WOMEN'S PERI-URBAN ENTERPRISE DEVELOPMENT PROJECT

FISH MARKET SUB-SECTOR STUDY

Development Workshop

Luanda April 1996
TABLE OF CONTENTS

1. INTRODUCTION ................................................................. 1
   1.1 Background ............................................................... 1
   1.2 Objectives of the Project: ............................................. 1
      1.2.1 Objectives of the Report ........................................ 1
   1.3 Research Approach ..................................................... 2
      1.3.1 Sub-sector Analysis ............................................... 2
      1.3.2 Selection of the Sub-sector ..................................... 2
   1.4 Understanding the Micro Environment ............................... 2
      1.4.1 Quantitative Methodology ....................................... 3
      1.4.2 Qualitative Methodology ........................................ 3
      1.4.3 Limitations of the Research Methodologies ................... 3
   1.5 Data Collection on Mezo and Macro Environments .................... 4

2. THE SECTOR OF THE COMMERCIALISATION OF FISH ....................... 5
   2.1 Overview .................................................................. 5
   2.2 The Sector Map ......................................................... 6

3. PARTICIPANTS IN THE COMMERCIALISATION OF FISH ....................... 7
   3.1 Overview .................................................................. 7
   3.2 Wholesalers ............................................................. 7
   3.3 Retailers ................................................................. 8
      3.3.1 Minimum Capital Requirements .................................. 8
      3.3.2 Customer Preference .............................................. 9
      3.3.3 Returns to Labour .................................................. 9
      3.3.4 Pricing of Product ............................................... 9
      3.3.5 Incorporating the Rate of Inflation ............................ 10

4. MICRO ENVIRONMENT FINDINGS .............................................. 10
   4.1 Income as a Basis for Survival ....................................... 10
   4.2 Business Partners ...................................................... 10
   4.3 Market Colleagues ..................................................... 11
   4.4 Suppliers ............................................................... 11
   4.5 Hours in the Market Place ............................................ 11
   4.6 Kixikila's or ROSCA's ............................................... 12
   4.7 Lack of Security ....................................................... 12

5. MEZO AND MACRO ENVIRONMENT ........................................... 12
   5.1 Provincial Regulatory Body .......................................... 12
   5.2 Municipal Regulatory Body ......................................... 13
   5.3 Required Documentation ............................................. 13
   5.4 Policing of Markets ................................................... 14
   5.5 Government Policies .................................................. 14
   5.6 Legal Context .......................................................... 15

6. SUPPORT MECHANISMS FOR THE INFORMAL SECTOR ..................... 16
   6.1 Formal Financial Assistance ......................................... 16
   6.2 Nongovernmental Organisations ..................................... 16
   6.3 Multi-Lateral Organizations ......................................... 17
1. INTRODUCTION

1.1 Background

The informal sector in Angola is large and provides most employment and is an essential component of family survival strategies. The sector gets little assistance or recognition, and little is known about it. The informal economy, however, is increasingly becoming more important as the source for employment and a livelihood during the rehabilitation of the economy which includes demobilisation of the armed forces and privitisation of government firms.

The commencement of the demobilisation of UNITA and government soldiers began in February 1996 behind schedule. However, during the writing of this report the Government of Angola broke off talks with UNITA due to the slow rate of demobilisation. Multi-lateral organizations such as International Labour Organization and UNDP, are anticipating that through the providing of business training, demobs will be more fully integrated into the economy by their participation in the informal sector.

Recent privatisation has put an ever increasing pressure on the informal sector to provide the economic base (ie. employment and income) for the majority of the population. The rate of unemployment in Luanda is estimated to be 24.4%, with a clear bias against women (32%). Illiteracy rate is estimated at 27% amongst women. The informal sector accounts for about 50% of the urban labour force. (Bremner: 71) From 1990 to 95, non-oil output had declined by over 65% in Angola.

Angolans continue to endure a deterioration in their purchasing power which was and continues to be extremely low. Hyper-inflation has existed since 1992. Inflation rates for 1994-95 were 3000 to 3500% per annum.

One of the weaknesses in the tradition of entrepreneurship that has taken root in Angola since independence has been an orientation towards rent seeking trade activities rather than productive activities. This has continued due to the lack of goods and services available locally.

1.2 Objectives of the Project: Women's Enterprise Development in Luanda

Development Workshop has initiated a project entitled the Women's Enterprise Development in Luanda. The goal of the project is to improve the economic well-being of women in the informal sector of the economy in Luanda, and contribute to local and national policies and activities which reduce constraints and improve opportunities for women small entrepreneurs. The purpose of the project is to enable women micro-entrepreneurs to develop their abilities and skills to address constraints they face in operating their enterprises. The project consists of three components: a research component which is followed by a training and organising/networking components.

1.2.1 Objectives of the Report

This report is the first component of the Women's Enterprise Development Project and uses a participatory sub-sector approach. The purpose of the research component is to determine interventions that will benefit women in the informal sector and to contribute to the information
base on the informal sector.

1.3 Research Approach

This study is a Participatory Sub-sector Analysis of the commercialization of fish undertaken by Development Workshop during the first quarter of 1996.

1.3.1 Sub-sector Analysis

The term sub-sector refers to all the enterprises engaged in raw material supply, production and distribution around a particular final product or key raw material; sub-sector approach refers to the analysis of opportunities and constraints facing micro-enterprises within a given sub-sector. The assumption is that it is possible to leverage impact or influence over large numbers of micro-enterprises with a single intervention. The approach includes analysis of macroeconomic data, legal statutes, etc. as well as analysis of single workers or groups of workers to identify their immediate constraints and opportunities.

1.3.2 Selection of the Sub-sector

An initial three months, October 1995 to January 1996, was spent on surveying women's economic activities in the geographical target area of the municipality of Sambizanga, a peri-urban zone of Luanda in order to choose a specific sub-sector. In particular, research focused on the Roque Santeiro Market, Africa's second largest informal market. Participatory development techniques were drawn from the SARAR Process which included a transect walk\(^1\) and map-making\(^2\).

The commercialization of fish was chosen as the sub-sector for further study. This selection was based on the SARAR data collected and for a variety of rationale. The rationale included: fish being a traditional consumable food item of Angola; many of the participants being women in the sub-sector; potential increasing demand once markets/roads open in the interior of the country; rapid cash turnover; and low skill requirement to enter into vending.

- research methodologies
- phases
- techniques etc

1.4 Understanding the Micro Environment

Two research methodologies were used in collecting data on the chosen sub-sector of the commercialisation of fish in order to understand the micro-environment. They were quantitative questionnaires and quantitative interviews or focus groups. There were limitations to some of the techniques used.

\(^1\) The transect walk is a technique used to summarize stages of field discussions and then to draw a preliminary map of community interconnections.

\(^2\) Map-making is a technique to help put together a picture of social stratification, seasonal calendars or any other type of activities. Map-making usually leads to a deeper understanding of the diversity of opinions and decision-making processes in a community.
1.4.1 Quantitative Methodology

Quantitative questionnaires with sub-sector participants who catch and sell to the local consumer. This included fishermen; wholesalers selling frozen fish; retailers buying fresh from fishermen or frozen fish from wholesalers; and vendors drying and/or smoking fish for retail. Interviews were conducted by 13 community workers. A questionnaire geared towards each function of the sub-sector was used: the fisherman, the vendor and the owners of the fishing equipment. In a preliminary visit to test the questionnaires at a beach in Cacauco, the vendors and the fishermen had identified "donas" (owners) of equipment as being women living in the community. Given data from other reports of women owning fishing equipment and employing others, it was thought further analysis of this participant in the sub-sector was warranted. Questions of all three surveys focused on ownership of equipment, costs of catching and vending, socio-economic indicators, terms of pricing and selling, group work patterns including revolving loan funds and saving patterns, problems including police harassment, legal requirements to sell, and needs and sources of assistance. Follow-up interviews to clarify data on costs and sources of commercial goods were conducted. The questionnaires were conducted in markets such as the Roque Santeiro Market and in other markets found in Sambizanga and Cacauco, and along various beaches such as Cacauco. A sample size of 170 was collected for the vendors, a smaller sample was taken of the fishermen (n=50) and a smaller number (n=5) of donas/proprietors were interviewed.

1.4.2 Qualitative Methodology

Qualitative interviews or six focus groups totalling 40 participants were conducted in the Roque Santeiro and Kwanza Markets. Group participants consisted of six to ten retailers of fish. Criteria for selection of individuals were: women who were 25 and older; had more than two years experience in the market place; and retailers selling fresh and/or frozen fish. The age criteria was used to screen women who may only be assisting the primary retailer and to have a discussion with women who may be the female head of house. The "number of years" criteria was to select women who had abilities to endure the harshness of the market place and who would have a greater understanding of the various structures. Retailers were the target group since they are the poorest of the poor in terms of the commercialization of fish as compared to wholesalers. (Information obtained during the quantitative questionnaires.) The intent of the focus groups was to gain a greater understanding of the social structures and networks and to develop a profile of the retailer.

1.4.3 Limitations of the Research Methodologies

It is realized that a larger sample population for each of the three groups based on the estimated population would have given a better statistical representation for the quantitative research. There is a bias in the data collection towards the Roque Santeiro Market as it was anticipated that this would be the market for future intervention. (Eighty-three per cent of the surveys were conducted at the Roque.) There has been data previously collected by the Instituto da Pesca Artesanal on fishermen and vendors.

The questionnaires were posed to retailers and vendors who would willing respond to questions. The data for these questionnaires collected therefore was not from a random sample but rather a willing group of individuals. The questions themselves were tested initially. However, it is clear that some of the terms used and questions asked in the final questionnaire were not understood by the participants. It was also observed if the community workers
(activista) did not "appreciate" the response of the participant they might cajole the participant in giving the "right" response. This was particularly true on the questions of training.

Having gained an understanding through the quantitative research, the focus groups provided a logical follow-up. Groups were generally open and willing to discuss issues raised. A series of topics were introduced by story telling. This took the form of a problem and how it might be resolved by a fictitious vendor. The questions posed then asked if the group had had a similar experience. This proved to be very effective.

1.5 Data Collection on Mezo and Macro Environments

Interviews were conducted with other sector participants which included industrial companies harvesting and selling fish to the national market, nongovernmental organizations who have historically or are currently interested in supporting those involved in the informal sector, multilateral agencies who might further support the work currently being done, and government organizations who have a role in the sector.

Information was gathered on government laws concerning ownership, commercial association, interest rate policies, limitations on commercial activities, price fixing and subsidies of inputs into the sector, etc.

Despite the current hyper-inflation that has been on-going since 1992, some time was spent on analysis of savings/loan structures by individuals and of banking policies by the state. The focus was to determine at the local level if revolving loan structures (rotating savings and credit associations or ROSCA's) existed currently or historically. As well, a brief review of the government banks and their financial intermediation policies or lack thereof was conducted. Both of these factors influence micro-enterprise capacity and development.
2. THE SECTOR OF THE COMMERCIALISATION OF FISH

2.1 Overview

The commercialization of fish has always been a major economic activity of the country. At the end of colonial times, Angola ranked second in the production of fish in Africa. In 1994, the export of fish was valued at $15.2 USD million.

Angola has one of the best fishing stocks in all of Africa. (Hodge 1993). Until 1975, the fishing industry had been well developed. This was especially true in the ports along the southern coast, where the cold waters of northwards-flowing Benguela current meet warm tropical waters, creating conditions favourable for plankton. Fisheries as a part of Agriculture, Forestry and Fisheries showed a negative growth in GDP from 1992 to 93. Estimated total of the three for 1992 was $274.6 million and in 1993 was $138.6 million. The small scale fishing fleet is estimated to be 2500 boats. One third of this fishing fleet is found in Luanda.

Fish is part of the traditional diet of all Angolans and purchased either fresh, dried or smoked. It is nutritionally an important source of protein. Fishing vessels are estimated to be 2800 with over 2500 being of a traditional form. In small-scale coastal fishery, there are, three times more people occupied with curing and/or distribution of fish than with catching the fish at sea. This would indicate that roughly 45,000 persons are engaged in land-based activities. In normal cases curing and commercialisation of fish is always women's work. (Akesson 1992: 14)
During the period of civil war, the commercialization of fish was one of the few commercial activities that continued but at a smaller capacity. Women are the sole participants in the traditional function of processing and retailing. An estimated number of participants in this function, based on the number of 7000 traditional fishermen obtained from the Ministry of Fisheries, would be to double or triple the number of fishermen (ie. 14,000 to 21,000).

At one time there were numerous fishing cooperatives active throughout the country. None exist at present. According to the Instituto Pesca Artesanal (which is part of the Ministry of Fisheries), they have been replaced by two associations, Associação dos Pescadores Artesanais (Association of Traditional Fishermen) and Associação dos Armadores (Association of Warehouses). Their present function is ambiguous. They exist in the communities of Bengo, Luanda province and Cabo Ledo, Bengo province.

Most of the industrially processed fish is captured and processed at sea. Processing companies with large storage capacities of 2000 tons and which freeze and package number around 12. They are located in Luanda, Kwanza Sul, Benguele, and Namibe. All of the capturing/processing companies are no longer state owned and operated\(^3\). Some have limited government participation. It is difficult to determine interests that may control the national distribution channels. During the course of interviewing key informants, it was indicated that key players were influencing the overall market price and reducing the profit margin for the informal retailer.

2.2 The Sector Map

Within the sector of the commercialization fish, relatively few functions performed include significant value added processes. Functions include the capturing of the fish, processing, wholesaling and retailing. (see Diagram One: the Sector Map of the Commercialization of Fish) Some of these functions are common to the two distinct channels of the sector: traditional (Channel Number One) and industrial (Channel Three). The two channels meet in a third channel (Channel Number Two) by way of wholesalers who could be called an intermediary between the two. Outside players of the three channels include government bodies such as the Instituto da Pesca Artesanal and other governmental bodies who interface with the channels through laws and policies. One example of government policies which continue to influence the cost of production in all channels is the maintenance of subsidies for transport fuel.

In the sector of the commercialization of fish, each function within each channel is dominated by one or other gender with the exception of one. The traditional processing, wholesaling and retailing is performed by women. Wholesaling has a mix of both women and men involved. It is difficult to determine who may be hidden players within this particular function. All other functions such as the catching, both by industrial and traditional vessels, and industrial processing are dominated by males. The traditional final functions of the commercialization of fish is accessible to poor women because of the common traits of all informal sector activities:

- market demand is large;
- capital requirement is minimal;

\(^3\) Three foreign fleets sell to the national market. One, Inter-Burgo, is a Spanish-Korean joint adventure with Angolan interests. The other international fleets are Spanish and South African.
- socialization patterns of women in the selling of low profit margin items;
- capital turnover is fast;
- an easy accessible activity in all markets of the country.

3. PARTICIPANTS IN THE COMMERCIALISATION OF FISH

3.1 Overview

Traditional fish selling was one of the few commercial sectors open to Angolan women in colonial times. Few Portuguese merchants were interested in participating in this trade which was left to the lower strata of the work force. Women were and continue to be the primary and only vendors. During the 1980's and early 1990's, when private entrepreneurship was discouraged, fishmongers were one of the few permitted to continue their trade, without major interference from the state.

Fish selling is typical of informal market trades involving women. There are few barriers to entry, low capital requirements, low skill level requirements, most traders involved in the activity usually are women and there is quick cash turnover.

The quantitative survey conducted by the project team found that 62% of the vendors' partners were employed. Eleven percent indicated they were primary source of income for the household. This figure does not include widows (3%) and singles (7%). (The survey asked only if the spouse was employed.)

Within the Roque Santeiro Market, two distinct functions with respect to the commercialisation of fish exist which has implications on all markets. The two functions are wholesaling and retailing. Wholesalers sell to retailers who sell in the Roque Santeiro market or other local markets. Retailers at the Roque exemplify activities that are undertaken by other retailers at other locations.

3.2 Wholesalers

Wholesalers purchase their stock, paying dollars or kwanzas, by the truckload from the industrial vessels that come into the port. Most of the industrially processed fish is caught and processed at sea. Boxed frozen fish is purchased by retailers who sell in the Roque Santeiro market or other local markets. The wholesalers are sell all their stock in one day. Truck capacity varies from 50 to 500 boxes of 24 to 30 kilo size. Due to the rapid nature of the turnover of stock, refrigeration is not a key issue. Trucks can be hired for the day in the Roque Santeiro Market. A fee is levied per box for transport. This fee amounts to 6% of the selling cost by the wholesaler to the retailer.

---

4 Percentages refer to the quantitative surveys completed.
Wholesalers who purchase from the processing companies or ships can either be groups or individuals. The majority are individuals, male and female, who will hire women to assist in the selling from the back of their trucks. According to the Roque's Market Commission, the majority are women. At the Roque Santeiro Market, an average of fifteen to twenty trucks were counted by the project team. Retailers from other markets in Luanda come to the Roque to buy their stock. Each truck would have two to six women selling from the back of the trucks depending on the truck's capacity. Historically, women have employed male unarmed guards to ensure their safety from thieves. However, they found them to be ineffective due to thieves carrying weapons. The majority of wholesalers pay their employees who are working at the back of the trucks per box sold while a few others pay a daily salary.

The wholesalers who sell processed frozen fish make substantial profits. On average $2 USD per box was calculated to be pure profit earned by the wholesalers. They buy from a limited number of industrial suppliers who sell directly from the ships. At Roque, the predominant companies are Inter Burgo followed by Peskwanza. (see Figure One for costs breakdown)

3.3 Retailers

3.3.1 Minimum Capital Requirements

The capital requirements, on a daily basis, of the retailer in all instances is limited to the purchasing of fish for selling. In the Roque Santeiro Market, the majority of "fresh fish" sold is

5 Although retailers in the majority at the Roque sell frozen fish, they refer to themselves as vendors of "fresh fish" as opposed to dried or smoked fish. At other markets, almost all vendors selling "fresh fish" are in fact selling frozen fish.
frozen fish in cardboard boxes which has been purchased by retailers from wholesalers who sell boxes from trucks at the “back” of the market. Individually, retailers, have little power to influence the wholesale price of the fish.

Women usually sell a box or two per day. The fish is kept together and is only gradually broken down (literally chipped away if it is frozen fish) until it is placed out for sale. If they have not sold all of the fish, they will dry and salt it (IPA 1995: 27). When selling, credit was only offered to friends (conhecidos) and this was rare (4%).

3.3.2 Customer Preference

Frozen fish was preferred to fresh fish by customers, particularly in markets further away from the beaches, since it remained “fresher for a longer time in the marketplace.” As well, retailers preferred selling frozen fish since “they had no difficulty in locating and obtaining it and bringing it to the marketplace”.

Fresh fish is purchased from fishermen at local beaches. Women use plastic basins or crates to transport their product. The plastic crates in most instances is their only “fixed capital asset”. Dried fish, processed by women, is also sold in markets. Women are charged to transport their basins on the local transport. Most sell their product within 24 hours of purchasing from the fishermen (IPA 1995: 27). The majority of women selling fresh fish come from fishing communities.6

3.3.3 Returns to Labour

Returns to labour varied from retailer to retailer. Retailers randomly surveyed earned between $1 and $5 per day, a median being about $4. (Calculations, done at the end of February 1996, did not take into consideration theft or spoilage.) It is should be noted that on average vendors worked 6 days per week and eight to ten hours a day. (see Figure Two for costs breakdown)

3.3.4 Pricing of Product

One limiting factor in the calculation of costs is retailers, of fresh and frozen fish, purchase fish by weight but sell in units. For example, frozen fish is purchased either in 24 or 30 kilo boxes and is sold by the number of fish (em montes). Fresh fish is purchased from the fishermen by the basin or crate full. The basin is estimated to have a capacity of 30 kilos but never is it weighed. Fish is then sold in units. No breakdown of costs into units is done. According to fresh fish sellers, they sell larger fish in quantities at a higher price than smaller fish. However, they have purchased a crate of fish irrespective of the number of larger versus smaller fish.

6 Freshly caught fish, often, is sold by family members of fishermen from the surrounding fishing communities including the Ilha and Barrio de Bengo. the retailers provide a forward linkage for the producer. Although it is difficult to state statistically, it was observed that it is older women who sell fresh fish versus younger women retailing frozen fish. In key informant interviews, the research indicated that the fishermen do not calculate their costs accurately but to their detriment. Thus, fresh fish sellers potentially add to the losses of the household due to both the fishermen's and sellers' inabilities to identify costs. A review of role of the traditional fishermen and the processors has recently been elaborated in the Ministry of Fisheries/ Instituto Pesca Artesanal "Diagnostic Report on Traditional Fishing in Angola".
Retailers recognized that "sometimes [they] loose money while selling." As well, when unable to sell their fresh fish they "transform the fish into dry fish but even then [they] loose money". There is no recording nor calculation of costs. Normally, at the end of day, profit is determined by "what is left in [their] pockets". In response to open ended questions, retailers said that selling prices were based on "others selling prices" or "yesterday's price".

The retailers surveyed indicated they have acquired their skills of learning how to sell fish by themselves (39.8%) or had been taught by their families (46.4%).

3.3.5 Incorporating the Rate of Inflation

Another factor influencing returns to labour is their inability to incorporate the rate of inflation into the price which is currently at 3000 to 3500% per annum. "Pricing of fish does not follow in relation to other products" the rate of inflation (IPA 1995: 29). This can be observed in the doubling of the selling price over a two month period of fish by the wholesaler followed by only a marginal increase by the retailer. (see Figure Three)

The survey of vendors found that 45% of vendors had been selling for more than five years. Less than 28% had entered the trade in the last two years during which time there has continued to be hyper-inflation. Due to the small capital requirements to enter the trade of selling fish at the retail level, it would not appear that inflation has deterred women from entering into the market. Those who had participated for a number of years lamented "the disappearance of the old [state controlled] system where prices were controlled and the number selling".

4. MICRO ENVIRONMENT FINDINGS

Focus group interviews helped to provide an understanding of daily problems faced by vendors and their survival and coping strategies.

4.1 Income as a Basis for Survival

Vendors face many difficulties both at home and at the marketplace. In particular, women were asked how they coped financially when a family crisis such as an illness or death in the family took them away from their daily earnings. It was acknowledged that earnings were crucial "since it has been impossible to predict when [one] might save". A widow described her business like a game (como um jogo). She is dependent on the earnings which are highly variable. In the case of deaths, it is an immediate problem of the extended family which is solved together. Family members varying from spouses to siblings to in-laws will provide a loan to assist the seller. Family loans depend on the relative wealth of the family which are often not available in any substantial amount. (Bremner 1992: 82)

4.2 Business Partners

Retailers normally work alone and rarely with a partner (socia) or in a group. Wholesalers worked in groups but more often as paid employees of someone rather than in collectives.

Discussions of business partners (socias) produced a range of responses. Those who were against having a partner stated "a socia could sell and not tell you that she had sold and keep
the money for herself”. For others, the idea of having a partner reflected more the concept of an employee. “It would be easier for me to have a partner so when I get sick, she could sell for me”. One older woman who has sold for fifteen years talked of “pooling money, buying together, and dividing the profit together” with her socia.

4.3 Market Colleagues

Colleagues (colegas) are those who sell in close approximation to each other and/or a loose association formed based on the province of origin or ethnic affinity. "Colegas" are a primary source of help at the market for most vendors. Problem resolution can take many forms due to the assistance of one or more colleagues. Colleagues, as well small children, will be asked to supervise one's stand (bancada) if she has to leave it for a time during the day. (A colleague is not expected to cover the costs if something is stolen during that time.) Some women stated they would pool their money to buy a box of a fish and each sell half. When ill, it is often a colleague who will loan fish to re-start the friend with the expectation of it being paid back. In another case, a woman told of receiving money to buy a box of fish which is her minumum working capital as stated earlier. "Once I did not have enough money to buy a box of fish so my colleague helped me with the money that I did not have and then we split the profit". All of these actions are based on "familiarity and trust. Not all colleagues will help, it depends on their heart".

4.4 Suppliers

In part, assistance offered by wholesalers and by fishermen to retailers is also based on familiarity. Wholesalers may give a box of fish on credit for a period of a day if "they know the retailer. Generally, the wholesalers give fish on credit when there is more fish [ie. a surplus] in the market". Retailers from other markets complain that wholesalers in the Roque "cheat [them] and do not offer credit to [them] due to the lack of familiarity". Another acknowledged that "credit is based on friendship, trust and family ties".

Fresh fish is generally sold by family and by friends from the community of the fishermen. It is the owner of the fish (dono) who "can loan fish to the retailer only. There are donos who understand and give fish on loan. If the retailer does not pay back, the dono will seek compensation. He will take the table from the retailer's house. Some of the donos are bad."

4.5 Hours in the Market Place

Generally, the retailers are at the Roque Santeiro by 7am to begin their day selling. If they are selling freshly caught fish, they will go to the beach by 5 or 5:30am but "not any earlier for fear of bandits". The women are dependent on older children to do house chores and to take care of other children in the extended household.

At the Kwanza Market, fish sellers are divided into two distinctive groups, A and B, due to the "lack of space for all the women to sell at the same time". A group will work every other day.
The market is open six days a week. There is a coordinator who has been appointed and is only responsible for the fish section. (This is unique to the fish section of the market.) The coordinator was hired and reports to the market administration. The coordinator has the list of the women sellers, her role is also to collect the market monthly fee of 100,000 kzd and the daily market cleaning fee of 10,000 kzd. (April 96: 76000 kzd = $1 USD) Retailers stated that there is no cooperation between the two groups. “It is impossible to switch days when you are sick and can not work on your day.”

4.6 Kixikila's or ROSCA's

In Angola exists, as in many countries, the practice of self-help groups which collect money from each member in the group and rotate the collection to its members (Rotating Savings and Credit Associations or ROSCA's). In the Luanda area, it is known as “kixikila”. One participant of a kixikila group described it as “playing” kixikila. “This is how we play, the ten of us each pay 100 kzd [approximately $1.40 USD] and we take turns receiving. Tomorrow is my turn. We play daily.” Others asserted that they “knew of cases where women had absconded with the money” or “there was a confusion when some one was unable to pay so [they] stopped”.

None of the focus group participants described it as a source of capital for their business. The money used was “for a better meal”. The majority who did not “play” suggested that they “did not have excess money”. It appeared to be considered a diversion rather than as a savings mechanism. (see Table One for Summary of Profile of Vendors)

4.7 Lack of Security

The majority of vendors, especially those at the Roque, stated that they have been threatened or robbed by either police, the military or thieves on a daily basis. “The big kids rob, the police rob, the comando [i.e. the armed forces] rob, the robbers dress as police and rob. The police work in collaboration with the thieves, they divide among them what has been stolen from us. That is why we do not trust anybody but ourselves. Often the police are actually disarmed by the robbers. Who is in charge of the police and the military, it is the state. They are the ones who should know why we do not have security.”. Women indicated that often “police could not do anything because of their lack of capacity”. Otherwise, "men from the armed forces only take care [or protect] the women that have, such as the wholesalers, because they can get money out of them".

The only solution when threatened for most is “to abandon the business and incur the loss”. Women felt that their losses due to stealing are considerable. They said that they “had no idea where to go for help" to resolve these problems.

5. MEZO AND MACRO ENVIRONMENT

5.1 Provincial Regulatory Body
Responsibility for official and parallel markets is delegated to both the Directorate of Provincial Services of Markets and Fairs (DPSMF) and the Municipalities that the markets are situated in. The division of responsibilities and clear reporting structures and regulations are absent. The highest level reporting body therefore is the Provincial Government which both of these sections report to.

5.2 Municipal Regulatory Body

The Roque Santeiro is supervised by a Market Commission which has dual reporting obligations to the Municipality of Sambizanga and the Department of Markets which is under the Directorate of Provincial Services of Markets and Fairs (DPSMF). The Municipality created the Market Commission for the Roque consisting of 7 coordinators: 6 males and 1 female (who died in late April), which has an office in the centre of the market. (see Diagram Two) Two of the seven Market Commissioners are appointed by the DPSMF. The Market Commission works with a Market Administrator who has been hired by the Municipality.

5.3 Required Documentation

Due to the reporting structure, regulations at best are confusing.

With some official and parallel markets, they are outside of the jurisdiction of a municipality and become the direct responsibility of the Directorate of Provincial Services for Markets and Fairs. The documentation for these markets one is required to have includes only a Health Card (Cartão de Sanidade) and a photocopy of one’s Identification Card (Bilhete de Identidade). One must write a letter requesting to have a space (bancada) in the market to the Department of Markets.

The Municipality of Sambizanga demands all vendors in the Roque Santeiro Market to have a Cartao de Vendadores Ambulante (temporary selling card). The majority of the fish vendors, 63%, were aware of the requirement of having this card to sell in the market place or on the street. This particular card is required by both wholesalers and vendors. The cost of this card is currently 100,000 ($2 USD) and is valid for one year. In order to obtain such a card, one needs a photocopy of their "bilhete" (national identification card) and two photos. The Coordinators of the Roque Market are willing to be the intermediaries by taking the documentation, etc. to the "Delegaçao do Commerce". Thus, the Roque Market Commission has statistics on the various types of registered vendors at the Market. In addition, vendors often refer to being charged a "bancada" or location fee. The correct term is "taxa mensal" levied by the Roque's Market Commission. The fee charged currently is 15000 ($0.25) per month. Finally, all vendors at the Roque are charged a 10,000 ($0.20) per day fee for the cleaning of the market. It appears to the researchers that the fee has no impact on the cleanliness of the market.

In reality the fee charged at the Roque is below the official tariff as determined by the DPSMF. On paper, the rate for fisher retailers is 700000 kzw per month. As well, wholesalers officially

7 It is unknown at this time whether she will replaced by a woman or a man.

8 Fishmongers are to pay 700000 kzw per month. Others are to pay: 200000 per month for physical space (bancada); 300000 per month for a stall (barraca).
according to DPSMF should be levied an hourly fee for their trucks to be located in the market. The fee in official documents is in Escudos (the currency used during colonial times), suggesting that this regulation dates back to the pre-independence period. At other markets in Sambizanga, the Cartão de Ambulante is also required. As well, a monthly payment of 6,000 ($10) to the Market Vendors Commission of Sambizanga. However, neither seems to be strictly monitored nor regulated.

5.4 Policing of Markets

Due to the concern raised both by wholesalers and retailers into the lack of security and the reports of being hassled by police, research was conducted into the policing of the markets. Markets are officially monitored and patrolled by two of the six types of national police. The Economic Police's function in the marketplace is to control the sale of illegal commodities. Police for Public Order of the Republic also patrol the market to control theft. Only the latter are in uniform. All the six categories of police report to the Ministry of the Interior. (see Diagram Three) The Economic Police has minimal interaction with and no direction from the Ministries of the Economy and Finances, and Commerce and Tourism. Larger markets such as the Kwanza Market in Sambizanga have a permanent detachment of the Police for the Public Order while smaller praças are rarely patrolled according to vendors.

5.5 Government Policies

Policies of the government, in particular, the administrative foreign exchange and credit allocation regimes and controls over the trade, have created a highly distorted, rent-seeking economy. Retailers and fishermen are particularly limited in their ability to rapidly incorporate the value of inflation into their prices.

Some fuels along with electricity and water, communications, transportation, food products and agricultural inputs continue to have their prices controlled. Subsidized prices directly influencing the commercialization of fish include fuel for motorized fishing boats and for transport of fish to sell to local and to the interior.

---

9 The six types of police include Economic, Public Order, Criminal Investigation, Transit, Border, and "Guarda Fisical" which is responsible for ports and airports.

10 The Economic Police historically before independence reported to the Ministry of Commerce. The move from the Ministry of Commerce to the Interior occurred after independence.

11 Until 1980, the Directorate of Economic Police reported to the Ministry of Commerce and acted as inspectors of commercial activities.
[At the beginning of 1994], a hard campaign against the informal sector and street exchange operators (kinguilas) was introduced by the government. These were clearly negative signals proclaiming the end of the efforts to liberalize the economy, and a return to repressed markets and economic activity. (Aguilar and Stenman 1995: 2)

This campaign continues today.

Officially entrepreneurship appears to be a skill that has come to be appreciated within some ministries. This is reflected in the Ministry of the Economy and Finances programme, *Programa de Apoio ao Sector Produtivo*, to provide financial assistance to small to medium sized enterprises. (described below)

This "attitude change" however has yet to be translated into clear policy and action in all ministries which affects the informal sector. If Government desires to support the informal entrepreneur, the role and structures of certain departments and Ministries need to be examined and redefined. Such examples include: duplicity of reporting structures and roles to foster economic development within various ministries; the role of the Economic Police and its function reporting to the Ministry of the Interior; the Directorate of Provincial Services of Markets and Fairs reporting to the Provincial Government rather than existing as a part of the Ministry of the Economy and Finances; and the ambivalent rules regarding documentation to sell in the marketplace.

5.6 Legal Context

According to Decrees No. 20/90 of 28.9.90 and 8/94 of 4/94 and Article 12 December 20/90, prices were deregulated for fish and are now determined by market prices.

Decree No. 30-I/92 of 7.8.92 in its introduction attempts to re-address the importance of commercial activity. However, the law places many obstacles in the formalizing of a business. The law states that vendors without a fixed location must obtain a license from the Municipal Administrator and have it authorized at the Commercial Municipal Delegation. Many other documents must accompany the application including Certificate of Criminal Record, document of fiscal obligations, etc. It does not through its many obligations of registering promote an environment of entrepreneurship. More than half of the articles of the Decree cover the penalties of being in contravention of the first few articles. Other laws monitoring business transactions are Dec. 12/89 of 29.04.84 Dr. No. 16. A review of the "Diario da Republica" did not locate any laws laying down guarantees of the right of the individual to be a commercial entity nor did the review locate the right to guarantee private ownership.

The "Codigo Commercial" which dates back to 1888 and established for Portugal and its colonies is the law that is referred to for commercial purposes. It had been suspended during the late 1970's and 1980's but has since been re-instituted. No law could be found that indicated the rights and freedoms to conduct business without harassment nor the right to ownership. "The Government adopted measures for supporting local socio-economic income-generating activities through Decreto no 28 de 29 de Julho 1994 institutionalising the local initiatives for employment creation (ILE's) and Decreto no 30/94 de 5 de Agosto 1994 institutionalising the support for creation of small family businesses" (Teglund 1996: 2).
6. SUPPORT MECHANISMS FOR THE INFORMAL SECTOR

6.1 Formal Financial Assistance

Business credit is available for medium to large to formalized businesses. Currently, nothing exists for the informal micro-entrepreneur in Luanda.

Since 1990 there have been moves to develop alternative banking institutions as commercial banking is being shifted away from the Banco Nacional de Angola (BNA) which has performed the functions of a central bank. In 1991, the Banco Popular de Angola (BPA) changed its name to the Banco de Poupanca e Credito (BPC) and the Banco de Comercio e Industria (BCI) was established. Credit allocation mechanisms reflect those of foreign exchange through the official market and are often tied to foreign exchange trading operations. Only a limited number of state owned enterprises and a group of businesses with strong political connections have access to credit. Interest rates have been set at highly negative levels\textsuperscript{12}. Other than concentrating on foreign exchange operations, banking services are lacking. Transaction costs of obtaining credit when available are extremely high.

The Fundo de Apoio ao Empressariado Nacional (FAEN), the government funded agency set up in 1992 to promote private business raised it ceilings on loans for fisheries to Nkz 30bn ($27 million US) for projects in fisheries, industry and construction. In 1994, loans totalling $1.68m were made available for fisheries. (Economist Intelligence Unit) The Ministry of Public Administration, Employment and Social Insurance has recently created a fund to support the development of fisheries entitled FADEPA (Fundo pelo Apoio e Desenvolvimento da Pesca em Angola). Further, the Ministry gives technical assistance to private entities through FADEPA. Research by IPA has shown that despite its ability to assist the fisherman and vendor, FADEPA is unknown to the traditional participant in the commercialization of fish (IPA 1995: 29). According to IPA, FADEPA is now the major source of funds to assist the traditional commercialization of fish. The Caixa de Credito Agro-Pecuario, once active in the sector, is focusing on agriculture. Recently initiated by the Ministry of Economy and Finances is a programme entitled "Programa de Apoio ao Sector Produtivo" under the direction of INAPEM (Instituto Nacional de Apoio as Pequenas e Medias Empresas and FAEN). This programme is new so its impact has yet to be determined. However, its focus appears to be small rather than micro-enterprises.

6.2 Nongovernmental Organisations

Aside from the Development Workshop's Urban Women's Enterprise Programme, there are several NGO's, both national and international, interested in the field of micro-enterprise development and finance. World Relief Canada, prior to the elections of 1992, reviewed the possibility of a micro-finance programme in three locations in the country suggesting that a micro-finance organization be established in Huambo and Lubango. However, implementation never occurred. CARE International conducted a study in 1994 and recommended against the implementation of a micro-finance programme. Other organizations such as AAD and OIKOS are examining the possibility of supporting the sector. Other international NGO's such as CRS, "Save the Children Fund (SCF), World Vision, CARITAS" (Teglund 1996: 7), and GTZ are interested in activities in the micro-enterprise sector. ADPP had a fishing plant north of

\textsuperscript{12} Negative interest rates are rates that are below the rate of inflation.
Luanda until it was destroyed by the war.

Two NGO’s currently are active in the advancement of enterprise development. CONCERN currently operates in Huambo a credit-in-kind programme. For example, an individual will receive two chickens and is expected to “pay back” in time three chickens. ADRA had operated a credit programme in Malanje from 1993 to 94. It was a subsidized credit programme with a payback ratio of 25% geared towards those who had two years of enterprise experience.

6.3 Multi-Lateral Organizations

To date, multi-lateral organizations have not supported projects in enterprise development. The European Union is currently concentrating on the re-building of the infrastructure in the centre of country. The UNDP will commence to work with the International Labour Organization (ILO) in micro-enterprise support. ILO plans to adapt, translate and utilize their training materials in conjunction with Angolan partners: Improve Your Business for existing entrepreneurs and Start Your Business (SYB) for potential entrepreneurs. SYB will focus on individuals possessing vocational skills, having entrepreneurial characteristics, abilities to make simple calculations, and literacy in Portuguese. One component of SYB will be directly targeted at demobilized soldiers with the objectives of providing a basic capacity. Further the demobilized soldiers will receive credit. However, the credit programme has yet to be formulated.

7. CONCLUSION

7.1 Constraints

1. Among the retailers interviewed for the focus groups, the need for training was not clearly expressed. This is not an uncommon pattern when doing a needs assessment, as it is unlikely for the entrepreneur to be able to ascertain her or his own human resource short comings, particularly their management capacity. (Mann et al 1989: 20)

Within the retailing group of “fresh fish”, the first and by far the greatest majority within Luanda are those who sell boxes of frozen fish. The second group, much smaller and diminishing, are those selling fresh fish. Major characteristics of both groups include:

a. buying fish in weight and selling in units. There is an apparent inability to identify their selling costs in the conversion. “We take the money from our pockets at the end of the day to calculate our costs and profits.”

b. Retailers face a saturated market reducing their opportunity to make a profit in some of the urban centres. “We miss the old system where the prices and the number of vendors were officially controlled.”

Within the first group, the suppliers to the retailers are wholesalers who have clearly broken down their costs and included a significant mark-up in their selling price. Although it is difficult to state statistically, it was observed that it is older women who sell fresh fish versus younger women retailing frozen fish. In Luanda the reasons for preference in selling "fresh" or more

---

13 In April 1996, a transect walk through the Roque Market estimated frozen fish sellers to be 60% of the "fresh fish" sellers.
accurately called frozen fish include greater ease and accessibility to the product by the retailer and a preference by the consumer since it does not go bad as quickly as fresh fish in the heat of the marketplace.

Fresh fish, often, is sold by family members of fishermen from the surrounding fishing communities which includes the Ilha and Bairro de Bengo. In other words, the retailers provide a forward linkage of the producer to the marketplace. In key informant interviews, the research indicated that the fishermen do not calculate their costs accurately but again to their detriment. Thus, fresh fish sellers potentially compound to the losses of their spouses and families who capture the fish because of both their inabilitys to identify costs.

2. Retailers and wholesalers were of the opinion that there was no security in the marketplace and that the thieves work in collaboration with the police. Losses incurred due to theft are significant.

One organization that potentially could provide a lobby is OMA, the National Women's Organization. However, they are currently too weak of an organization to provide an effective voice on women's rights in the marketplace.

3. Despite adopting a new mentality towards favouring free enterprise and entrepreneurship in some Ministries, the policies have yet to be adopted and translated into action in all Government Ministries and Departments. This is witnessed by the apparent lack of cooperation and sharing of information between the Ministry of the Interior, responsible for the Economic Police and Police of the Public Order, and the Ministries of the Economy and Finances, Commerce and Tourism, and as well Public Administration, Employment and Social Security which is endeavouring to support enterprise development.

4. Low levels of cooperation exist between the retailers and wholesalers, retailers and the fishermen, and the retailers themselves. It is rare to find those who have a socia. Often trust exists to assist one another between neighbours but rarely extends to having a partner.

5. Kixikila which can be a savings mechanism is not widely practised due to minimal or negative earnings, or a "lack of coming to a consensus" and the fear of someone absconding with the money.

The retailers are highly dependent on their earnings since "sometimes [they] work one or two months and [they] do not save anything. Then sometimes [they] can save." Savings in cash is obviously unwise in this hyper-inflationary period. However, some have purchased goods that can be cashed rapidly. "I had to sell my TV to get back on my feet."

6. Local institutions and government services that can provide assistance and support to micro-entrepreneurs in the informal sector in Luanda are non-existent. "There is no one to help us except ourselves and God."

**7.2 Opportunities**

1. Small informal groups between retailers do exist and are formulated on the basis of the same working day as at the Kwanza Market, close proximity in a marketplace, and/or practising kixikila together. Resources from colegas are lent to each to restart a business after someone has been absent due to a family crisis.
2. Although no one clearly indicated training as a desired objective, some indicated they "would like methods to make more profit". It is important to promote training as an opportunity to earn more.

3. Many stated they would like to "find money from [other sources] when I can not find money". Through group building activities, exists the possibility of pooling resources to a greater extent than currently exists.

4. If they are taught better money management skills, the impact will benefit many households. Women talked of being money managers or the one who "controls the money" for the household. Woman dominate the sector. Extended families provide assistance to one another in times of crisis.

5. Some women expressed the desire "to work outside of the marketplace". Women may be open to participating in other economic activities if the possibility exists.

7.3 Key Issues

In summary, it is important to note the key issues that arise for women entrepreneurs in the informal sector which suggest the points for interventions.

While the Ministry of the Economy and Finances has adopted liberal views on issues that impact economic development, other ministries such as the Ministry of the Interior still enforces a more conservative view from the 1980's that commercial activity is in some ways is "anti-social".

Retailers depend both on family, when possible, and colleagues (colegas) to provide their minimum working capital which is the price of a box of fish. Informal groupings take place in the marketplace based on ethnic origin, location in the marketplace, and practicing kixiquila. Colegas assist in problem resolution in the marketplace. Assistance to colegas is based on familiarity and trust.

Retailers have little control over the setting of their selling price and little power to negotiate the price that they buy their fish for retail either from the wholesaler or the fishermen.

7.4 Recommendations

1. The sub-sector analysis has given a picture of the informal market and in particular the commercialization of fish. It is from the retailers of fish that the targeted group for training should be selected. The training component therefore should include a focus on:
   a. confidence building
   b. cost identification and pricing
   c. and civic rights training in order to assist retailers to address the issues of security.

2. It is widely recognized that successful participants in training for entrepreneurs are those who either have previous experience in the marketplace or an ability to produce a item with marketability. Therefore, all of the target group have already gained from participating (and survived in highly inflationary times) in the informal market. Selection criteria from within this group should be:
a. women who have been active in the marketplace for 2 or more years  
b. around the age of 25 or older  
c. willingness to commit time to participating in project activities  
d. retailers of frozen fish.  

Selection of frozen fish sellers is based on the ever increasing number of vendors of this commodity. As well, often fresh fish vendors sell for their family members who are capturing the fish. Therefore, in order to fully assist such a group, support would need to be first directed to the fishermen to identify their costs.

After participating in training which will include trust and confidence building, it is hoped that this may be the basis for the formation of an association. This association could change their position on the sub-sector map by participating in wholesale activities. The group which will consist of 60 participants could easily buy a small truck load, with a capacity of 50 boxes, together and thus avoid the middleman.

Due to the lack of commitment to backwards linkages to the traditional fishermen and the younger age of fish sellers selling frozen fish, it is this group that would most likely be willing to make a shift to participate in another activity in the sector.

Group size for training should consist of 10 members. Selection for groups will be based on those associating through kixikila, shared buying practices, and/or selling in the same location.

Currently there are 7 community workers employed by the project. It is recommended two vendors each from the two larger markets, Roque and Kwanza, be identified as activistas in order to provide a more tangible voice. The original activistas can be delegated to assist and monitor the process of skill adaptation in the field.

4. In terms of sustainability and linkage, it would be wise to seek out female entrepreneurs from the formal sector who would be able to act as mentors to the training process.

6. Lobbying of government needs to take the focus of introducing laws that protect .... (interview to be held with "legal expert")
- police training: information sessions on rights of the marketplace with market officials; rules and laws
- support of greater security in market

Interviews


UNDP. Assistant Resident Representative: Barbara Pesce


Lawyers: Paulette Lopes and Teresinha Lopes.
Instituto da Pesca Artesanal (IPA)/ French Cooperation.
Consultant: Dr. Jean-Phillipe Lartigue

IPA. Director of Planning

Ministry of the Interior. Provincial Director of Economic Activities: Junior Salusinga

ADRA. Romeo Galiano

World Bank. Helena Ramos

InterMar. Regional Representative: Jan Schmidt

InterBurgo. Chief of Commercial Department: Joao Victor Luvumbu.

GTZ. Country Director: Sra Luitgard Matuschka.

Walter Viegas Consultant.

Hans. Entrepreneur.

EMMAS. Rad Javonavic.

OIKOS. Director: Carlos Pinto.

ADPP.

CONCERN Director: Marcos Oxseley.

Municipality of Sambizanga. Member of the Services Committee: Castelo Branco.

Directorate of Provincial Services for Markets and Fairs. Provincial Director: Alberto de Almeida.
Resources

*ANGOLA: Economic Indicators Data Sheet.* UNICEF. September 1995.


