sourced and sold on small scale. However, Mwenezi houses an exception with the livestock sector which has shown to be thriving. Also, in Manica there is indication of plans to make Manica district a major player for Dole to source Lichis. Lastly the study showed that especially in Manica, traditional medicine still plays an important role: Rather than adopting new strategies, many traders rely on the use of traditional medicine.

The study showed that these new market developments have also had an impact on household compilations. This includes that fact that gender roles are changing. Women are becoming more dependent. For instance, they are making and controlling their own money and are able to put their children to school. In Mwenezi this even meant that men would help out in the household. However,

although this empowerment seemingly has a positive impact, it also creates a counter effect. For instance, women are wrongfully accused of having extramarital affairs. This has resulted in the fact that traditional household compilations are disappearing and there are many single women and mothers active on the market. Burdened with having to take care of their businesses and their family, this is considered extremely challenging.



Picture: Female trader on the Manica market.

9 CONCLUSION

By studying the nature of the markets in Mwenezi, Zimbabwe and Manica, Mozambique, this research has set out to provide a unique lens into the adaptation and developing process of rural markets in the wake of rapid rural changes. Studies such as that of Scoones et al. (2011) suggests that new markets structures in Mwenezi have been able to adapt despite the effects of the FTLR-p. A similar trend was also witnessed in Mozambique as an expansion of commercialized farms (Hanlon et al. 2013) and an expansion of demand and supply (Derman et al. 2013 and Pilosof, 2012) was witnessed after the civil war. In this context, the study has started out with the perception that 1) despite the effects of an economic and agricultural downfall, new actors and new market structures are able to re-emerge/mushroom (or replace old structures) after rapid rural change, 2) new players create new markets, and 3) new markets act as indicator for economic and agricultural recovery. In this context this thesis has identified three elements which define the nature of the markets in Mwenezi and Manica.

- 1) The study has shown that, although there were some cases of markets in Mwenezi which have disappeared over time, most markets (in both Mwenezi and Manica) have grown or completely arisen out of the blue in the wake of the FTLR-p in Zimbabwe and the civil war in Mozambique. The study in Mwenezi showed this was a direct result of the effects of the FTLR-p: The hyperinflation and general lack of supply has triggered a gap and opportunity for new traders to engage in the trading business. Many of these new traders came from other parts of the country or returned from South-Africa. Mwenezi has also become a big player in the livestock sector which attracts buyers from all over Zimbabwe. However, in Manica the study showed little evidence that the market development is related to the civil war. Rather, the market development in Manica can also be related to FTLR-p *and* a gold rush which occurred one year prior to the FTLR-p in 1999. Where the FTLR-p pushed Zimbabwean traders to engage in business in Manica, either as cross border trader or as permanent settler, it was also a haven for white displaced farmers from Zimbabwe. Although few white farmer still remain, they had brought with them capital, knowledge and supply which the Manica market profited from. In addition, the gold rush had created a temporary economic boom as many gold panners (mostly Zimbabweans) and gold traders (mostly Lebanese) were attracted from elsewhere and set up businesses in Manica.

The actual market growth/development can be seen in; the physical growth of the markets; an increase in commodity variety; a change in demand in which the markets have become more attractive for fixed customers such as schools and institutions; an increase of

competition; changes in household capacity; shift of power where traders are becoming more reliable on their own networks rather than the government (this is especially the case for informal traders), and; an increase in illegal businesses.

The way these traders operate has also changed. Elements which now play an important role in the functioning of the markets include; cross-border trading, the use of white farms as new supply source (in the case of Manica); gold panning to over-bridge the market off-season (in the case of Manica); the access to infrastructure to source products from far away (such as across borders); the use of social networks, and; institutional influences such as the investment in new market buildings, distributing of loans or safety and hygiene regulations. Yet, it is especially cross border trading and the use of social networks which show to play a central role in the functioning of these markets: It is during the period of 2000, that cross border trading has become important for the markets in both Mwenezi and Manica. It enables traders to source, not only commodities such as food crops, but also new types of commodities such as non-food products and ultimately service providers. Notably, Mwenezi cross-border traders especially source food products, whereas Manican cross-border traders especially source non-food products. This suggests that the agricultural sector of Mwenezi still remains insufficient in supplying the market. In relation to the use of social networks, traders are able to; 1) spread knowledge (for instance through gossip) which is an important tool to gain valuable business information and/or skills; 2) cooperate with others (for instance by forming groups) to establish stronger market positions 3) create trust relations which enables traders to, for example, get good prices from suppliers, generate a fixed clientele and/or start cooperation's with fellow traders, and; 3) sustain their businesses through social obligations and bribing. (The latter is especially important for cross border traders to import products without having to pay import taxes.)

What this shows is that, despite the fact that the markets in Mwenezi and Manica have developed due to circumstances of rapid rural change, the market actors operating them are not passive and isolated players. Rather they are active participants who (need to) work together to sustain and adjust their business tactics to fit the ever-changing market demands and competition. As such these new markets show similarities to what Van der Ploeg et al. (2012) has called newly nested markets. They have arisen as a result of a failing market structure. In doing so, the extent of one's social networks shows to have taken on an important role. In fact, the extensive use of networks in day to day function showed that these markets developed according to a system steered by human behaviour. Behaviour can

therefore not be seen separate from market development/structures. Rather it is closely involved or embedded within a social order.

- 2) The study indicated that these markets house elements of a continuation and discontinuation of the main market structure. Power structures have forced many of the new (and socioeconomically weak) players into a rapidly growing informal sector. In Mwenezi these power structures includes powerful, often female, market spokespersons who have the ability to determine where the weak market players set up business. Namely in outskirts of the market where there is less foot traffic. This power is often used to eliminate potential competition from newcomers. In Manica this power structure includes political manipulation. This implies that when newcomers do not vote for the ruling FRELIMO-party, one will not be allocated a central location on the market and/or not be able to apply for a loan.

The use of these power structures have forced new players to set up informal businesses, creating a separation between the formal and informal sector. The central formal sector is operated by traders who use their network/connections with powerful persons such as the spokespersons or members of the city council to obtain preferred market locations and/or loans. Many of these 'network' traders are well rooted in the market. The informal sector is operated by new traders who immigrated to the markets from elsewhere and thus are not well connected. As such these traders have a weak position as they do not have the ability to obtain a preferred central locations and/or loans and are thus resorted to setting up small businesses in the informal sector. Ironically however, despite the fact that the informal traders have few social connections on higher level (because they are new) they simultaneously are most dependent on such social connections as governing bodies provide little to no support. As such they use the available lower level-connections. The informal sector has steadily been outgrowing the formal sector. It is are also the informal traders who bring new and varying types of commodities to the markets. This is mainly done through illegal cross border trading.

In addition, in both studies these informal market sectors have established next to or near to the formal sector. It is shown that the informal traders target the already exiting foot traffic of the formal sector. Simultaneously, the continuation of the formal sector sustains itself through the informal sector as well. The rapidly growing informal sector brings with it not only more foot traffic, but also varying commodities from cross border trading. This also

creates the opportunity for new official businesses to develop as well. This acknowledges the fact that the informal sector, as discontinuation of the main market sector, plays an important complementarity role for the market development. It may then be argued that these state controlled power structures have in fact created a partly unregulated market sector, rather than a market which is completely regulated. In terms of the work of Giddens (1984) (that actors have a practical consciousness to generate change) this shows that the entire socio-economic structure of a market may change if enough actors adapt. This conclusion also complies with the work of Van der Ploeg et al. (2012) on newly nested markets which use the existing market structures as foundation for new smaller markets to develop.

- 3)** Despite the fact that the markets in Mwenezi and Manica have clearly developed, this development does not necessarily indicate a socioeconomic recovery in the wake of an economic or agricultural downfall. Rather, this thesis shows signs that these markets act as means of last resort, for especially the uneducated and/or women, as engaging in marketing is one of the few (remaining) options to make a living. This is related to the fact that: 1) Many husbands who have moved away in seek of jobs fail in sending home remittances to their families, meaning these marginalized groups have to fend for themselves, 2) these groups are often socially bounded to stay within the community, and 3) there is a lack of other manageable jobs for these groups.

The study also suggests that these markets act as poverty traps. Individual profits that traders make have increased, yet there is still much poverty. This is because: 1) Traders lack the possibilities to innovate and/or expand their business. This is related to the fact that entrepreneurial skills are limited, traders are unable to take (financial) risks, traders are limited by social obligations and in Manica it is believed that local traders have poor attitude, 2) The markets are too small for large wholesalers to get involved and will remain so as food products in both markets are still produced, sourced and sold on small scale. However, Mwenezi houses an exception within the livestock sector which has shown to be thriving. Also, in Manica there is indication of plans to make Manica district a mayor player for companies such as Dole to source lichis on large scale. And, 3) in Manica, traditional medicine jeopardizes trader's decision-making. Many traders seemingly value traditional medicine over common sense.

Finally, the study suggest that these new market structures go hand in hand with influencing household compilations. Despite the fact that the uneducated and/or women are becoming empowered (now that they have become breadwinners), traditional household compilations are shifting. This is because women are wrongfully accused of having extramarital affairs when becoming liberated. For instance when having to travel alone for long periods of time to source new products for the market. This is one of the reasons why there are currently many single women and/or mothers active on the market. Burdened with having to take care of their businesses *and* their family is considered challenging. In this sense, the work of Scoones et al. (2011) is to some part incomplete as the study in Mwenezi and Manica suggests that, despite the appearance of market development, they may well have consequences within household compilations.

Concluding

Concluding, the study has shown that markets in Mwenezi an Manica have not developed according to plan. Yet, they have not developed accidently either. Rather they are the result of conscious strategic planning by those directly involved. Namely the producers, traders and customers. What this suggest is that these markets are merely steered by governmental regulations. Rather they are subject to local forms of power play, opportunities and a general form of bricolage. These structures have developed according to the terms of traders and customers, rather than an overarching governing body. This has created a seemingly chaotic, yet functioning market arena of both formal and informal businesses. In this sense the study has shown little indication that these markets have arisen due to the fact that agricultural activities have improved. Rather the gap of demand and supply offered an alternative for many people to generate an income.

These markets take on an a central role for the communities in Mwenezi and Manica. They have become an important business centre as more and more people are becoming dependent on these markets to sustain their livelihoods. Their importance is not only witnessed in growth in commodities, traders and customers, but also shown in the fact that these largely informal operating markets are tolerated and to some extent supported by the local governing bodies. They are a necessity.

10 DISCUSSION

The study has brought up several points which deserve a closer review or mentioning. This chapter briefly states some of these.

10.1 MARKET SUSTAINABILITY

It may be argued that, although these markets are developing and bringing with them more wealth than before, one may question its lasting effects in the sense that its development is simply a result of temporarily cross border trading and (unfair) power-play. As such, I question whether the increasing informal sector will be able to sustain its growth considering that competition is becoming more and more fierce. Does this sector not need a governing body on the long run to control competitiveness (by regulating the flow of commodities, prices, import taxes etc.)? At one side, one may argue that traders regulate the pricing through social boundedness. Yet, on the other side, the rapid growth of new traders in the informal sector is creating such an hostile environment for all sectors of the market that traders will eventually be unable to cope with the competition. Or in other words, it may be argued that the markets' rapid development, may at the same time be its destruction. In addition, in the case of Manica, one may also question whether the market will remain to sustain its growth now that the initial economic boost from the gold rush and the arrival of white farmers is decreasing in the sense that the gold rush is over as most resettled white farmers have left (taking with them remaining capital and job opportunities). Although the city council is already focusing on improving issues such as constructing and maintenance of market buildings, infrastructure and social connections, I have mentioned in Chapter 8.1.4 that I take notice from the work of Watson et al. (2006) that there is still room for improvement on these issues through institutional influences.

10.2 INNOVATION

I refer to Chapter 5.2 on the work of Bruck (1997), who explains that a traders' business strategy is related to the level of uncertainty that he or she is experiencing. Or; when a market structure is no longer functioning effectively enough for people to make a living, there is a need to find alternative means of living, thus innovate. In this context -when considering that there is not much variation in the business strategies- it may also be argued that the market is considered relatively stable by its users. In other words; there is no uncertainty, so there is no need to takes risks and innovate.

Although perhaps farfetched, a similar reasoning can also be argued in Zimbabwe: In general, people were, for obvious reasons, not eager to talk about their personal opinions on the role of Robert Mugabe. Yet, on questioning about the upcoming elections during a casual conversation in Harare,

two people argued that they would re-vote for president Mugabe again. However, they would do this not because they agreed upon his political views, his approaches or how he has affected the country. But rather, because the country was now finally becoming more stable. After experiencing the hyperinflation in 2008, they would rather sit out a relatively stable political reign, patiently waiting for president Mugabe to pass of old age, then having to go through a period of possible similar unrest and distress again. This gives an interesting perspective on how people viewed their current (political) situation.

10.3 FUEL BUSINESS

Because Lundi is located alongside a main road connecting South Africa with Zimbabwe, it is not strange/exceptional that it lends itself well for many entrepreneurs to engage in the fuel-trading business. However, it is questionable why such or similar fuel-trading businesses have then not also developed in Manica. Just like Lundi, Manica also lies alongside a main road connecting Zimbabwe with Mozambique. And in addition, there are countless trucks passing by every day. Supposedly, there would be a reasonable profit to be made. Of course, one of the reasons could be that there lies a gas station opposite of the market in Manica. But even then, if traders would go under the price of the gas station (for example by applying the same tactics as in Lundi) and set up business closer to the border for example, there would still be a reasonable profit to be made. Especially considering the amount of traffic passing by every day.

10.4 TIME PERIOD OF MARKET TRANSFORMATION

In reference to Chapter PART I, It remains vague about when the market alterations have occurred exactly. In Mwenezi previous research has showed that the district has predominately changed as an effect of FTLR-p after 2000. As mentioned in the background (Chapter 7), it is during this time that traders got engaged in cross border trading. Although cross border trading was always existent between Mwenezi and South-Africa, this has intensified between 2000 and 2010. Especially since the period of 2008 during the hyperinflation. In Manica however, respondents had different perceptions of when Manica has undergone a development. Different answers surfaced. Some, amongst a prominent figure in Manica (*Tmf*), mentioned that the market had undergone a development directly after the civil war (around 1994) when society regained its stability. Part of the reason for this is that more people engaged in commodity farming. Others however, mainly traders and a spokesperson from the NGO Kwaedza (*Vlo1, Vlo2, Vlo40, Pk*), mentioned that the market in Manica had undergone its development since 1999. This was during Manica's gold rush. It was around this time that the market rapidly attracted more (foreign) traders and customers. This resulted in increase in demand, supply and cash flow. Finally, there were also respondents, amongst who the

city council (**Cc, Vlosm, Vtv**) who indicated that the implementation of the FTLR-p in Zimbabwe in 2000 was the reason for the market in Manica to develop. It is during this period that white farmers and former farm labourers came to Manica. Also, more Zimbabweans engaged in cross border trading in Manica, thereby giving the market an impulse. This even intensified during the hyperinflation in 2008. The latter is also confirmed by Bolding et al. (2012) who mentioned that ‘the numbers of people involved in this kind of cross-border trading [in Manica] has increased steadily from 2006 to 2009 as the Zimbabwe dollar plunged. (Bolding et al. 2012p34)’

10.5 THE FUTURE

Throughout the research several aspects were brought up which would suggest that Manica is at the brink of another rapid change. First, this includes the role of Dole and the white farmer who is hoping to make Manica a large producer of lichis. Secondly, Manica is getting increasing interest from Chinese gold mining companies: At least one big company has already vested in Manica, which has pushed many individual goldpanners out of business and into Tete. Finally, I question the future role of Indústrias Florestais de Manica (IFLOMA) who is planning to plant 73000 hectares of trees and construct a paper factory in Manica. How will this impact the available cultivatable land, job opportunities and markets?

10.6 A CLOSER PERSPECTIVE

Considering the markets are supplied with new types and varieties of commodities, especially in Manica, the question arises what the effects of these commodities are on the social structures of these market communities. For instance the use of Chinese fabricated solar panels which are now commonly sold on the Manica market. During a conversation with my translator, he mentioned that due to his solar panel, he could now have a tv in his house. Upon asking what the added value of this was, he mentioned that he now had a means of keeping his children home and out of danger and trouble. In addition, letting them watch tv meant they would be able to learn English. This simple example shows how such new commodities can affect a market communities-structure on the long run.

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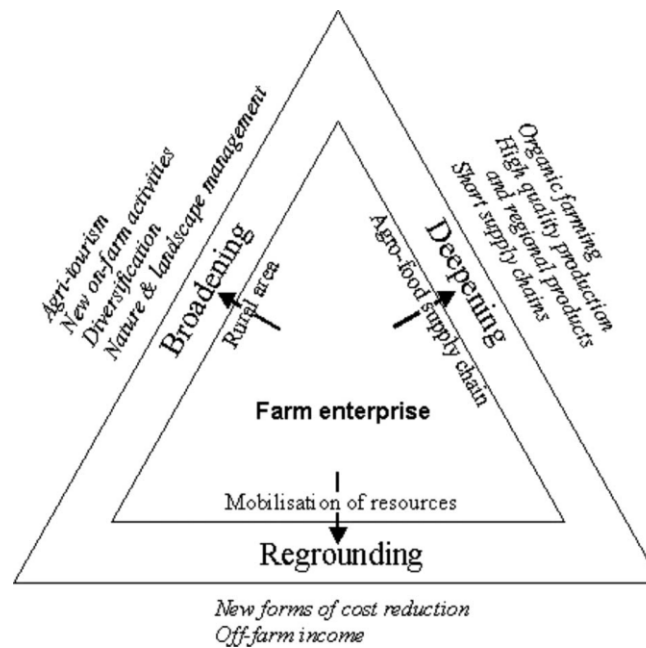
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13 ANNEX

13.1 ANNEX – BOUNDARY SHIFTS

As the figure shows, the centre indicates a farm enterprise. It is easy to imagine that this figure may also relate to other sort of (micro) entrepreneurs, such as traders, bicycle makers, furniture sellers, arts and crafts producers etc.



(Source: Van der Ploeg et al. 2012p134. Derived from Van der Ploeg et al. 2002a)

13.2 ANNEX – INTERVIEW FORMATS

The following semi-structured interview format has been used for collecting data from traders. Other formats have also been used to collect data from: customers, institutions and farmers. However, due to oversize, they have not been included in this Annex. Upon request these formats can be shown.

Interview guideline: Introduction → business history → business product → Business customers → Business logistics → Business knowledge and tools → market structures → Future business perspectives → social meaning

Introduction

- Explanation of visit:
 - *Identifying the social meanings of newly emerging markets. (Explain social meaning)*
 - *Ask for permission of voice-recording.*
 - *Ask for permission for quoting.*
 - *Ask for permission for name. (If non, use Identification number)*
- Verifying details interviewee:
 - *Name:*
 - *Gender:*
 - *Age:*
 - *No. of household members:*
 - *Address/location of residence:*
 - *Location and/or address of business:*
 - *Main business product(s):*
 - *Date and time of interview:*

Business history

- What did you do prior to this business?
- When did you start with this business?
- Why did you start with this business?
- How did you set your business up?
 - Which mayor strategic steps did you take?
 - What were the major challenges you had to face while setting up this business?
 - How did you tackle them?
- Have you been considering other options of managing your livelihood, other than this business?
 - If yes: why did you not pursue these options?

Business product

- What are the most common products that are sold on this market? (Include own observation)
 - Why are these the most common products that are sold here?
- What do you sell?
 - Why are you selling these specific product(s)? (What are the reasons)
- How much do you sell on average?
 - Is this your main source of income?
 - Are the other members of your household also dependent on this income?
- Are there more vendors in this area that sell this same product? (observe and record as well)
 - Are you competing with much rivalry?

- If yes: How do you deal with this rivalry?
 - have you dealt with the rivalry?
 - What makes you unique in selling this product?
 - Have you sold other products before?
 - If yes: When?
 - Why did you change your product?
 - If no: Why not?
 - Where do you get the product from? (Or How do you acquire the product?)
 - If the distributor is not yourself: why did you specifically choose this place and/or person?
 - How do you get the product here: Do you get it yourself?
 - By which (transport) means?
 - Do you acquire the product by trade and/or cash?
 - Why?
 - How did you get to know about this distribution source?
 - Are there other ways for you to acquire your products?
 - If yes: What are your main reasons for not choosing that distribution channel?
 - What can you say about the quality of the product?
 - Are you satisfied with the quality?
 - If no: What exactly is wrong with it?
 - What do you believe is the cause of this?
 - How does the poor quality effect your business? (Do you have examples?)
 - What are your possibilities of improving the overall quality?

Business customers

- Who are your main customers?
 - Can you categorize them?
 - Why do you think you specifically attract these customer?
 - Is there are a specific clientele you wish to attract?
 - If yes: How do you do that?
- Why did you choose this location to sell your products?
 - Are there other locations you would rather set up your business?
 - If yes: why?
- Do you or have you ever change(d) from place with your business?
 - If yes: why?
 - If no: why not?
- What kind of currency do you use: cash or trade?
 - If cash: which currenc(ies)(y)?
 - Why these currenc(ies) (y)?
 - If trade: what do you normally trade for?
 - With who do you trade?
 - Why do you trade in products?
 - Do you prefer cash or trade?
 - Why?

Business logistics

- Do you have employees or people who help you?
 - If yes: how many?
 - How and what do they do?
 - Could you continue your business without their help?
 - If yes: Why do you choose to continue your cooperation with them?
 - Why did you specifically choose these people to help you (related, favour etc.)
 - If no: why not?
- Do you cooperate and/or are you affiliated with other people and/or organizations?

- If yes: how and why?
 - How did this cooperation occur?
 - How has this cooperation improve your business?
 - Could you do without their help?
 - If yes: Why do you choose to continue your cooperation with them?
- If no: why not?
 - Do you wish to cooperate with other people and/or organizations?
 - If yes: with who and in what manner?
 - How could this cooperation improve your business?
 - Is such cooperation necessary for your business and businesses like that of yourself to sustain?
 - In what way?
- How do you transport your product to and from the market stand?
 - What kind of route do you take?
 - Why specifically this route?
 - How often do you do this?
 - At what times of the day?
 - Why specifically those times?

Business knowledge and tools

- Where did you gain the knowledge and skills to set up this business?
- How did you get your beginning capital to start this business?
- What are the main reasons for you to set up your business here? (access, people, commodities etc.)
- Are there specific tools you use such as a: bicycle for transport, a scale for weighing etc.?
 - How did you obtain these tools (Are you sharing/funding them with other colleagues for example)?
 - Are you in the process of obtaining new tools?
 - If yes: what and why?
 - If no: why not?
- Who build the stand you are using? (To verify if vendor is formal or informal)
 - Why was it build specifically like this?
 - Does it meet the purpose?
 - If no: How would you change it?

Market structures

- What can you say about the organization of this market?
 - How did this market arise? (Explain this in steps)
 - How did the market-organization arise?
 - Who regulates it formally? (Position)
 - Who else has authority over this market? (Position)
 - And how?
- Can you give an indication of the relations amongst the different actors?
 - Who are the most important actor(s) for your business?
 - In what way?
- Can you describe the relations you have which are important for businesses as that of yourself? (Identify the relations.)
 - How do formal and informal markets relate to each other?
- What are the mayor changes you have witnessed concerning the market structures?
- Could you categorize the different sorts of vendors which are active on this market? (Active in food crops, arts and crafts, bicycles etc.)
 - Which group is most represented?
 - Why is this the case?

- Which group is least represented?
 - Why is this the case?
- Who are the most vulnerable groups in general?
 - Why is this the case?
- What is the average age of a vendor in this market?
 - Why is this the case? (Why not older or younger?)
- Do you witness more male (men or boys) or female (women or girls) vendors?
 - Why is this the case?
- What are the sorts of products one can get on this market? (Include own observation)
 - Where do they come from?
- Is there much trafficking going on between district and/or (inter) national borders?
 - If yes: In what way?
- How have cross-border trade effected the market in general?
 - How can you witness this?
- Which products in general are sold at informal market stands?
 - Why is that?
 - Where do they come from?
- What can you tell me about socially transmitted power relations which occurs on this market?
- What can you tell me about socially transmitted information which occurs on this market?

Business future perspectives

- How can you distinct an informal and formal business?
 - Is your business formal?
 - If yes: what were your motivations to go legal?
 - If not: why not?
- What do you consider to be the advantages of a formal and informal business?
- What do you consider to be the disadvantages of a formal and informal business?
- What are your future goals organization wise?
 - Why?
 - Do you think these plans are realistic?
 - How do you plan to reach these goals?
- Have your surroundings changed in such a way that you are considering of changing your business?
 - If yes: In what way?
- Do you consider this trading of products across district and national borders good for your business?
 - If yes: In what way?
 - What are the effects?
- Have you witnessed changes in your or other businesses which may be related to the trading of cross-border products?
 - If yes: In what way?

Social meaning

- Does this business and the fact that you run it, have any influence on your position in your household or the community?
 - If yes: In what way?
 - If no: Do you think that in general businesses, such as that of yourself, have any influence on the community? (example: attraction of more people, labour, infrastructure etc.)
 - If yes: In what way?
- How important is ones social position in this community to retain their business?
 - In what way?
 - What can you tell me about the social relations which are or may affect(ing) *your* business?
 - How have these social relations influenced your business?

- How do or can you use them to your advantage?
 - What are the hurdles that *you* had to take in context of getting the social position you have now, if any?
- How does your work affect and/or affected your household in general?
 - How does it affect your marriage (in case of marriage?)
 - How does it affect your spouse? (in case of children)
 - How does it affect others? (Indicate who)
 - How do you deal with these issues?
 - Is your way of dealing with these issues accepted by your household?
 - If no: Why not?
- How has your business changed your life?
- How do you think the emerging of all these markets have changed the social environment in general?
- How has your life changed since you have been selling these products in terms of:
 - Household composition
 - Who works?
 - Who goes to school/college??
 - Financial capital
 - Employment
- What is your religion?
- How does religion effect your business? (in some cases religion limits people to use transportation or ask for assistance form family or neighbours)
- Apart from all that has been discussed above, are there any other aspects which have or are of importance in context of your business and its social impact on the environment?

Mapping

- Could you please illustrate how you think your business affects your household?
 - Could you please illustrate how you cooperate (or want to cooperate) with others and what the effects of these cooperation's are? (In doing so please include organizations, people and other forms of cooperation.
 - Could you please illustrate the route that your product makes from beginning to end and in doing so could you refer where your other illustrations come into place (if possible)?
-

13.4 ANNEX – MIGRATION FLOW TIMETABLE

Period	Direction	Motive
1890-1900	Moz - Zim	Education, marketing, work opportunities (general trend)
1900-10	Moz - Zim	1902 Conquest of Bárúè and 1917 aftermath of Bárúè rebellion
1920-30	Zim - Moz	Entrepreneurial African farmers who want to expand
1940-60	Zim - Moz	Conservationist Rhodesian policies drive wealthy smallholders across the border with their cattle
1950s	Moz - Zim	Young man fleeing harsh forced labor (<i>chibalo</i>) regime
1970s	Zim - Moz	War (<i>chimurenga</i>); many young men join ZANLA
1980s	Moz - Zim	War refugees (civil war in Mozambique)
2000s	Zim - Moz	Economic meltdown and land invasions in Zimbabwe

(Source: Derman et al. 2013p125)

13.5 ANNEX – PUSH AND PULL FACTORS

Push factors for traders to immigrate:

- *Hyperinflation and lack of supply (to Manica):* Similar to the study done by Mutopo (2011) on women engaging in cross border trading to Johannesburg, many people living near the border to Mozambique were driven to the Manica market in order to escape the effects of the 2008 hyperinflation in Zimbabwe. With the Zimbabwe dollar at an all-time low and a general lack of food and non-food supply, many Zimbabweans traders crossed borders to Manica, either to settle there permanently or to engage in cross border trading. Traders would source products in Manica and re-sell them in Zimbabwe again. Yet, to get household essentials other than food, such as cooking oil and soap, people would sell whatever portion of their subsistence farming they could (their surplus).
- *Loss of jobs (to Mwenezi):* In Mwenezi FTLR-p contributed to a loss of jobs. Partly this was due to the fact that the process of FTLR had brought about economic sabotage/corruption. This forced many companies such as the Shaban Mine in Zvishavane, the Sugar milling Company in Chiredzi, the Zimbabwe Steel Company in Gweru and The Cotton Company of Zimbabwe in Harare to cut on jobs or shut down altogether. As such, those without jobs had to seek other forms of employment. Many people, who were once employed in these companies, had little choice but to engage in trading. As will become clear in part II, the loss of jobs and the fact that men were unable to find new jobs also contributed to the fact that many women were forced to engage in paid labour. Specifically market trading. Yet, there were also those who stepped over voluntarily as the new land and trading income generated more pay than they were getting salaries at the companies.

Pull factors for traders to immigrate:

- *Filling the gap of demand (to Mwenezi):* In Mwenezi most farmers are located in the Maranda communal areas. However, with Mwenezi being prone to drought, cultivatable land is scarce. In this regard, most households are dependent on subsistence farming methods. However, subsistence farming fails in most years as the area deals with a short growing season and/or is too variable (Cumming, 2005. Derived from Osofsky, 2005). These constraints inevitably lead to the fact that there is a high shortage of products such as grain and other crops. This shortage in food crops has created a high demand and thus the necessity (and opportunity)

for traders to source these products from other areas/districts such as Johannesburg, Bulawayo or Harare¹⁹. Traders active in Harare for example, experienced too much competition and the costs of living was too high. Many of these traders found new business opportunities in Mwenezi. One such example was of an individual who used to live in Zvishavane and trade in clothing. Once he noticed the food shortage in Mwenezi, he moved there and entered into the grain (maize) business. This is a typical example of how small businesses began to arise and monthly markets were introduced.

However, despite the drought, it should also be mentioned that there were also products which naturally thrived in Mwenezi. Such as the production of round,- and groundnut. These were exported to other parts of the country or to South Africa. On larger scale the district is also well known for its livestock and cotton sector. The fact that these commodities thrive in the region, also made Mwenezi attractive for market players from outside. Either to buy these products or to engage in this business themselves.

- *Support from NGO's (to Mwenezi and Manica):* There was mentioning of various (N)GOs who are assisting in the development of the markets. In Mwenezi for example the Swedish Corporation has incorporated a project to stimulate goat farming by building goat sell pens. Whereas the study in Manica has also revealed involvement of NGO's such as Kwaedza and an (unnamed) NGO who has been supporting in women groups and their businesses. One such example was of an association of 10 women who had set up a chicken business outside the market in Manica with use of micro loans.
- *Economy boost through gold rush (to Manica):* Manica witnessed a temporary capital impulse created by a gold rush in 1999 with the discovery of a gold deposit (Mawere, 2011). It has since become an attractive place for many goldpanners and traders from in- and outside the region. In terms of panning, there was especially an up rise of Zimbabwean panners settling in Manica. Many of whom were trying to escape the effects of the FTLR²⁰ (Bolding et al. 2012 and Derman et al. 2013). In addition, it may be noted that the start of the gold rush was incidentally only one year prior to the FTLR-p. As such, gold mining was an attractive

¹⁹This is also one of the reasons why many peasant farmers have been dependent on relief food aid since the early 1980's (Cumming, 2005. Derived from Osofsky, 2005)

²⁰ These Zimbabweans did not only come to Manica to escape the political situation in Zimbabwe but also because individual mining was restricted in Zimbabwe, whereas in Mozambique it is tolerated. Zimbabweans seeking to go into the gold panning sector where thus attracted by Mozambique.

opportunity for many Zimbabweans who became jobless. The actual gold traders however, mainly came from Libanon. Many of whom invested in small mining businesses and/or trading businesses. With an increase in money, traders were attracted by both gold panning but also by the fact that there was a higher commodity demand on the markets. As such, this gold wealth created an economic impulse in the Manica district for many market businesses to develop. One respondent noted that: *“The gold had an effect on Manica. There was more money here. The town changed. Because they had whites occupying the house, they renovated everything. The foreign currencies circulation increased. The white men changed the US dollar for the local currency so that they could buy directly with local currency (Gt).”* (Also see Annex 13.9)

- *Tobacco contracts and resettlement of white farmers (to Manica):* The resettlement of white farmers in Manica was prominently related to the fact that white farmers were offered contracts to engage in tobacco farming. (Also see Chapter 7) These farmers brought with them knowledge, experience and capital. With a governmental settlement that these farms had to employ at least 50% Mozambican people, they created job opportunities for local people. (Also see Chapter 7) This influenced the markets as people were spending more and because Manica became more commercially important for large companies.

However, it should also be mentioned that there were some interviewees, amongst whom the president of a local NGO, that dismissed the role of white resettled farmers on the market development. This was because 1) the vast majority of resettled farmers only remained for a short period of time in Manica, 2) they only operated in tobacco which was sold to MLT (Moz. Leaf Tobacco) rather than the local market and 3) because these farmers only brought with them know-how, not capital. This argumentation can partly be acknowledged considering the fact that due to poor contracting between tobacco producers and investors (Hammar et al. 2010) only 3 of the 50 resettled farmers still remain in Manica (Hanlon et al. 2013).

- *Inexpensive to start a business (to Manica):* Manica is relatively cheap when comparing it to neighbouring countries such as Zimbabwe and South Africa. This increases the popularity to start up a business in Manica. Especially for traders from other countries. For example, a Nigerian electronic-shop owner explained he came to Manica to do business because he could not compete in Nigeria. In Manica he buys and sells in small quantities. If he would buy small quantities in Nigeria, another person would come and put down 2 or 3 containers of

the same commodities and sell it much cheaper. As such prices and competition in Nigeria is high. *“With small money I can still sell here [Manica]. [...] business means where you have the opportunity to stay and where your capital can get income. In Chimoio [for example] you can’t do small business. In Chimoio to start a shop you need on average 1500 dollar. Here in Manica the most beautiful high standard shop is around 1000 dollar. So the cost of starting here is lower. (Nes)”*

- *Location and infrastructure (to Mwenezi and Manica):* The location and infrastructure of the Mwenezi and Manica markets can be considered an important pull factor. These market towns lie relatively close to the borders making them accessible for traders from cross borders within a days travel. In this regard they are the first best option to buy and market commodities for cross border trading. (Also see Chapter 8.1.3.1) In addition, both towns lie alongside an import route. As mentioned in the background (Chapter 7) Mwenezi lies along the A4 highway and railway, which connects Harare and Masvingo to Johannesburg. The main roads from Chiredzi to Bulawayo also pass through Mwenezi. Manica also lies alongside a major road (EN6) and railroad that connects Beira and Chimoio to Mutare and Harare. In between Manica and Chimoio the road had a junction towards Tete, another major city in the North.

In addition, the roads itself have become a key business zone for traders who sell commodities to people on transit. Lundi (Mwenezi) business centre for example is known for its thriving informal fuel-trading business where traders would sell bottles or jerry cans of fuel to bypassing vehicles. Another example of ‘road businesses’ is the Nobeza Nolta suburb market (near the main Manica market). This small market, which is a gathering of wooden constructions where the traders sat on the ground next to their products, has slowly and strategically developed along the route to the gold-mining areas. According to traders conducting business there, they target miners who head out to the mines: In the morning miners need to buy breakfast and rations for during the day. The same goes when they return in the evening. On return, many of the miners also hang out on the market with colleagues and friends; eating and drinking. (It should be mentioned that Nobeza Nolta does not only focus on food crops and processed food, but also on clothing and shoes. Also, in one specific location, one could also find bulks of food products.)

As such, an important finding in regards to location and infrastructure is that the development of these markets is for a large part because they are located along a major

route. These roads enable the markets in Mwenezi and Manica to become accessible for both traders, customers and commodities.

- *Personal connections:* The reason for many people to settle in places like Mwenezi and Manica is partly related to the fact that the newcomers already know people in the place they are settling, such as family or friend. This is also shown in Manica, where the reason for so many different ethnical backgrounds is not always linked to the business opportunities. A Nigerian shop owner (**Nes**) noted that several of his fellow shop owners came to Manica because they knew people (friends, family) who already lived in Manica. As such, they are attracted not only by business opportunities, but also by the personal connections.

13.6 ANNEX – INSTITUTIONAL INFLUENCES

The study has identified the following institutional influences on the market in Manica:

13.6.1 Financial capital, loans and rent:

13.6.1.1 Financial capital

Setting up a business in trading requires a starting capital. In doing so traders need to take into account the production/purchase of products, transport of products, rent of storage, rent and tax of the stand etc. It goes without saying that such costs are significant for an average trader in Mwenezi or Manica. Especially when one needs to buy and transport the product from far away.

Beginning traders have various methods to generate such capital. In Mwenezi for example, many beginning traders either sell the surplus of their commodity farms; sell their assets (such as cattle and goats); borrow money from family, friends or other businesses; engage in casual labour; convert the remittances they had received from family and friends in South Africa; or make use of women groups. (In short, these women groups are a cooperation of approximately 5 traders/members who can support each other financially. Each month, one member receives some money from each of the other members to pay off debts or invest in her or his business. This system is then rotated. As will become clear in Chapter 8.1.3.5.2, these groups are also an important political and educational tool.) However, as mentioned in Chapter 8.1.3.5.2, saving money from selling ones surplus from subsistence farming (or cattle) was considered the main source of generating an income for buying non-food related products. Yet, in most cases this money was also used in some to set up business.

Although the starting costs of an average trading business in Manica is generally much lower than in Mwenezi, or even in surrounding cities such as Chimoio (In Chimoio to start an average shop one needs +/- \$1500,- US. Whereas in Manica the most high class shop costs +/- \$1000,- US [NR]), accessing money was and is difficult. As such, traders in Manica also had various way of generating money similar to those in Mwenezi. For example, through labour work in gold mining, borrowing money from family or friends or through women-groups. However, a remarkable difference that the study showed, was that there were no indications of traders in Manica saving money, or getting remittances from family or friends abroad.

13.6.1.2 Micro credit loans

Another major difference was the use of loans. Mozambique has the 7 million-notion. These were micro-credit loans given out by the city council for beginning traders. Yet, the research in Mwenezi did not show signs of such programmes. In fact, if a trader would want a loan to set up business in Mwenezi, he or she would have to apply for it directly at the bank. Yet, with many traders coming from poor and uneducated backgrounds, most of them could not stand collateral for such loans.

As mentioned, beginning traders in Mwenezi and Manica had several ways of gathering money to start a business in trading. One of the methods for traders to set up business in Mwenezi was through micro credit loans given out by the City council. The government has set up a motion in Mozambique where every district gets 7 million Mt. which are reserved to give out (micro-credit) loans for beginning traders. Yet, before being able to qualify for such a business loan, a trader would first have to get approval from the city council (**Vssp**). Approval is granted depending on the proposal the vendor hands over (**Ma**). However, because the people who apply for these loans are often poor and/or have no (financial) record which states that they are able to pay back the loan, the granting of the loan is also based on the financial assets of he or she has. This value is determined on the amount (and worth) of furniture one has in his or her house: The more value the furniture has, the more the city council is confident that they will get back their money. In this sense, once furniture functions as a kind of deposit for the bank (**Vlosm**). This value is estimated by a verifier from the city council who brings a surprise visit to the home of the person in question and/or informs with the neighbours. Although this method gives the city council more confidence to get the loan back, it is not a waterproof system. In fact, one respondent mentioned that in practise, the person applying for the loan often already knows when he or she would get a surprise visit (presumably through an extended social network). As such, prior before the 'city council-verifier' would come to visit, the person applying for the loan would temporarily borrow furniture from neighbours to appear 'wealthy'. Yet, if all is well and the loan is granted, the vendor is appointed a stand within the market place²¹.

However, getting a loan or even getting approval to start an officialised business on the market may very well depend on one's political preference. It is commonly known that only people who vote for the ruling FRELIMO party will get such a loan. (Also see Chapter 8.2.1.2) A wood seller (**Vws**) in Manica mentioned that *"There are few people who receive money. Most of the money is given to the farmers. Just a few of the vendors are getting something. Most goes to the farmers."*

²¹ How many of these loans where granted was not known.

For those traders and or farmers cultivating their own produce, the government also contributes by importing quality agricultural seeds cross borders, for example potatoes and wheat seeds from South-Africa, and selling them to the vendors and/or farmers for lower prices (**Ma**). In addition they help the market in the sense that they are offering generators, developing and assisting social groups with finance and alleging markets for wheat, for example (**Ma**).

Nevertheless, despite such various methods, much of the capital that was raised, was still relatively limited. In fact, considering the average income, (for example in Manica, where 35% of families, as a household, earn less than \$40 per month [Heerden, 2011]), it is not surprising that traders were unable to invest in their business. Most traders barely broke even with their entrepreneurship. As such, many of them, both in Mwenezi and Manica could only stock on small amounts of products at a time and in addition, only resort to using very basic materials to construct their stands. Often consisting of not much more then self-made wooden structures, black plastic, pieces of cardboard etc.

13.6.1.3 Rent

As the market buildings are owned and stands are made by the city council, traders who want to set up business have to pay a financial reimbursement to the city council in the forms of rent. In Mwenezi, traders who want to officially engage in business have to pay \$11 US dollars per month. Traders engaged in livestock have to pay \$5 US dollars for 1 day (or 2-3 days, depending on the location) of trading. The reason for livestock trading to be more expensive, is most likely to be found in the fact that livestock generates more profit and because the auctions are more costly to provide for the city councils.

In Manica, the rent and tax is far less than Mwenezi. For example, a trader selling fish and who has a fixed stand inside the main market building (thus officialised) may pay 75,- Mt per month (**vgt**). Vendors selling outside (often vendors with little profits) and who pay on daily basis may pay rent and tax ranging from 5MT to 20MT per day (**cc**). When comparing; in Mwenezi an officialised vendors pays (converted) €7,93 per month. In Manica, they pay €1,73 per month.

Obviously this is an immense difference and may also partly explain the popularity to settle in the Manica market amongst Zimbabwean traders, but also for traders from other countries. For example, a Nigerian shop owner explained he came here to do business because he could not compete in Nigeria. He sells telephone accessories. In Nigeria he buys small quantities and brings it here to sell. If he would buy small quantities in Nigeria, another person will come and put down 2 or 3 containers of

the same stuff and sell it much cheaper. So competition is in Nigeria high. *“With small money you can still sell here [meaning Manica]. [...] business means where you have the opportunity to stay and where your capital can generate an income. In Chimoio for example you can’t do small business. In Chimoio to start a shop you need on average 1500 dollar. Here in Manica the most beautiful high standard shop is around 1000 dollar. So the cost of starting here is lower. (Nes)”* However, this is not the reason why people specifically come to Manica. According to several shop owners, it is because they know people (friends, family) who already live in Manica. People also go to Beria, Maputo, Chimoio, Lampula etc. This shows that people often copy that what they are already familiar with.

However, it should be noted that the amount that traders in Manica have to pay, also depends on the location and product one is selling. The same goes for whether the payment is done on a daily, weekly or monthly basis (*Tmf*). Obviously, paying on monthly basis is more lucrative for those depending utterly on trading, rather than for example subsistence farmers who only sell surplus produce occasionally (*Vgl*). In addition, the stand and location appointed to the trader also depends on the sort of product one is selling (meat and fish inside, vegetables outside etc.).

13.6.2 Import regulation

Although the study did not identify import regulation schemes in Mwenezi, in Manica one of the objectives of the South-African Board (SADIC) is to let products be transferred regionally at a low price. This board is allowing products to cross borders without high import taxes/tariffs (*Gt*). However, the government also restrict the products which enter the market. They do this to protect their own productions. This market is also regulated as the agriculture board seeks markets for products produced in Manica (*Ma*). In addition, when there is a lot of production and the prices tend to drop they regulate (fix) the prices. However, this regulation-method does not really seem to have much restricting consequences. Because the market is located so close to the border, products which are officially not allowed are simply imported illegally. Border officers are bribed or vendors cross through the Penha Longa mountain area: A route used by illegal smugglers.

13.6.3 Safety and hygiene

The market houses many informal traders whom cope staying out of the hands of patrols by selling their products on the move: Simply walking around with small bundles rather than staying at one location with all the merchandise makes catching someone in the act more difficult, and fleeing away more easy (*Tmf*). To keep this under control, the city council has people patrolling the market to collect rent (and tax) and/or give out fines. In case someone is unable to pay or they catch an informal trader operating on the formal part of the market, his or her products are seized. After

payment, the products are given back. In practise however paying some ransom money to the officer is more common. Not only does a vendor then eliminate the bureaucratic procedure of paying high fines, they also eliminate the risk of their product being damaged, stolen or gone bad (in case of food products). Each patrol has an own section of the market to regulate. The city councils' regulation-patrols are limited to a radius of approximately 1 Km from the centre of Manica (the market place). Everything outside that radius is under derestriction of the government. For higher offences, Manica has its own police station.

With a growing number of traders and customers, hygiene on a dense and hot food market is of utmost importance. This became especially evident after the 3 year-lasting cholera outbreak of 2008 which effected 8 out of 10 provinces, including Manica district (IFRC, 2009 and IRRIN, 2014). "During this time the market was a source of demise. *(Mb)*" *It has since much improved. One of the main changes was the introduction of market buildings and allocated spots for traders. This improved hygiene as food and non-food products were separated.*

Also, in 2006 mobile traders sold cooked dishes like grilled chicken, boiled eggs or buns from an open basket. These would be sold by children who would carry these open baskets with them the whole day, exposing the products to sun and bacteria. One of the interviewees also mentioned that, when these traders would have to go to the toilet, they dared not to separate themselves from their products as they were afraid it would be stolen. As such they took the basket with food with them to the toilet. In addition, these food products were often prepared and cooked on little stoves on the ground or next to the road and open sewage. As such, epidemics could easily spread *(Mb and Vssp)*. With effort from *(MB)*, vendors who are selling on the move are now obligated to sell their products in a closed plastic container. Also, the city council is now paying children to collect trash in the market. For every bag of trash they get a certain amount. This same system is used for children who are only collecting empty plastic (Kindanao) bottles: They re-sell their bottles to women who store cooking oil in them *(Mb)*. In addition, once a week a tractor with kart passes through the market collecting bulky waste.

Especially the public toilets issue is a problem in the Manica market. Manica houses only 2 public toilets (and many open sewers). One in the park and one on the market. With amply over 700 people drinking and working on the market all day, 2 public toilets are not enough. As such, many (or most) vendors are forced to use alternative places close to their stands, thus jeopardizing public hygiene. These toilets used to be regulated by the city council. However, with complaints coming in from the public, this was jeopardising the upcoming elections for the mayor. Therefore the city council

decided to lease the toilet building out to a private shareholder, so they could not be blamed for its unhygienic conditions. With only two public toilets, both owned by the same person, little effort is done to keep the toilet clean. In addition, the owner asks money for usage of the toilet, resulting in people rather doing their business elsewhere for free (**Mb**).

(In Mwenezi there were mostly small roofed sheds and toilet buildings still from the 1980s. Although some were still in use, most of these structures were in an advanced stage of destruction. Yet, the government is in a process of improving these have sanitary facilities.)

13.7 ANNEX – LIST OF COMMODITIES MWENEZI

Most common commodities available on the Mwenezi market:

Commodity	Average price
<i>Food</i>	
Cattle	\$400
Goats	\$30
Sheep	\$60
Chickens	\$6
Cotton	\$0.30
Roundnuts	\$25
Groundnuts	\$15
Vegetables	R5
Tomatoes	\$1
Maize	\$6
Small grains (eg sorghum)	\$5
Green millies	\$1
Water melons	\$1
Sugar	\$2.30
Cooking oil	\$4.50
Salt	\$1.00
Rice	\$2.60
Mealie meal	\$5.50
Flour	\$3.00
Soft Drinks (Miranda) -S.A	\$1.00
Mopane worms	\$15.00
<i>Non-food products</i>	
Art & craft products	\$30.00
Fuel	\$1.40

13.8 ANNEX – LIST COMMODITIES MANICA

Most common commodities available on the Manica market:

Commodity	Average price
Food	
Tomatoes	5 for 5Mt
Onions	
Potatoes	5 for 30Mt
Paprika	1 for 5 Mt.
Cabbages	
Beans	
Boiled eggs	1 for 5Mt.
Fresh eggs	
Pirri-pirri	
Corn	
Milli-meal	
Bread	1 for 6-8 Mt
Plate of shima (and meat)	1 for 70-110Mt
Milk	
Mangoes	1 for 7-10Mt
Bananas	1 for 1Mt
Litchis	15-20 for 10Mt
Apples	1 for 10Mt
Beef	0,5kf – 200Mt
Pork	
Goat	
Chickens	1 for 120Mt
Dried fish sorts	
Soda	1 for 15Mt
Beer	1 for 50Mt
Kindanao	1 for 20Mt
Non-food	

Motor spare parts	
Bicycle spare parts	
Mobile phone	
Stereo equipment	
Television equipment	
(illegal) CD's and DVD's	
Solar panels	
Pots and pans, cutlery	
Hand stoves	
Green soap	
Candles	
Clothing (second-hand clothing, shoes, fabrics, shoes etc.)	
Furniture (Beds, closets, cupboards, chairs, couches, tables etc.)	
Phone credit	
Cigarettes	
Matches	
Batteries	
Pens, pencils and crayons	
Loose tobacco	
Farming equipment (Racks, shovels, pickaxe etc.)	
Wood for building and stoves	
Gold and diamonds	
Traditional medicine	
Services	
Carpenters, welders	
Transportation (chappas, trucks)	
Bakers	
Small restaurants, bars	
Prostitution	
Cleaners	

13.9 ANNEX – LIMITATIONS OF GOLD PANNING

The study has showed that gold panning takes on an important role in the functioning of the Manica market (see Chapter 8.1.3.3). Yet, there are several limitations related to the gold panning. Amongst others, the following issues have direct influence on the markets in Manica.

13.9.1 Socio-economic and environmental risks

The fast number of gold mines are putting the Manica province in 'unimaginable socio-economic risks and environmental threats (Mawere, 2011). The methods used to retract gold out of the ground and processing it has large consequences on the environment. In fact, one of the respondents, a white farmer, indicated that when he resettled in Manica, they started with cultivating tobacco. However, they stopped doing so because gold mining the irrigation systems which they were using were repeatedly clogged up with the fine dust in the river. This fine dust comes free during the washing process of gold at large Chinese gold mining companies. As such they stopped with tobacco cultivation and switched over to lichi and banana production. The pollution of these rivers was also witnessed during a hike towards an area where there was much gold mining. During the crossing of a river, the water was completely red due to the fine dust. This shows how farmers have trouble irrigating their plots on large scales when using irrigation systems. In addition, water-life is also destroyed.

13.9.2 Health risks

Individual miners, often working in groups of 3 to 5. The holes they dig are 10-15 meter deep with a circumference of about 1,5 meters. At the bottom of the hole they dig another 10-15 meter sideways. Once at the bottom buckets are used to pull up the soil and washed. With no support inside the tunnels, being buried alive is not uncommon. Especially in the rainy season this can be dangerous as the soil gets soaked and weak. In addition, when one hole is tapped out, they dig a another hole within meters of the last one. This creates an unstable subsurface.

13.9.3 Unreliable income

Although gold mining generates a higher income then trading or farming, it does not give a fixed income each week. Without professional equipment, luck is an important factor. (With marketing one has a better idea of the average profit.) As such, in practise an individual gold miner does not make much profit. Especially considering that much of the mining is done illegally and the miners do not get a fair price. *“At times you spent 3 weeks working and you get less than a 1000 Mt. (Gt)”* In addition, the rainy seasons prevents miners from being able to work. As comparison; a respondent in

Mwenezi indicated that in 2008, gold panners were able to make roughly \$50 per day with gold panning in Masvingo. (Or \$100 in a good day. But this was rare.)

13.9.4 Sustainment of illegal gold panning

Regarding the gold panning, one of the gold miners explained how the gold in Manica, is used as payment for drug trafficking in Dubai. The general outline is that drugs from Dubai are trafficked to South Africa. To avoid paying/booking/transporting large amounts of cash to South Africa (which is suspicious), the receivers in South-Africa use their contacts in Manica. In Manica this money is used to buy gold illegally. This gold is then transported from an airstrip in Chimoio via South-Africa to Dubai. The gold is thus used as payment for the drugs. The advantage of this system is that the gold is more difficult to link to drug trafficking. The impact of this illegal form of money laundering is not directly visible on the markets in Manica, however, it may have an influence on the practice of gold panning in Manica.