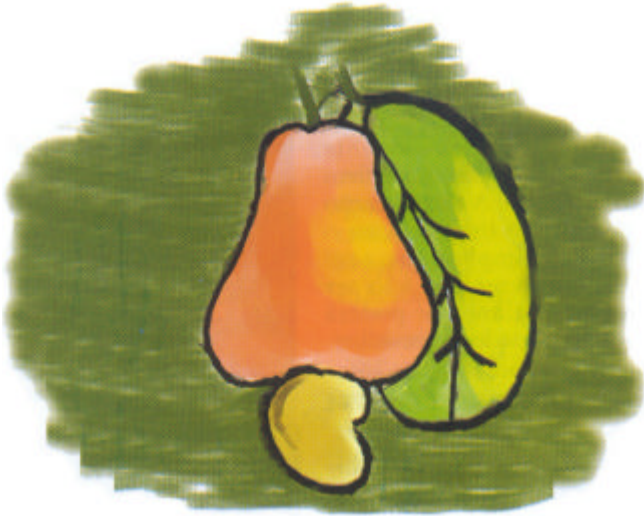


# Gender, Markets and Livelihoods in the Context of Globalisation

## A study of the cashew sector in Mozambique

January 2002 — June 2004



Globalisation processes and economic liberalisation are leading to fundamental changes in the livelihood sources and strategies of different groups all over the world. IIED, in collaboration with partners in Mozambique and South India, has developed a research programme on gender, markets and livelihoods in the context of globalisation. The programme responds to a policy concern that more empirical work is needed to understand the effects of economic liberalisation on poverty reduction and gender equality. The research focuses on the cashew sectors in Mozambique and India. India is the world's largest exporter of processed cashew nuts and also the biggest buyer of

Mozambican raw nuts. There is a growing market for cashew nuts in Europe and the USA, with new markets opening up in other parts of the world, for example, Russia and Japan. Cashew provides an important source of income and food security for the smallholder producers and low-income groups — particularly women — who work in the processing sector in both Mozambique and India. The aims of the research programme are to understand the changes that are taking place due to liberalisation and to identify approaches and initiatives that enhance the livelihoods of poor women and men, with an emphasis on overcoming the constraints women face because of their gender.

The International Institute for Environment and Development (IIED) in London works with the Eduardo Mondlane University in Maputo on the Mozambique study, which is funded by the Dutch and Irish Embassies in Mozambique. The India case study began in October 2002, in collaboration with the Centre for Development Studies in Trivandrum and the Madras Institute for Development Studies.



## The cashew sector in Mozambique

In the early 1970s Mozambique was one of the world's major cashew producing countries. After independence in 1975, production could not be sustained for several reasons: war and displacement, inconsistent state policies, low farm prices, weakened trade networks, shortages of consumer goods and food, severe droughts, old trees (60-70% are over 25 years old), various diseases (such as powdery mildew and anthracnose) and uncontrolled bush fires.

In 1995 the Mozambican government implemented price and trade liberalisation within the cashew sector; a condition of receiving World Bank loans. The liberalisation process aimed to

boost prices for smallholder farmers and to promote production and exports. However, the recently privatised factories, which were in the process of refurbishing the factories and changing the technology used for processing, faced a series of financial constraints

and problems in acquiring sufficient raw nuts. By 1999, the processing sector had collapsed and about 10,000 jobs were lost. There has been much debate since about the liberalisation process, and various, mainly economic, studies were carried out to investigate the effects on producers. Most conclude that net gains were disappointingly low for farmers and largely offset by the costs of unemployment in the processing sector.

Today, marketed production is only about 50,000 tonnes compared to over four times that amount in the 1970s. Processing initiatives provide only about 2000 jobs, compared to 10,000 before liberalisation, although this does not include many small, unregistered processing initiatives for domestic and regional markets, which need further study. Factories only purchased 6000 tonnes in 2002 as compared to 25000 tonnes in 1995-96.

Many have argued that price incentives, technology, marketing and processing initiatives need to be implemented simultaneously to revive the sector and to benefit producers. The government has set export tariffs on raw nuts at 18% to provide some protection for local processors and is leading a new integrated strategy, involving partnerships with communities, private

sector and NGOs to promote production, processing and marketing. This study aims to increase our understanding of how women and men's livelihoods have been affected by liberalisation and to promote policies to enhance their livelihoods.

## Approach and methods

Our approach involved extensive field work in four case study sites in Nampula province. This was combined with literature reviews and key informant interviews at national and provincial levels. The four sites were selected to represent different aspects of the cashew sector:



- Namige (Mogincual district): examined production and marketing by smallholder women farmers (complementing a previous NGO survey which interviewed male 'heads of household'), as well as the functioning of a new, small scale semi-mechanised factory and its workers' livelihoods.

- Itoculo (Monapo district):

assessed government and NGO interventions to increase production, improve marketing and provide training and extension.

- Geba (Membra district): analysed the functioning of a medium-scale factory, especially wages, working conditions and livelihoods.

- Angoche (Angoche district): investigated former workers from two closed factories to understand the changes in their livelihood strategies.

We used the following methods and tools:

- Interviews with key informants at national, provincial and local levels from government, private sector, NGOs and communities.

- Questionnaire survey of processing factories workers and ex-workers

- Semi-structured interviews and focus group discussions with community leaders, producer associations, individual women producers and women workers.

We also set up an iterative process between researchers and policymakers, and formed a national reference group composed of stakeholders from government, private sector, NGOs, research organisations and donors. Key actors in the cashew sector were included in this group for their input into the research and to

promote the dissemination and use of findings. The group met twice in the first year. A national workshop was held in February 2003 to discuss findings from the first phase. The workshop brought together government, donors, NGOs and women's groups, academics and researchers, and the media. There was much debate and discussion which was publicised in national newspapers and various TV and radio stations.

## Key findings of the first phase

### Cashew production:

- In smallholder households in Nampula's matrilineal culture, women have considerable access to and control over land and trees. They are actively involved in producing, processing and marketing cashew nuts.
- Despite the fact that women play an important role in cashew production, interventions to promote production have largely excluded women.
- There have been many efforts to improve cashew production, yet very little information on the causes of low production has been disseminated to smallholders. The various strategies and interventions, from preventing bush fires to pruning, chemical treatment and replanting have not been adequately discussed with farmers, nor have farmers been asked for their views and about their constraints.
- The technical complexity of fungicide spraying and the weakness of the extension system has further undermined the effectiveness of this intervention for smallholder farmers, particularly as it should be undertaken along with other activities such as pruning. Smallholder farmers have often been unable to contribute to the costs of spraying. Larger producers, who are limited in number, have had more success with spraying.
- New improved strains of cashew tree have not been bought from the nurseries. Farmers are reluctant to travel long distances and to spend their limited cash on strains that have not been shown to be beneficial in their context.



### Processing:

- Our study of ex-workers in Angoche shows a clear process of impoverishment and declining options for cash income in a depressed economy. No processing factories function in this area.
- Compensation payments have not been a sufficient lever out of poverty. With the closure of the Angoche factories, women face even greater difficulties than men in finding alternative sources of income.
- Elsewhere in the province, workers' conditions have deteriorated since the government ceased to run factories. Unions have become weaker in defending workers' interests in the new liberalised environment.
- All leadership positions are filled by men, who also form the majority of workers in the two functioning factories we studied. They can work in a whole range of sections, including peeling, stereotypically seen as women's work. Women are excluded from the shelling sections. Women are therefore losing out in the stiff competition for waged jobs, and yet have more difficulties than men in finding other sources of cash income.
- In the three groups of factory workers (and ex-workers) that we studied in Nampula, women themselves control the money they earn. Single, widowed and divorced women have bigger families in all three factory sites, and paid work is critical for these women.
- The Namige factory plans to purchase semi-processed nuts from 'satellite' processing units, which should increase earning opportunities to low-income groups around the factory since the units will employ local labour. This approach, promoted in the government's new strategy, is worth monitoring for wider application.

### Commercialisation and the value of cashew:

- Access to raw cashew markets is very variable and is largely controlled by a few large traders who export mainly to India. Prices vary enormously depending on the quality of nuts, number of intermediaries, location of sale and proximity to ports.

- In Itoculo, difficult access to markets and low prices had a negative effect on NGO and government initiatives to promote production, since farmers could not pay for inputs.
- Policies have focused on the commercialisation of the cashew nut, but cashew is of value in other ways, such as home processing and consumption of nuts and fruit products, which are important for rural livelihoods.
- Contrary to some views, we found that women are actively involved in marketing raw nuts. Domestic and regional marketing of nuts may contribute significantly to livelihoods and this aspect will be investigated in the next phase of the project in the south of the country.



### Recommendations at the national level

The study has produced recommendations for action at national and local levels to overcome some of the constraints that we identified and to promote interventions which will benefit women as well as men:

- Agricultural extension methods need to be improved; different groups of producers need to be engaged in different ways, using better communication methods, and specific efforts should be made to include women. This could include involvement by women's groups, including faith-based groups.
- Semi-mechanised processing should be promoted further. Such rural industries require the establishment of minimum wages and working conditions, as well as ensuring equal opportunities (in job types, training and promotion) for women and men.
- Information on prices and markets need to be widely disseminated to farmers, both women and men.
- Support should be given to other ways in which value is added to cashew fruit and nuts, for both household consumption and local marketing.
- More resources are needed to allow government to lead a concerted effort to revive the sector; donors, NGOs and the private sector need to be mobilised for support.
- 'Good practice' examples should be disseminated nationally.

### Conclusions

It remains to be seen whether Mozambique can increase its share of the international market in both raw nuts and cashew kernels. Some Indian states are working hard to increase production to meet their huge in-country processing capacity. This would reduce their imports of raw nuts from Mozambique. Although it is essential that in-country processing is supported in Mozambique, the international market in kernels now faces competition from new entrants, such as Vietnam, which are better able to meet the quality criteria being introduced by European and North American importers.

Competition between countries in the South for shares of the international market has increased. But this makes it even more difficult to maintain decent returns for smallholder producers and to ensure decent wages and working conditions for cashew processing workers, both women and men. For this reason, domestic and regional markets for cashew nuts (kernels), which also make an important contribution to livelihoods, should be given as much attention as the quest to capture shares of the international market.

However, much more needs to be done if Mozambique is to revive smallholder cashew production and employment within the processing sector. In northern Mozambique there is no doubt that women are important actors in the cashew sector; without recognition of this fact, the effectiveness of interventions will be undermined. Communication with small-scale producers, both women and men, has to be improved. Women are also losing much-needed income-earning opportunities to men in the processing sector, a trend which can only be reversed if policies are put in place to allow and even encourage women to work in any section of a factory.

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