Integrating Smallholders in Rural Markets in Mozambique: empowering women or further marginalising them?

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Conference Paper nº 10
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Draft – not for circulation

Abstract
Based on a multidisciplinary empirical research conducted in Mozambique between September and December 2011, this paper aims at exploring the gendered constraints and consequences of policies aimed at market integration of small-scale farmers and the gender scenario is resulting from the current focus on strengthening smallholder access to rural markets through the creation of public-private partnerships (PPPs). Through an analysis of the literature on the demand and supply-side constraints of rural markets, and through the case studies, the articles argues that, far from “transforming farmers into entrepreneurs”, PPPs seem to provide an extra revenue that integrates the household’s one in crisis and food shortages, without nevertheless making a difference in substantially stabilizing incomes and in making more secure the overall livelihood strategy. The lack of a specific gender strategy to promote women’s participation in PPPs can result in disempowering outcomes given the context in which these changes are taking places.

Introduction and contextualization: bringing the poor into the market in Mozambique
Over the last decade, the analysis of the link between private agribusiness and African small-farmers has been a widely debated issue in the academic and technical literature on agricultural and rural development (Lahiff 2007; Amanor 2009; Oya 2012). The 2008 World Bank Report on Agriculture (WB 2007) highlights the relevance that business models based on agreements between private investors and small-farmers (either organized in associations or at community level), mediated by local government institutions can play in contributing to the integration of small-farmers in the agribusiness value chains and in the rural markets. Indeed, the so-called public-private partnerships (PPPs) and the creation of producers’ associations are two of the key recommendations of the WB to this aim: “The private sector drives the organization of value chains that bring the market to smallholders and commercial farms. The state - through enhanced capacity and new forms of governance - corrects market failures, regulates competition, and engages strategically in PPPs to promote competitiveness in the agribusiness sector and support the greater inclusion of smallholders and rural workers. In this emerging vision, agriculture assumes a prominent role in the development agenda” (WB 2007: 8).

This discourse has gained prominence also in the debate over food security. On the basis of the negative impact that small import-dependent countries, especially in Africa, have suffered from the food and economic crisis, analysts argue that high and volatile food prices are likely to continue, as a consequence of several factors including the increasing demand from rapidly growing economies, the scarcity of natural resources in some regions, declining rates of yield growth for some commodities as well as the impact of climate change and increasing non-food crops production (FAO et al 2011: 11). These elements affect the vulnerability to poverty and food insecurity for smallholder farmers and, more in general, the rural poor: with low prices for producers, or high prices for consumers (in rural contexts where often the buyers and the sellers are the same), the predicted consequence is an increased unsustainability of the rural traditional productive patterns caused by, among other factors, decreasing investments in productivity and the related risk of losing control of the productive assets – including land.

Related to this, the issue of losing land and its relation to food security is a very crucial one, and has to be understood in the broader context of the ongoing trend towards large-scale land transactions that are shaping the rural scenario in Africa (Cotula and Vermeulen 2009; Ochieng Odhiambo 2011; Hall 2011). According to some development actors, high food prices present incentives for increased long-term investment in the agriculture sector, which can contribute to improved food security in the longer term (FAO et al. 2011). The envisaged strategies and policy proposals include government policies that promote participation by the private sector in partnership with the local communities and small-holder farmers. Such business models are thought to improve the competitiveness of domestic production, increase farmers’ profits and make food more affordable for the poor. On the other side, many scholars and activists are concerned that the prevailing model of large-scale land acquisitions is jeopardizing the land and resource rights, livelihoods and food security of rural communities and the rural poor increasing for them
the risk to be dispossessed. These actors, analyzing the “failure of land governance systems to recognize and protect the land interests of the rural poor and the political marginalization of smallholder production, which are themselves in part a legacy of histories of colonialism and political exclusion” (Anseeuw et al. 2012: 10), stress the need to legally recognize the land rights of the rural poor; to put smallholder production at the center of strategies for agricultural development and to make decision-making over land inclusive, transparent and accountable. Notwithstanding the two contrasting approaches, forms of partnerships between private investors and communities are considered a viable and sustainable policy option by both, in that they “may provide mutually beneficial solutions where communities have the necessary secure resource rights, organization, and negotiating capacity” (ivi: 7).

Within this debate, the impact of current policies and initiatives aimed at the integration of women smallholder farmers into rural markets through PPPs that generally take the form of contract-farming arrangements is an issue that seems to have reached a deadlock. Analysts from the different sides of the political spectrum tend to agree on the distinctive negative consequences that women suffer from the mounting commercial pressure over land (Tandon 2010; Daley 2011; FAO 2011; Anseeuw et al. 2012), and argue that women have historically been excluded from contract-farming arrangements due to limited direct access to land and control over productive resources (Schneider and Gugerty 2010; FAO 2011). Based on these premises, generally the recommendation follows that the private sector contributes to the development of markets accessible to women, investing in rural-based enterprises and value chains that can integrate women (Hill 2011: 38) and that governments “create a good investment climate through strengthening property rights” as well as customary land rights (FAO 2011: 46-47; see also Anseeuw et al. 2012: 62). This would not only contribute to closing the gender gap in agriculture and rural employment, but also will positively impact on the economic empowerment of women.

However, the soundness of the “integrating smallholders into the market” approach is barely put into question - on the contrary, is often portrayed as the solution against African governments failures and a “tradition” that discriminates against women - thus reproducing the idea that rural poverty is to be resolved by extending the “commodified space” and “bringing the poor into the market” (O’Laughlin 2009: 154, 156).

Starting from this broader framework and based on a multidisciplinary empirical research conducted in Mozambique between September and December 2011, this paper aims at exploring the gendered constraints and consequences of policies aimed at market integration of small-scale farmers and namely the gender scenario that is resulting from the current focus on strengthening smallholder access to rural markets through the creation of PPPs.

Our starting point is the analysis of the current Mozambican agricultural development strategy aimed at poverty reduction and food security vis-à-vis the international discourse and policies briefly outlined above. The Strategic Plan for the Development of the Agricultural Sector 2011-2020 (Plano Estratégico para o Desenvolvimento do Sector Agrário, PEDSA), approved in May 2011, is based on three guiding principles: the development of value chains, according to an agro-industry model, the need to promote a different approach for each crops and PPPs (RoM 2011: 32). The PEDSA provides a concise but accurate analysis regarding the obstacles that Mozambican women face within the agricultural sector: "Women face enormous obstacles in the realization of their work due to the existing gender relations in rural communities. Women have limited control and access to resources and services, specifically to land, inputs, credit, production of cash crops, animal farming, extension services, information, training, technology and work. Moreover, their participation in decision-making related to productive and economic aspects is low because of the role that they play at the social and traditional level” (ivi: 30). The Strategic Plan makes reference to the Gender Strategy of the Agricultural Sector, approved in September 2005, which has the strategic objective of “establishing partnerships between the public and private sectors to increase investment in support to small farmers and women in particular, sharing the costs and risks of assistance in adopting new technologies and new cash crops through programs aimed at food security and poverty reduction” (RoM 2005: 20). The same focus on the relevance of public/private investments “to boost production and productivity in agriculture and fisheries” and to facilitate market access can be found in the third and latest Poverty Reduction Strategy Paper (PRSP) 2011-2014 (RoM 2011a: 15-18); whereas the second Mozambican PRSP was even more specifically oriented towards assisting both “small family farms during their gradual transition to commercial operation” and “commercial farmers, encouraging them to
boost their production, productivity, and competitiveness” (RoM 2006: 129). The development of PPP was a key strategy to realize this structural transformation in the agricultural sector (ivi: 130), as was later emphasized in the previous agricultural policy “Concepts, Principles and Strategy of the Green Revolution in Mozambique” (RoM 2007; see Pellizzoli 2010). So far, these policies have not produced specific gender strategies for the participation of women in PPPs, which have implications that need to be studies (FAO 2011).

In the first section of this paper, we review the economic literature on the constraints to producers’ supply function and their gendered dimensions, that makes us enter into the field of the unequal effect of the expansion of market participation along gender lines. Looking at both the demand and supply-side constraints of rural markets is needed to understand the context in which the current Mozambican agricultural policies are being implemented and contributes to a broader understanding of the elements that have to be taken into consideration in the analysis – this is the aim of the second section, that raises the question of alternative sources of income characterized by heavy gender inequalities. The third section discusses the limits and possibilities of the PPPs through the analysis of some case studies, and highlights the limitations of these tools as ways to make a difference both in terms of accumulation pattern and of security of rural livelihoods.

**Integrating smallholders into the market: a literature review**

Within the mainstream rural development agenda, “integrating smallholders into the market” is usually translated into switching from subsistence production to commercial cropping and to surplus production in the primary sector. In Mozambique, the evidence that is taken as a support for these policies is the huge gap between employment in agriculture (75% of the total) and the share of agrarian production on the GDP (20%, data from Ingro, 2010), that highlights a major problem in low productivity of labour in agriculture. Another key data on Mozambican rural context is the increase in poverty indexes: the Third National Poverty Assessment (Ministerio para a Planificação e Desenvolvimento, 2011) shows that the decline in poverty, ongoing between 1996 and 2002, is not continuing over the 2002-2008 period; other works highlight a further increasing poverty in rural areas (Cunguara and Hanlon, 2010; Francisco and Muhorro, 2011; Wuyts, 2011).

Market participation is usually regarded as both cause and consequence of economic development. The reason why it is considered to be a precondition for growth is because it allows for specialization in production and therefore for the development of economies of scale; moreover, it is supposed to trigger a virtuous flow of ideas and innovation. These arguments, that were among those supporting the push to agrarian market liberalization of the last decades, have been radically criticized by those scholars arguing that rural producers are not disconnected from markets at all and that subsistence production too involves some market exchange. O’Laughlin (2001; 2009) claims that it has been the neoliberal discourse that framed poverty as “market exclusion” and, as a consequence, policies aimed at tackling poverty were oriented to market integration.

Results of these policies in Sub-Saharan Africa have been quite disappointing: gains have been generally small and unequally distributed. Jayne (1994) points out that the shift to cash crops has been less than expected and so has been for commercialization of staple food grains (Barrett, 2008). Starting from this evidence, a strand of literature developed in order to tackle the analysis of the obstacles to producers’ market integration and the consequences it entails.

This mainly deals with the elements that constrain producers’ participation into market, that affect supply elasticity to price variations and ultimately that may explain the choice of keeping producing for own consumption rather that for marketing. Major attempts to explain this phenomenon rely on the Transaction Costs analysis, since the seminal paper by de Janvry, Fafchamps and Sadoulet (1991), where rigidities in the supply function of smallholders are explained by market failures in labour and food markets that make “rational” for peasants limiting the amount of cash crop produced, even in presence of increasing crop prices. We can identify some main elements that this literature highlights as constraining market participation of smallholders. First of all, it is often the case that producers are in fact net purchasers of food grains. This means that they are hurt by policies that increase prices (Barrett, 2008); moreover, for producers that are also buyers of staple crops, market participation on cash crops is dependent on its opportunity cost (that is, food production), that depends on the purchase price of grains,
instead of the producer price, that, in presence of high marketing costs may differ substantially (Jayne, 1994). Marketing costs are considered an important determinant of “rural autarchy” by Haltberg and Tarp (2002, on the Mozambican case), since they create a price differential that is avoided by subsistence farmers. Another relevant cost of “using the market” is the monopsony power of traders (Barrett, 2008). On the Mozambican case, Salvucci (2010) highlights that farmers, and especially the poorer among them, are often exploited by professional traders (many sell the total production or a great proportion of it in a single day)\(^1\).

A relevant part of the literature stresses the role of risk: as Fafchamps (1992) tells us, food security may be better assured by self-sufficiency even in presence on food markets if we assume price volatility and covariance between individual and market supply. Haltberg and Tarp (2002) in rural Mozambique identify own-production as a risk management strategy against food price volatility. Price risk is also identified by Barrett (2008) as a reason for market-oriented reforms having pushed out from markets some producers. Following Hanlon (2007), risk exposure has been an important determinant of people falling back into poverty in the last decade in Mozambique; among risky activities, he considers turning to cash crops.

Linked to the need to protect from price risk, a strand of literature developed an asset-based approach to market participation, that posits that participation in markets requires a minimum level of assets. Boughton et al. (2007) analyze both cash crops and maize (food and cash crop) in Mozambique and find out that the ability to commercialize production is positively correlated to private assets such as land owned, livestock, labor and equipment. Benfica et al. (2006), looking at the Zambezi River Valley, find out that factor endowment and alternative source of income have a positive impact on participation in contract farming as far as cotton and tobacco are concerned. On the food crop side, Salvucci (2010) observes that farm endowments have positive effect on both participation decision and quantity sold, while sale price only affects participation decision, but not quantities.

It is interesting to notice that some works find mixed evidence on the impact of alternative sources of income on crop marketing: Haltberg and Tarp (2002) find a negative correlation between paid employment of a household member and rural market participation, and Makhura (2001), in a research on South Africa, highlights that pension receivers participate less; these observations may describe situations where other sources of income discourage (or are preferred to) selling agricultural production.

The few studies that try to estimate the costs of moving out from subsistence, find out that these are very high with respect to current income of rural households (Cadot et al., 2006, on Madagascar). This brings us to the literature on “subsistence poverty traps”, where rural producers are considered as being locked in own-consumption because of asset or liquidity constraints that lower their risk-bearing capacity (Barrett and Dorosh, 1996, Carter and Barrett, 2006). There is evidence of the negative correlation between poverty and crop marketing (Haltberg and Tarp, 2002, Salvucci, 2010), but with a noteworthy exception, highlighted in the same two studies that is the high market participation among the very poor: these are those cases where selling crop production is an obligation because of the absence of storage capacity; the bargaining power of these producer is thus very low (Inguaggiato, Navarra, Vailati, 2009) and marketing is a symptom of the “poverty trap” rather than a way to escape it.

The literature that disaggregates this analysis along gender lines is not abundant mainly because of lack of within-household data (Whitehead, 2009). There are nevertheless important exceptions\(^2\): one is the literature dealing with the evidence of lower participation of both individual women (Evers and Walters, 2000) and of female-headed household (Boughton et al., 2007) to marketing activities; a case study in Mozambique that goes in the same direction is the one carried out by Daniel (2001), who argues that women who are household head lack access to labor force and to cumulated savings that are needed to begin cash crop production. Evers and Walters (2000) summarize some of the constraints that are gender-specific in access to markets: transport costs, that are a heavier burden for women, security of property

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\(^1\) Some models of marketing decisions under positive transaction costs integrate this aspect, by assuming simultaneous decision on participation itself and quantity sold (Key, Sadoulet and de Janvry, 2000).

\(^2\) An important exception is the literature dealing with integration of women as workers in global value chains: the debate is whether this is creating a labour market that triggers women’s empowerment or it is rather producing further marginalization of women’s work through informalization and flexibilization of employment (Carr, Chen and Tate, 2000).
rights namely on what concerns land, and the recent disruption of some ways to organize production that were favorable to women. This literature points out that the effect of structural adjustment programs and liberalization fell disproportionally on women. Namely the push to an expansion of the cash crop sector devoted to export put great pressure on women whose burden did not decline on what concerns unpaid reproductive work and subsistence agriculture, while it has been increasing in the market-oriented activities (Evers and Walters, 2001). This rigid gendered division of labor has the implication of lowering the supply response of smallholders to price increases. The attempt to formalize this approach has been made by Darity (1995), who constructs a two sector model with men maximizing income on the cash crop sector and women working both in the cash crop and in the subsistence sector; an increase in prices implies that women are requested to put extra-time in the cash crop sector, under the assumption that the time devoted to reproductive work doesn’t decrease. The criticisms are made to this model mainly highlight one point: the absence of an active role for women, that might be represented by a woman’s objective function. Two papers try to overcome these limitation, one by introducing a bargaining framework (Evers and Walters, 2001) and one by modelling intra-household dynamics as a Stackelberg duopoly (Warner and Campbell, 2000). Both papers rely on the fact that cash income is appropriated by man rather than women and therefore that an increase in cash crop production with respect to food-based crops may result in an increased bargaining power of men within households. As a consequence of increased cash crop prices following liberalization policies, we may assist to detrimental effects on women’s wellbeing, because of an increased workload, or because an increase in cash income that benefits men rather than women. Moreover, this may result in women refusal to increase their labour in cash crop production, and hence in a lower-than-expected output response to price changes (Warner and Campbell, 2000).

A specific means of “integrating smallholders into markets” on which we will focus in the following sections are contract farming schemes, under which producers commit to provide a pre-defined quantity of crop to a buyer (usually processing) firm; this may imply that the firm provides inputs and technical assistance to the producers, depending on the type of contract. There is some literature analyzing the access of smallholders to such contractual arrangements and the consequences they produce. As Bijman (2008) clearly summarizes, the potential benefits that small producers may get from participating in contract farming are reduced risk in production and marketing, that may allow the development of riskier cash crops, and easier access to inputs, training and credit. Possible pitfalls are nevertheless highlighted in the literature. Studies on the effect of these contracts on producers’ usually find out an increase of income and a decrease of its volatility (Bijman, 2008, Bellemare, 2010), that nevertheless may go together with some negative consequences: producers’ dependency on a monopsonistic buyer and vulnerability to his changes in strategy, or changes in the local market at the expenses of out-of-contract producers (Bijman, 2008; Ramaswami et al. (2006) find positive efficiency gains, that are nevertheless mostly appropriated by the processing firm rather than by the producer. Some studies find out that its mainly larger and wealthier farmers that get involved and that poorer and smaller producers are excluded: Key and Runsten (1999) argue that foreign firms have a preference for large-scale growers mainly because of lower transaction costs. Singh (2002), in a study on India, argues that contract farming has benefitted those who could invest on it and bear risks, that are mostly big landholders and non-farm income earners. Other studies, on the contrary, find out no selection against smallholders (Warning and Key, 2002).

As Key and Runsten (1999) point out, there may be also specific advantages for smallholders in terms of production costs, since they are more likely to exploit “cheap” family labour and have mechanisms of self-monitoring. This brings us back to the risk that contract farming –as discussed more broadly for a rise in cash crop production- increases the workload of women within the household. The risk that small family-
based subcontractors exploit cheap or unpaid female work in order to cut costs and be more competitive is, moreover, a key issue in gender value-chain analysis (e.g. Dedeoğlu, 2010). Singh (2002), studying contract on fruit and vegetables in Punjab, finds out that these contracts increased employment opportunities for women: these, nevertheless, seem to rely on inequalities in gender relations that makes women cheaper, more flexible and “more obedient” workers. An increase in women’s employment is also highlighted in the Dominican tomato industry by Raynolds (2002), who nevertheless finds out an empowering effect, since women started demanding payments for formerly unpaid family-based labour.

On what concerns participation in contract schemes, many researches find out gender-based differences by comparing participation among male and female-headed households: the latter generally participate less in contract farming with private investors and get smaller increases in income from crop selling (Benfica et al, 2006 and Boughton et al., 2007 on the Mozambican case).

**Limits and constraints to smallholders market integration in Maputo, Sofala and Manica and its gendered dimensions**

**Expand and sell production: for whom?**

Through the interviews conducted in the research area, we find confirmation of some elements that are stressed in the literature as constraints to smallholder supply function. First of all, the high marketing costs faced by producers: the director of an important Maputo producers’ cooperatives states that these are the main reason for excess of supply co-existing with shortages in food and primary products even within small distances. In the interviews at the wholesale Zimpeto market, in the Maputo suburbs, women merchants told us that the costs of buying vegetables in South Africa to be sold in Maputo are considerably lower than the costs of buying the same products in Mozambique, even close to the capital. Marketing costs are high mainly due to huge transport costs and inefficient road network, that constraints the exchanges between the rural and urban areas of the country.

Supply-side limits due to high unitary production costs are also significant, since there are few possibilities to exploit economies of scale. These are usually interpreted as a consequence of the limited size of smallholder cultivated land. We have nevertheless seen several cases (e.g. in the Nhamatanda District in the Sofala Province and in the Vanduzi District in the Manica Province) of producers’ associations that may partially compensate for this. Our argument is that lack of scale economies is mainly driven by the difficulty of specializing into a limited number of crops: crop specialization implies the need to rely on markets for the goods that are not self-produced and this is a highly risky decision for smallholders. As we have recalled in our background literature review, some authors argue that price volatility is a major threat to rural livelihoods that may explain the choice of producing for own-consumption (Fafchamps, 1992; Haltberg and Tarp, 2002). Following the argument put forward by Jayne (1994), we can also claim that high marketing costs, that are identified by many interviewed actors, increase the opportunity cost of specializing in a cash crops: it is costly to renounce to the production of food crops, since high marketing costs make the differential between the production price and the purchase price of staple crops increase. Price risk is, therefore, not only a limit on the supply side, but it constrains demand too.

More in general, we argue that demand-side constraints to the expansion of production seem to be underestimated in the debate on “market integration of smallholder”. It is often acknowledged that the main limitation to production expansion is the lack of possibilities to sell greater quantities. First of all, the size of local markets is limited by the low rural incomes and therefore low demand, that do not provide incentives to increase productivity and surplus accumulation. Moreover, the chances to reach wider markets are limited by the aforementioned high marketing and transport costs. Value chain organization, both for primary products retail and for food processing, are not more often able to overcome these problems. The weakness of the link between the producers and traders is often raised in interviews: one

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7 The second of these studies find out lower participation of female-headed households both in tobacco and cotton outgrowing schemes even after controlling for asset endowment; the first doesn’t find lower participation (after controlling for assets), but finds lower revenues.

8 F.D., September 15, 2011.

9 Point of view also shared by an International NGO officer, E.G., in the Sofala Province (September 2, 2011).

10 Interview at the Centre for the Promotion of Commercial Agriculture, September 19, 2011.
element raised by a trader\textsuperscript{11} is that often merchants and intermediaries are under-capitalized and lack resources to buy regularly all the quantity produced by smallholders. On their hand, producers often told us (interview with A.J. of the producers’ organization of Nhamatanda, Sofala Province\textsuperscript{12}) that they would need credit and inputs provided by the traders: “merchants just buy our products”.

**Expand and sell production: who can?**

Another key observation arising from our interviews is that producers do not always benefit from marketing their products. One of the elements that make profitable for peasants to sell their products is the ability to enter the market when prices are higher, that means far from harvest time. M.E.T.\textsuperscript{13}, the woman president of a producers’ association in Mahotas, close to Maputo, clearly states that only those who have access to fertilizers and effective storage facilities, manage to profitably sell their products at the “good” marketing time. This capacity to stock up production plays a crucial role: those who cannot store the harvested product are forced to sell the entire production in the very first days, when prices are lower. From the Trabalho de Inquérito Agrícola 2005 dataset\textsuperscript{14}, we see that 60\% of food crops producers sell the whole production in one single day. In case of food crops, this means that they will have to buy the same product for consumption later on at higher prices (this is also stressed by Isaia J., representative of a producers’ association in the Sofala Province\textsuperscript{15}).

A problem that is both related to storage possibilities and high marketing costs is that producers often face a monopsonistic market: many interviewees tell us that “price is set by the merchant” (interviews in Vanduzi, Manica and in Nhamatanda, Sofala). P.T.\textsuperscript{16}, president of a producers’ association in the peri-urban area of Maputo tells us that buyers collude among themselves so that “if they don’t like the proposed price, they buy elsewhere”: producers are thus forced to sell at the conditions set by the merchants.

Access to inputs is another constraint to the expansion of production and, as stated before, is an important divide between those who benefit from product market participation and those who don’t. It is, on its side, constrained by the lack of cash income: women interviewed in Vanduzi (Manica Province)\textsuperscript{17} declare that they had to increase their work as wage day-worker in the richer neighbours’ fields since their production decreased and therefore more inputs and fertilizers were needed. We will develop further on the role of cash income and the gendered inequality in access to its possible sources.

To summarize the constraints to smallholder supply, we can state first of all that an important limitation is set by the risk implied in giving up own-consumption, together with the difficulties in buying inputs and adequately store production. Policies that aim to increase the marketed share of production and make peasants more dependent on products market, following Hanlon (2007), thus shift risk “down to the lowest levels”, on that part of the population that exactly has a reduced risk-bearing capacity.

Though lack of gendered-disaggregated data, we have some information that the pattern of exclusion from market participation benefits may plausibly follow gender lines, as we have discussed in our literature review.

**Is it a matter of preferences, with women producers in Mozambican rural households being more subsistence farming and men being more market-oriented?** If it is true that we have a lot of elements that suggest that, being in charge of the reproductive and care work, women tend to pay more attention to family consumption rather than men, we would like nevertheless to shake the “crystallised” picture that may emerge from this observation. First of all, the distinction between “subsistence” and “market” production may be nuanced. As O’Laughlin states, “the daily livelihood strategies of the rural Mozambicans is in many ways linked to the market” (2001: 36). Moreover, from our observation we learn that many possible pictures can emerge in terms of different proportions of marketed and consumed production.

\textsuperscript{11} M.R., September 18, 2011.
\textsuperscript{12} September 2, 2011.
\textsuperscript{13} September 20, 2011.
\textsuperscript{14} Ministério da Agricultura (MINAG), Trabalho do Inquérito Agrícola, Departamento de Estatística, Direcção de Economia, MINAG, República de Moçambique, Maputo, Mozambique. Hereafter, TIA.
\textsuperscript{15} September 2, 2011.
\textsuperscript{16} September 20, 2011.
\textsuperscript{17} September 5, 2011.
as examples, concentrating on maize and vegetables, we have met women producers who “take a can of maize from the household reserve to sell it when needed”, or who first keeps what needed for consumption and sells the exceeding part, or producers who sell the better part of the harvest and keep the less valuable for own-consumption. Thus, the distinction between what is cultivated “to sell” and what is cultivated “to eat” is quite blurred, at least as far as products that are simultaneously food and cash-crops are concerned.

Several interviewees told us that women devote greater attention to own-consumption; A.C., from the IIAM\textsuperscript{18} tells us that technology adoption in agriculture by women follows different patterns than the one by men, since women want to avoid an increase in product commercialization. Moreover, as stated by many of the women farmers that we have met, the household is the field of negotiation on the share of production to be sold, where women push for reducing it at the advantage of what is consumed.

With regards to the women’s work on the household’s field in the rural family sector in Mozambique, some officers described the work relationship between women and men in agricultural production as one between a “manager” that takes decisions, has information and brings about innovation, and a “worker” that just performs requested tasks. We partially find correspondence between this statement and the contexts visited, since we may say that there is an exploitation relation in the production structure of the rural household, in terms of discrepancy between women’s work on the field and the appropriation of output. On the other hand, this doesn’t correspond necessarily to lower “managerial skills”, since from interviews with widows and divorced women, we learn that they produce more since they are alone in taking decisions.

A problem that has been cited in our discussions with rural women is that, despite this big stake in the agricultural work, they have to undertake “tough negotiations” (interview with A.L., L.L. and C.L., in Vanduzi, Manica Province\textsuperscript{19}) to dispose of the income generated. This doesn’t mean that women don’t have any power on the allocation decision: E.P.G. in Nhamatanda (Sofala Province)\textsuperscript{20} says that her husband to decide how much to sell, but it’s her to decide how to allocate the budget devoted to family consumption. There seems to be a distinction between cash income and in-kind income, where the former falls mainly in the decision sphere of the men and the latter in the one of the women, like in the assumptions of the Darity model (1995), but we don’t have to conclude that women “live outside markets”. Women substantially participate into cash crop production and marketing within the household strategy: first of all we don’t see a distinction between “male” and “female” crops, since women more often work on the whole family production, both marketed and consumed. They also participate into commercialization activities, although usually on markets of a smaller scale than those of men (E. C., Nhamatanda, Sofala\textsuperscript{21}).

The gendered dimension of cash income

A further key issue, as we have already mentioned, is the access to cash incomes (usually including wages, income from outgrowing schemes and remittances). Many farmers underline the need of sources of cash revenues in order to increase production: inputs that require cash income such as fertilizers seem to be increasingly needed, thus creating major inequalities in terms of production and productivity among who can afford them and who cannot. Some of the interviewed women farmers declare their willingness to expand production or to diversify out from agriculture (M.G. and E.S. in Vanduzi, Manica Province\textsuperscript{22}, would like to start negócios, small businesses), but they are constrained by lack of money and lack of education (as M.G. and E.S. stated), that means missing “outside options” from agriculture.

The 20% of richer households in Mozambican rural areas (Hanlon, 2007) have at least half of their total income composed by non-farm revenues. One of the feature of poorer households is, on the contrary, that they mostly depend on farm income (Carrilho et al., 2003). This is the reason why these are considered an important way out of poverty. Wage work in rural areas is generally scarce and is often replaced by self-employment, as a way to diversify out from agriculture: self-employment and small-businesses revenues

\textsuperscript{18} Mozambican Institute for Agricultural Research. September 19, 2011.
\textsuperscript{19} September 5, 2011.
\textsuperscript{20} September 2, 2011
\textsuperscript{21} September 2, 2011
\textsuperscript{22} September 5, 2011.
are nevertheless risky activities. As Hanlon underlines, most of the households that have fallen below the poverty line between 2002 and 2005 are households that have lost the extra income previously gained through self-employment.

Moreover, wages often do not allow for a significant increase of revenues with respect to farm income: what emerges from our interviews is that this has specific gendered consequences since, when men do not earn enough for the family needs, the need for cash income is fulfilled by women, who very frequently work, if needed, as day-landworkers for neighbours to clean up the fields (lavoura e sachá). Some of our interviewees in Vanduzi have husbands who are employed in factory farms, but this does not prevent them from being in need to do these jobs when they have to buy fertilizers for the household field. J. (Chiteue, Manica Province)23 told us that her husband is a bricklayer, but that it happens that he does not bring home enough money, and thus it is she who has to go working in others’ fields to earn what needed. These observations are coherent with the literature that indicates that off-farm wage income might be a social mobility factor, but actually are not: as Carrilho et al. (2003) underline, these are distributed highly unequally and tend to follow the existing patterns of inequality, including gender. Off-farm job opportunities as wage workers are, in fact, mainly for men: Oya and Sender (2009) distinguish by “good” and “bad” non-farm jobs and draw attention to the fact that the first are dominated by men and the second by women. “Bad” jobs are for example the day-laborers’ occupations we have mentioned earlier: we didn’t meet any case where this was a men’s job.

We see this evidence confirmed by an analysis of the TIA 2005 data: only 28.6% of people having a wage-work are women and, out of these, 75.6% have a job in agriculture, that (by definition provided in the questionnaire itself) include also casual farm workers. Oya and Sender (2009) argue that divorced, separated and widowed women have better chances of entering “good” off-farm jobs compared to married women. We do not have evidence on this point, but this goes interestingly in the same direction of our observation of a greater agricultural production experienced by widows (as subjectively stated by them).

Besides access, how the option of wage work is perceived by women farmers? As clearly stated by a woman who is employed in a banana plantation and processing farm in the Maputo Province, the main positive effect of being a wage-worker is the guarantee of a revenue, that is not subjected to weather hazards, as is, on the contrary, agriculture. The same person, on the other hand, stated that her preference would be to work her own field, if it was less risky. As we have already claimed, another problem related to working as an employee, is that it implies the need to rely on markets to buy food, instead of producing it, and this is almost unanimously felt as a danger.

A possible way out, that makes off-farm activity accessible for women and compatible with own-consumption agriculture, are self-managed activities by women groups or cooperatives. Examples of such activities that we have visited are an association for poultry production and a bakery. Usually revenues coming from these activities are kept by women themselves (there are cases nevertheless of women who give them to husbands): “é o meu dinheiro” (“it’s my money”), as said by M., Chitunga, Manica Province24. Although these revenues are quite small and do not allow for capital accumulation, they provide cash income that is usually controlled by women rather than men.

A second key source of cash income is contract farming and outgrowing contracts for cash crop production under the so-called PPPs framework. These are based on the relationship between a processing firm that subcontracts production to a number of smallholders usually organized in a farmers association. In principle, the firm provides the producers with inputs and technical assistance and buys the production at the end. This is considered a way for smallholders to enter into cash crop production in a safer way, with inputs provided on a credit base. Considering the discussed constraints to increase smallholder production and productivity, the specific obstacles that women face in “being integrated” in the market and the institutional and “discursive” support that these business models are receiving from international, national and local policies, it is not surprising that many initiatives are currently being developed in rural Mozambique in the attempt to link private investors to smallholders. However, from the interviews conducted, several pitfalls emerge in this system, as will be discussed in the following section.

23 September 6, 2011.
24 September 6, 2011.
Pitfalls and possibilities for PPPs in Central Mozambique

As discussed in section two of this article, the more we shift our attention from the international discourse in support of PPPs to the national and the local, the more the analysis of the specific gender issues related to it and the issue of promoting women’s participation are diluted. Thus, one can assume that not only women would be largely excluded from the negotiations and the possible benefits resulting from these arrangements, but also that they face an increased risk of losing control of their productive assets in a context of increased pressure over land and of the competing interests of different actors and stakeholders. While this assumption appears not far from reality, the situation is much more complex and there are several overlapping factors that should be considered to have an adequately full picture of the rural scenario that is developing in central Mozambique.

An officer of the Centre for the Promotion of Commercial Agriculture (CEPAGRI in its Portuguese acronym) explains how a partnership can be formalized: “Private investors contact CEPAGRI searching for available land aimed at agricultural development according to the Provincial cadastre. A first meeting between CEPAGRI, the private investor and the chefe de posto (a rural administrator) of the administrative post where the land is located is followed by a local community council to inform the community about the investment project. After that, a paper informing on which and whose lands will be occupied is hanged in the council office: if no one reclaims that land over a period of 15 days, then we can go ahead”. When asked about the risk that poor people were facing of losing their land, he answered that “the rural development of a community is far more important of the land right of one or two people that are not working their land: if you do not use your land, it is legitimate that you are expropriated, even if you have a DUAT”.

The research carried out, that focused particularly on actors within the horticulture and dairy value-chains, showed that the formalized experiences of PPPs are quite limited, even though there are several international cooperation programs and local institutions (including the CEPAGRI) that are starting focusing on this field of intervention and support. The local debate is nevertheless quite heated, with positions oscillating from concrete interest to total skepticism and disillusionment, with the more common view being that PPPs are the lesser evil in a context characterized by increasing pressures over the commercialization of land and that, therefore, should be properly designed in order to guarantee the maximum benefit and minimum risk for all those involved.

In particular, the issues emerging from the interviews and meetings held highlight several key issues for the discussion on the gender scenario that the broader focus on PPPs is creating in Manica and Sofala Provinces: first, it is difficult for smallholders organized in farmers associations (of women only or mixed) or cooperatives to increase their production due to the rise in the prices of land provoked by the private investments (particularly Chinese) in the area. These organized groups of farmers have, indeed, put their foot in the local market but the costs of the land and inputs needed to “be integrated in the market” are limiting the investments options: with the bank interest rates being too high and the opportunities provided by the microfinance services not able to cover the expenses, these actors are obliged to decrease the production in order not to have unmarketable surplus.

It’s the case of a women’s association of poultry producers in the outskirts of Beira: in a group interview with five members of the association, they remarked that the price imposed by the women buyers who then resell the chickens on the Beira market is not “fair” and does not allow them to cover the production expenses. But if they decide not to sell, then they have to keep on feeding old chickens that, at best, will be sold later at an even lesser price. Therefore, notwithstanding their capacity to produce more, these women have decided to cut down with the number of chickens and, for the same reason, have dropped the project of raising laying hens. The women interviewed appear to have a certain knowledge of their sector and argue that the best option for them would be either having access to enough funds to buy an abattoir, a freezer and a power unit or entering in a partnership with the largest poultry producer in central Mozambique, based in Chimoio: such an arrangement would guarantee that all the chickens are sold and

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25 Interview, 12 December 2011.
26 Interview with Dipac Jaintilal, Cruzeiro do Sul, September 23, 2011.
that they have a regular revenue.\textsuperscript{27} A.A., the poultry producer mentioned by the women, when interviewed appeared very skeptical with regards to the potential of PPPs and argued that such kind of arrangements with local producers cannot work because the household has primarily to take care of the subsistence farming and, therefore, has not enough time and resources to engage in large scale production implying standards that they will not be able to meet: moreover, he stressed that “local producers do not even have the identity card (...) I will continue with the market system, I buy from where I pay less”.\textsuperscript{28}

Second, among the actors interviewed, there is a general consensus that women are excellent farmers and milk producers: “women work more than men and are more responsible and reliable, whereas men, when they have something, they waste it”\textsuperscript{29} and their production is usually of a high quality because “they are more committed to farming than men, and go to the field everyday”.\textsuperscript{30} For this reason, they are considered to fulfill all the requirements for a successful participation in PPPs, as in the case of Z.J., a member of a farmer association who has signed an annual farming contract with an agro-industrial company in the Vunduzi District in Manica. The company, which employs more than 1500 people (of which 35% are women) on its premises, has launched the creation of 11 associations (for a total of almost 300 farmers with a percentage of women between 30 and 35%) in neighboring areas that are producing on their fields piri-piri, peas and green beans.\textsuperscript{31} Z.J. is the most successful producer both in terms of quality and quantity: in the 2011 season she has produced a ton and a half of piri-piri (of which 250 kg had been discarded), thus gaining a net profit of 25,000 Mt (900 USD). According to her, the yield obtained was so high compared to the other farmers because she always does what the company’s extensionist recommends, whereas “men farmers do not follow C.’s advices: if he says that we have to spray the pesticides today, they do it days later”.\textsuperscript{32} Z.J., a widow, employs three people for the collection of piri-piri, and has another parcel of land where she grows maize and cabbage for the household consumption and for selling. This outgrowing contract, according to her, is an excellent option for differentiating her livelihood strategies, since piri-piri can be considered a labor-saving crop, not requiring longer hours of work in the fields except during harvest time. However, the common praise for the women’s farming capacity is toned down by those entrepreneurs that, though recognizing women’s capacity, highlight the pervasive role of the tradition in limiting their possibilities to access rural employment or to successfully engage in contract farming: “behind a Mozambican woman, there’s an entire household taking decisions for her. Men do not like that their wives engage in productive activities because they fear that she might find another men. Moreover, the fact that they are often pregnant and their low level of schooling can be a problem in terms of business”.\textsuperscript{33}

It is interesting to note that, while the majority of the men interviewed remark the issue of the tradition as a factor that severely constrains women’s access to commercial farming or formal employment, the women tend to agree that even though the problem exists, “things are changing” and that the real problem is that women are often illiterate and thus have limited or no access to information.

Third, the evidence from the cases analyzed of partnerships between the private sectors and local producers is that the profits that farmers gain from these arrangements are mostly used to smooth the household consumption models, cope with crises and improve the food security rather than as a mean to start an accumulation process or to build a sustainable long-term strategy: this is due to the fact that the

\textsuperscript{27} Group interview, 8 December 2011. All the women interviewed define themselves as small-entrepreneurs. The President of the association is also a member of a dairy cooperative in Beira and farms 60 cows in a 2 hectares land where she also keeps her poultry. She employs 4 men on the farm and she has a male housekeeper at home. Her husband has a job but keeps his earning for himself: while recognizing that this is a problem, she argues that “all the men are like that”. She is proud of being able to pay the fees for the private University that her sons are attending with the revenues from her productive activities.

\textsuperscript{28} Interview, 12 December 2011.

\textsuperscript{29} Interview with the President of a dairy cooperative in Beira, 8 December 2012.

\textsuperscript{30} Group interview with managers of an agro-industrial company in Manica Province, 14 December 2012.

\textsuperscript{31} The outgrowing contract implies that the company provides the farmers associations with seeds, fertilizers, pesticides (whose costs are deducted from the final price paid to the farmers), training and technical assistance, and is in charge of the transport costs. The price is agreed at the beginning of the farming season when the contract is signed but, according to the company, there is room for negotiations on the farmers’ side considering that only the production that meets the company’s quality standards is bought - whereas in the past the company used to buy the whole production.

\textsuperscript{32} Interview with Z.J., December 16, 2011.

\textsuperscript{33} Interview with dairy entrepreneurs, Chimoio, December 14, 2011. In Mozambique, women with formal employment have the right to a total of three months of maternity leave, one before giving birth and two after.
participations are usually very limited in time, might not have been formalized – thus limiting the negotiation capacity of the local producers – and totally depend on the investment and marketing decisions of the private actors. In some cases, these are the reasons that push certain farmers associations to turn down and vocally oppose outgrowing contracts (see Pellizzoli 2010 for Southern Mozambique). In the case of an association of milk producers in the Sussundenga District in Manica, the 23 members (2 widowed women, while the others are registered as spouses), that have a total of 26 cows obtained through a dairy development program, sell half of the daily production (70 to 80 litres) to a dairy factory while the other half is used for home consumption or sold to a casual buyer because, by the time they would be ready to deliver the milk cans, the factory has already closed and no one of the association members has a fridge. The agreement between the association and the factory is informal and, according to the president of the association, the price that they get (16 Mt per litre) is not fair: with the packaged milk being sold at 48 Mt, they should be receiving 20 Mt. With three cows, the president gains around 2,000 Mt per month (equal to the minimum salary in formal rural employment) from selling the milk to the factory but he would like to raise more cows and increase the production: with this monthly revenue, his family “does not go hungry anymore” but they do not have the capital to invest.34

In the light of what emerged from these discussions and acknowledging the scarce level of formal implementation of the public-private partnership strategy, we asked the actors interviewed - that included also several representatives of local NGOs, experts of international cooperation agencies and members of the local government - which could be policy and practical recommendations to enhance local producers - and women’s - effective and sustainable participation and integration in rural markets through the PPPs. There is a general consensus that there should be a formal contract between the private investor and the local producers, be they organized in an association, at community or individual level, with specific provisions regarding the quality standards and the final price. Many stakeholders argue that the local producers should be supported by a legal expert during the whole duration of the negotiations and contract signature. Third, the role that formal associativism can play in strengthening the local producers’ capacity to negotiate is emphasized as a crucial element to narrow the smallholder’s vulnerability vis-à-vis the private sector (Bachke, 2009): associations of rural producers should be strengthened by the conferment of legal status and land title, and the mechanisms for entering the associations should be open, transparent and aimed at promoting gender equality in order to avoid the polarization of power and conflicts at community level. Fourth, given that partnerships are limited in time and subject to the volatility of the market, family farming should be enhanced and strengthened so that the food security and the productive assets of the household are not at risk: therefore, land titles as provided for by the 1997 Mozambican Land Law should be more easily accessible. According to D., of the Department for Women and Social Action of Sofala Province, “it is necessary that people have access to land and produce their own food without being subject to the international market’s fluctuations: it’s not enough to push on the big capital to create rural employment, but family farming should be strengthened, because the rural areas of Mozambique are completely alienated by the dynamics of the international market – ‘living with less than one dollar per day’ is a measurement that cannot be applied to the kind of rural poverty that we have in Mozambique”.35

Conclusions
In this paper we have first analyzed the constraints and consequences of market participation of smallholders in Manica, Sofala and Maputo Provinces in Mozambique. We have underlined the demand-side constraints of primary product markets and the unequal distribution of benefits on the supply side: not all producers benefit from marketing activity, as asset-based analysis have also shown. More precisely, advantages are difficult to grasp if producers aren’t able to effectively store production to sell it at times when the prices are higher, or if they don’t have enough cash to buy fertilizers. There is further evidence of the lower participation of women to marketing activities compared to men, that cannot be satisfactorily explained with the crystallized portrayal of the “subsistence-oriented woman farmer”.

34 Interview, December 14, 2011.
35 Interview, 9 December 2011.
Access to cash income seems to be a key element that allows smallholders to benefit from market participation and start accumulation processes. We have discussed the option of wage-work and its gender-biased access; then, we have developed our reflections on PPPs as an option to increase agricultural production while at the same time enhancing the market integration of smallholder farmers. This seems to be nowadays considered as the option out of rural poverty, in that it should allow for surplus creation and accumulation. The emphasis put on such partnerships and outgrowing schemes in the Mozambican context is—according to the information collected in our research area—a symptom that, despite its pitfalls, the dominant idea among policy makers is that poverty-reduction strategies have to be in fact “market integration” strategies. Our main focus is to understand whether these contracts are able to make a difference in accumulation patterns and in the security and sustainability of livelihood strategies. From our case studies, we argue that participating into contract farming activities is not actually an instrument of social mobility for smallholders: it provides a revenue in cash for a limited span of time, that allows for consumption smoothing, but not for the start-up of accumulation processes. These revenues are usually small (close to the minimum wage in the agriculture sector), limited in time, and inscribed in a contractual structure that doesn’t empower smallholders. The actual institutional setting of contract farming, although having some positive income-smoothing function, seems not being able to keep its promises: it doesn’t allow for increased bargaining power of smallholder, thus not solving the constraints to producers’ supply that we have seen both in the literature and in our context. Formal and enforceable contracts are, at least so far, still missing; the purchase of the final production by the enterprise is not always guaranteed; the dependence of farmers from one single buyer of their products is increased instead of being reduced and the lack of a specific gender strategy to promote women’s participation in PPPs can result in disempowering outcomes given the socio-economic, traditional and gendered context in which these changes—involving multiple and overlapping interests—are taking places. Moreover, outgrowing schemes do not seem to provide smallholders with more secure access to productive assets and namely to land. When these contracts are implemented within the framework of public-private partnership they may be linked to a loss of control over land, since private investors acquire use rights on land with a procedure where smallholders have very little bargaining power. Far from “transforming farmers into entrepreneurs”, these contracts seem to provide an extra revenue that integrates the household’s one in hardships, crisis and food shortages, without nevertheless making a difference in substantially stabilizing incomes and in making more secure the overall livelihood strategy.

Acknowledgements
The research on which this article is based has been realized within the framework of the IAO/Gender program, funded by the General Directorate for Development Cooperation of the Italian Ministry of Foreign Affairs and managed by the Istituto Agronomico d’Oltremare, Florence, Italy. We would like to thank Bianca Pomeranzi, Gabriella Rossetti and the whole research team for their useful comments and suggestions. Responsibility of any error and omission is of the authors alone.

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