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## **Women's Business Activities in Fishing Communities in Malawi**

**A field study on different income generating activities,  
constraints and possibilities for promotion**

vorgelegt von

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## 7 Summary

Malawi is a small landlocked country in south-eastern Africa, with a large part being covered by water bodies. It is classified under the 'least developed countries'. It has an extremely high population density and average holding sizes of 0.8 ha, resulting in 50 per cent of all smallholders living below the poverty line. The industrial sector in Malawi is suffering from limited inland demand, high transport charges and lack of qualified employees. Considering figures like population growth rate, infant and child mortality, school enrolment, Malawi is even in African terms an extremely poor country. Predominant ethnic groups are Chewa (mostly Christians) and Yao (mostly Islamic faith). Both of these ethnic groups follow the matrilineal family system.

This family system gives considerable weight to the 'mother' right, i.e. the right of women to remain in their village after marriage, inheriting land and the fact that men have less responsibility for the offspring.

The fishery is a very important subsector in the economy of Malawi. It provides employment and income for approximately 100,000 people. Due to an increase of fishing effort and change of fishing gear the catches declined remarkably during the last ten years. MAGFAD in conjunction with Department of Fisheries introduced a new participatory approach in the management of aquatic resources. A second main project activity is the promotion of small-scale integrated aquaculture. Concerning the promotion of women, MAGFAD concentrated up to now more on women in fish farming, but it is planned to extend these activities on women around the lake shores, since 30 per cent of all households in Malawi are female headed and in all types of households women carry out the main work in agriculture. The majority of women have very low levels of income and cannot provide for all the basic necessities of their family.

Assisting women in starting and expanding IGAs is not only increasing the economic situation of the whole family but is as well enhancing her social status and self-confidence. Hence, the main objective of this study was to investigate the situation of existing women's groups in the area and to assess profitability, input needs and constraints of fish processing, fish trade as well as other IGAs done by women in the area.

Essential to an improvement of the economic and social situation of women is adequate extension. The model of the psychological field and the model of driving and restraining forces are two concepts of human behaviour which are important for successful extension work.

The second theoretical concept of this study is BOSERUP's theory on the situation of women in economic production and in the household in Africa. She points out that women tend to do farming on a subsistence basis, while men have more possibilities to

go into production of cash-crops or off-farm activities. The authority of women vanished in the past decades due to commercialisation of the economy.

Another theoretical input in this study is the state-of-the-art in the gender discussion. During the past decades the policy of development organisations changed from the so-called WID-approach to the GAD-approach. While the WID approach was based on the presumption that women ought to be more involved in the economy. In order to enhance their position, the GAD approach emphasises the fact that women world-wide already play a major part in the economy of their countries, but on unfavourable terms. GAD implies that in order to achieve gender equality in society it is more effective to focus on changing the unequal relations of men and women to one another, rather than to concentrate on changing the situation of women in isolation

The study was conducted in the target area of the Malawi-German Fisheries and Aquaculture Development Project (MAGFAD) between November 1995 and April 1996.

The methodology was based on literature review, semi-structured group interviews, questionnaires and interviews with extension and senior staff of different departments plus unstructured open interviews with members of the target group, village headmen, fishermen and traders. The group interviews were conducted with groups set up by Fisheries Department Mangochi and Community Development Services Mangochi, with funding from several international organisations, namely World Bank, UNDP and GTZ. Short interviews with business people were conducted following a fully structured short questionnaire.

In general, women's various duties like child rearing, household and garden work are constraints for an entrepreneurship, since it leaves only a few hours for leisure or business activities. In some groups up to 75% of group members were divorced, average number of children was 4. The rate of illiteracy was found to be higher than the official 70%, as in average only 2 out of 10-12 group members had some 3-4 years of primary education only. However, lack of education was only rarely mentioned as obstacle for business activities. Women's access to resources is limited. Despite the matrilineal family system, average plot sizes of women are smaller than men's, they achieve lower yields and many families are suffering malnutrition

Women are engaged in a large number of businesses and do often change their activities according to availability of capital and time. In fish trade the situation of women is as follows: It is quite a new kind of enterprise, which started in the 1960's. The percentage of women in fish trade varies from 10% to 80% from beach to beach. They mainly deal with smaller, less profitable species like *utaka* and *usipa*. Fish is sold either fresh sun-dried or smoked. Ways of marketing show a big variety, with a varying number of steps between producer and consumer. Whether the fish is sold in retail or to a wholesaler, at the village or in town depends on fish prices (beach and market), fish

species, mode of processing, capital resources, infrastructure and individual preferences. Women often prefer to sell to wholesalers despite smaller profits for the following reasons: It is less time consuming, costs for food and accommodation are lower and it is less risky.

Rates of revenues range from 0.2 to 1.0. They depend on fish supply, fish species, mode of processing, way of marketing and amount of involved capital. The income that men derive from fish trade is much higher than women's. Reasons are: Men's average running capital is almost 5 times higher, they have more time due do less household duties and are more flexible in finding the best places for buying and selling. Additionally, men have other sources for starting capital. Many male fish traders can generate capital to start business from farming or paid work, only 27 per cent have to rely on loans or „gifts“ from relatives. In contrast, women are mainly depending on formal and informal loans (72 per cent). Consequently, a large of the profits have to be spent on interest.

As key problems, male and female fish traders stated: Lack of capital, high fish prices, unreliable fish supply, transport (high charges, unreliable, bad roads), rains causing losses during processing of fish and low demand on selling markets. Most important constraint for women is insufficient capital. Since the fish prices have gone up in the past few years, many female fish traders had to drop out because they could not afford to purchase fish anymore.

Business activities outside the fishing sector are various. Most common are baking of *mandazis*, selling rice, sugar, oil, cooking rice or *nsima*, selling second hand clothes, running tea rooms or restaurants, brewing beer, etc. Women often shift from one business to another according to availability of time and capital availability. Some of these activities do not require capital input, e.g. *ganyu*, weaving mats and pottery. Incomes are very low, but are flexible in time requirement and the only choice for very poor women. Most women wish to go into trade activities because they promise higher profits. The rates of return for petty trade in the village community depend strongly on the scale of the operation and may range from 0.2 up to 1 for larger scale operations with a capital input of more than MK 1000. However, despite meagre margins, women like that sort of business, since it is very secure, no investments are needed and they are flexible in time management.

The investigated women's projects provided different sort of assistance:

- No training, no credit (landing station groups)
- Formal training, no credit (World Bank)
- Credit, no formal training (UNDP)
- Formal training and credit (GTZ)

The World Bank women's programme was stopped before credits were launched. Business and management training provided them some skills, but trainings could have been more efficient. Apart from that, the promise of getting credits blocked all self initiative.

The UNDP programme was more successful. With the help of a revolving fund, some groups achieved a remarkable amount of group capital and received larger credits in order to expand their businesses and women in these groups were able to improve their livelihood remarkably. The groups which did not succeed to increase their contributed money through lending out were left behind and not further assisted.

Most useful of all investigated projects was the one from GTZ/Community Services Department. It combined training and credit. It further included a proper lending scheme: Half of the members of a group receive loans and the remainders supervise, the remaining half gets the credit after the first half has paid. Membership contributions were higher than in the UNDP project, in order to target women with a larger potential. Apparently, the strategy of targeting not the poorest women in the community proved successful although the women were complaining about high interest rate and short period and some had to struggle to pay back in time and keeping enough profit to reinvest.

The groups at Fisheries Department landing stations were formed because Fisheries Department Mangochi failed to maintain the facilities due to input-intensive technology. The handing over was done in a very poor way as the fishing community was not informed and the women did not get any advice how to run the stations successfully. Apart from that, FD still clung to a technology which is not very likely to be adopted by the local community. Apart from one, no landing station was used as a viable source of income.

Common problems of all types of groups observed were: Unsatisfactory support through extension staff concerning problems women are facing in business; poor co-operation within the groups; lack of a clear defined set of objectives, responsibilities and rights; strong influence of group officials. These observations lead to several recommendations:

- Training of extensionists should be improved and as well communication flow from village level to Fisheries Department.
- The groups should be trained on group organisation and officials should be elected. Communication and sharing of experience
- There should be more communication between the groups members so that experiences can be shared and the participation of more successful women should be encouraged in order to benefit from their experiences.
- When a group applies for credit, there should be an analysis together with the women on the potential of business.

The recommendations which were developed regarding IGAs and management of the landing stations show that the provision of access to credit is not the only way to improve the livelihood of women in Malawi.