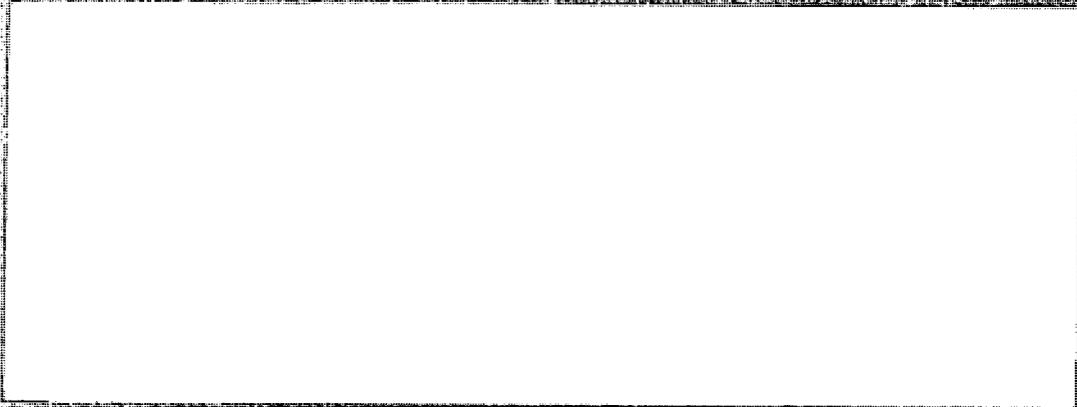


PERI-URBAN ECONOMIC GROWTH IN AFRICA



A COLLABORATIVE STUDY ARISING

FROM THE WORK OF THE
LAND TENURE CENTER (LTC) UNIVERSITY OF CALIFORNIA, BERKELEY
EXPERIMENTAL APPROACHES TO RURAL URBAN DEVELOPMENT
ONTO 1985 BY TERRY HALL, BERKELEY, CA

EXPERIMENTAL APPROACHES TO RURAL URBAN DEVELOPMENT
AND SUSTAINABLE COMMUNITARIANISM
INSTITUTES FOR DEVELOPMENTAL APPROACHES TO RURAL URBAN
GROWTH UNIVERSITY OF CALIFORNIA, BERKELEY, CA
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

SPONSORED BY

THE U.S. BUREAU FOR INTERNATIONAL DEVELOPMENT

PN-BLT 274

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**PROCEEDINGS OF THE SECOND WORKSHOP ON ECONOMIC GROWTH
IN PERI-URBAN AREAS OF SUB-SAHARAN AFRICA**

25 AND 26 APRIL 1990

in attendance:

**LAND TENURE CENTER (LTC)
University of Wisconsin**

**EXPERIMENTAL APPROACHES TO RURAL SAVINGS MOBILIZATION
Ohio State University (OSU)**

**SYSTEMS APPROACH TO REGIONAL INCOME AND SUSTAINABLE RESOURCE ASSISTANCE
(SARSA)**

**Clark University
Institute for Development Anthropology
Virginia Polytechnic Institute**

and

U.S. Agency for International Development (USAID)

July, 1990

This project, Economic Growth in Peri-Urban Areas of Sub-Saharan Africa, is a collaborative effort between three cooperative agreements, LTC, OSU and SARSA. It is funded jointly by the Africa Bureau of USAID and by the USAID Bureau of Science and Technology. This second Workshop was organized by the Experimental Approaches to Rural Savings Mobilization, The Ohio State University.

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PREFACE

The project, Economic Growth in Peri-Urban Areas of Sub-Saharan Africa, is a collaborative effort among three cooperators, the Land Tenure Center (LTC) of the University of Wisconsin, the Experimental Approaches to Rural Savings Mobilization of The Ohio State University (OSU), and the Systems Approach to Regional Income and Sustainable Resource Assistance (SARSA) of Clark University, the Institute for Development Anthropology, and Virginia Polytechnic Institute. It is funded jointly by the Africa Bureau of the U.S. Agency for International Development (USAID), and the USAID Bureau of Science and Technology.

This document reports on the proceedings of the second workshop on peri-urban economic growth in Sub-Saharan Africa held on April 25 and 26, 1990 in Washington, D.C.. The workshop was organized by The Experimental Approaches to Rural Savings Mobilization, The Ohio State University. It is the second of three workshops scheduled to be held during the life of the project. The first workshop, which dealt with preparation of a research plan for the project, was hosted by LTC in October 1989. The final workshop will be hosted by SARSA during the reporting stage of the project in 1992.

Several accomplishments have been realized since the first workshop. The proceedings of the first workshop were prepared and distributed. Reconnaissance visits were made to 5 countries and reports were written for each. A literature review and annotated bibliography are in first draft stage. The first draft of the phase 1 questionnaire was prepared for discussion at this workshop.

The primary objective of this second workshop was to make decisions concerning country selection, cooperator roles, scheduling and follow-up activities. A second task was to review the concepts developed about research design in the first workshop and to fine tune the research plan. These objectives were successfully met. The participants deliberated over a number of issues dealing with revisions to the research design, coordination, and collaboration; they are described in the second part of the report. The introduction summarizes important decisions reached during the workshop that describe the project implementation and schedule for the next six months. Additional decisions regarding sampling design and linkages among cooperators will be reached by the cooperators in the near future. Some longer term issues are still pending because of decisions that must be made regarding Mission support and financial feasibility.

We wish to thank all of the participants for their assistance in making the workshop a success, and especially Barbara Lee for setting up and monitoring all the arrangements for the workshop in such an effective manner, for the efforts that Joan Atherton put into helping shape the agenda, and for the assistance provided by Joan, Melissa Brinkerhoff, and Terry Hardt as rapporteurs for various sessions. We also want to thank Joan, Peter Little, and Mike Roth for their helpful comments on an early draft of this report. We hope that we captured the essence of most of their suggestions. Thanks also to Sandy Krulikowski-Walden for her effective wordprocessing of these proceedings.

Richard L. Meyer
Mayada Baydas
Ohio State University

**PROCEEDINGS OF THE SECOND WORKSHOP ON ECONOMIC GROWTH
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I. INTRODUCTION

The purpose of this project is to gain a deeper appreciation and understanding of the diversity, role, function and interaction of land, labor and financial markets in peri-urban areas in Sub-Saharan Africa, and to identify potential program interventions for stimulating growth, or lessening the social and economic costs of economic reform. The project is also intended to improve our understanding of the evolution of markets and of market interactions to increase growth in the rural sector through more efficient rural-urban linkages.

In addition to these broad goals, the project has several specific objectives:

1. Document patterns of land ownership, use, and transfers in peri-urban areas and how these patterns are being influenced by competing demands for residential use, recreation, manufacturing and service industries, and agriculture.
2. Examine how statutory law, key policies and property institutions are affecting resource use, tenure security, and land distribution, investment and transactions in land.
3. Document the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services.
4. Determine the potential for viable financial intermediation among households and firms and the most promising institutional forms of supplying financial services to them on a self-sustained basis.
5. Analyze the critical factors determining the allocation of labor by households among farm and non-farm activities, document the major sources of farm and non-farm employment, and examine how these sources have changed over time and how they vary spatially.
6. Identify key factor market linkages between peri-urban and rural sectors and their effects on rural labor migration and capital flows. Further, study key contractual arrangements (formal and informal) that have evolved in land, labor and financial markets, and their implication for program interventions.
7. Document and evaluate the terms and conditions of flows of formal and informal finance, land purchases and rentals, and labor contracts including the transactions costs incurred by both lenders and borrowers (for credit) and buyers and sellers (for land and labor).
8. Identify potential policy and program interventions for improving the functions of land, labor and financial markets to promote economic growth and equity objectives.

The first workshop, held under the project on October 23 and 24, 1989, developed the general framework for the project including: project administration, research design, country and site selection, phasing, and project outputs. The research design and phasing of the project were revised during this second workshop in light of information gained since the first workshop. Five reconnaissance trips were made to Cameroon,

Zimbabwe, Mozambique, Botswana, and Mali during February and March, 1990, to assess the suitability of these countries as research sites, to consult with staff at the Mission and in local research institutions about the feasibility of conducting the research as proposed, and to carefully assess research costs. These reconnaissance trips generated requests for a more comprehensive detailed research plan and provided valuable information upon which several operational decisions were made during this second workshop. A specific plan of action and schedule were developed concerning:

- 1) Country prioritization.
- 2) Planning visits to countries to develop research arrangements and the schedule of the research program.
- 3) Future coordination and communication with participating missions.
- 4) Final design of questionnaire.
- 5) Data analysis and reporting.
- 6) Future coordination and communication among cooperators.
- 7) Budgeting and financial issues.

Based on the discussions during this workshop, a research plan was proposed that will involve research in three countries by all three cooperators. Adoption of the plan will depend upon Mission acceptance and willingness to collaborate in the overall project. It was proposed that each cooperator serve as the lead institution (LI) in one country, and as a secondary institution (SI) in the other two. In case the Missions believe that three full-blown phase 2 studies are not required, the plan will be scaled accordingly. One alternative would involve one cooperator performing a scaled down contribution relative to the other two. Another alternative would be to revert to the initial research plan: two cooperators will work per country, and each cooperator will serve as the LI in one country and as a SI in one other.

Research in each country will be undertaken in two phases. In phase 1, a household baseline survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the baseline study and rapid reconnaissance visits will be undertaken by the LI and the SI(s) on subjects related to each one's area of expertise.

A thorough discussion was held about the selection of countries to be included in the project and the matching of countries with cooperators. A key input into this discussion was the reports of the five reconnaissance visits. The written reports are included in appendix 2. The selection of countries was based on eight criteria summarized on page 4. Based on this discussion, the following countries and cooperators are proposed:

- 1) Mozambique is the first country proposed for field work and Maputo, the capital city, is identified as a suitable site for the project. OSU will be the LI to initiate the phase 1 study and the Mission has expressed a desire to have all three cooperators conduct investigations in phase 2.
- 2) Mali is the second country and Bamako, also the capital city, will be the likely site. LTC will be the LI and if only one phase 2 study is undertaken, SARSA will be the SI. The Mali Mission verbally expressed interest in having three phase 2 studies.
- 3) Botswana is the third country and Gaborone, the capital city, is the proposed site. SARSA will be the LI and if only one phase 2 study is undertaken, OSU will be the SI.

It is hoped that all three cooperators can conduct phase 2 research in all three countries because the project would then yield a more thorough analysis of all three markets and generate greater comparability across countries. However, if it is not possible then the plan is to have the LI and the originally selected SI only carry out phase 2 of the field work. Flexibility will be maintained before making the final decisions on the phase 2 studies. Results obtained from the phase 1 studies will affect the specific content and approach taken in the phase 2 studies.

A planning visit to Mozambique is proposed for July-August 1990 to plan the research design, to determine the sampling frame and research design for phase 1, to test the household questionnaire, and to complete local arrangements with the Mission and local institutions. Cooperators from OSU and LTC will finalize these decisions with the intention for the phase 1 study to commence in October-November.

USAID representatives will communicate with AID Missions in the three countries regarding the research plans and the planning visits, and request concurrence.

The second planning visit is proposed for Mali for late fall and the phase 1 study is proposed to start in the beginning of 1991. The tentative dates proposed for phase 2 studies, as presented in the approximate schedule of the research program on page 7, will be confirmed at that time depending on the feasibility of the work.

A draft of the questionnaire for the phase 1 study will be designed by early July. It will be written in English and later translated to the different official languages of the selected countries. A partial pre-test of the questionnaire may be conducted during the planning visit to Mozambique.

Data analysis and reporting responsibilities were divided among the cooperators. The data sets will be shared and the reporting will be done by the LIs for the phase 1 studies and by each of the SIs for their respective phase 2 studies. Interim reports will be presented as needed and agreed upon to keep cooperators and USAID personnel substantively up to date and to respond to key issues/decision points during all phases of the project. Communication among the cooperators will be continuous and short meetings will be arranged as the need arises.

Based on the discussions during the workshop, the estimated budget for research in one country developed after the first workshop was revised to include the involvement of all three cooperators in phase 2 studies. Cost factors assumed to be appropriate for Mozambique were used in the calculations. Cost factors may be somewhat higher in Mali and somewhat lower in Botswana.

Discussions were held about research methodology and especially sampling technique. Ideas about criteria to be adopted for sample selection were presented, but more work is needed in order to resolve this issue, including more information about the survey site(s) in each country.

The following section presents a summary of the discussions about the eight key issues discussed during the workshop and the decisions reached about the next steps to be taken in the research program.

II. SUMMARY OF WORKSHOP PROCEEDINGS

The workshop took place on April 25 and 26, 1990, in Washington, D.C. in the Rosslyn Westpark Hotel. An agenda, included in Appendix 1, was agreed upon by the participants prior to the meetings. The eight main issues discussed above will be presented in some detail in the following sections.

A. Country Selection

A review of the five reconnaissance reports preceded the discussion on country selection. Representatives from the three cooperators reported on the visits to Cameroon, Zimbabwe, Mozambique, Botswana, and Mali. The following representatives presented a summary of the trip reports, namely: Cameroon by Carlos Cuevas;

Zimbabwe by Carol Dickerman; Mozambique by Doug Graham; and Mali by Mike Roth. The Botswana visit was led by Peter Little and a summary was presented by Carol Dickerman. These trip reports are included in Appendix 2 to the report.

Each presenter acknowledged with appreciation the assistance given by Mission and RHUDO staff who helped with the reconnaissance visits. The findings of the reconnaissance visit were then presented focussing on the following points which highlight the important criteria that the project has established for country selection:

- 1) applicability of the peri-urban concept to key metropolitan centers in the country;
- 2) nature and urgency of land, labor, and financial market issues in peri-urban areas, and possible phase 2 studies;
- 3) host country interest in and policies toward peri-urban areas;
- 4) relationship to mission activities;
- 5) local institutional interest and capacity;
- 6) Mission financial support and backstopping;
- 7) cooperator requirements (staffing, languages); and
- 8) general applicability/feasibility of the peri-urban research model.

Among the five countries visited, three were proposed to be included in the project: Mozambique, Mali, and Botswana. These countries provide good opportunities to meet the project's objectives and provide useful information to Missions. The Cameroon Mission could not provide financial support and Zimbabwe did not satisfy enough criteria to be undertaken for study at this time; however, they have potential for consideration and may be undertaken in the event the project is extended.

Mozambique has several advantages that led to the decision to propose it as the first case study. These are mainly the urgent need for research results and the feasibility of initiating the field work in the fall of 1990. On the other hand, the war situation implies some instability for the peri-urban zone. It has created an artificial economy and has induced many additional conditions of in-migration, unemployment and poverty, which may render the study as an extreme and unique case. In relation to the eight criteria:

- 1) Peri-urban zones of Mozambique have become dynamic areas of change over the past decade. Peri-urban areas around Maputo represent an interesting and unique site for the study. These areas comprise the green zones that are becoming sites for temporary housing. These zones experience some political and economic instability due to the war situation.
- 2) Very active land, labor, and financial markets are found in and around the Maputo area, and a diversity of economic activity is present within these areas. Not much knowledge is available about informal financial systems; employment issues are overwhelming; the land markets are confused and tenure rights are insecure.
- 3) The Government of Mozambique and donors are interested in applying the research results to improve the policy base for development. The presence of a major structural adjustment program has important policy implications for peri-urban areas. There is a great need for research to reveal information about the state of the factor markets in this study. Some anthropological studies have been conducted but there is relatively little economic information to build on. A first-phase Social and Institutional Profile prepared by DAI will be provided to the cooperators by the USAID project manager which may supply additional insights into existing documentation about these markets.
- 4) Mission activities in Mozambique are highly concerned with raising agricultural production, poverty, employment, internal migration, land markets, financial markets, and women in development issues. A great deal of complementarity is found between project objectives and the interests of USAID/Mozambique.
- 5) Well-qualified and experienced local collaborators (researchers and institutions) are available. No prior experience is available in working with any of the potential collaborators, however, and it is uncertain to what extent they are able and willing to provide assistance and collaboration. Participation may be

possible from the Center of African Studies and the Faculty of Agronomy in Eduardo Mondlane University, the Green Zone Office, the Bank of Mozambique and the Banco Popular de Desenvolvimento.

- 6) The Mission has indicated interest in the project and is able to allocate some funding to the work.
- 7) Cooperation requirements will be finalized during the planning visit. OSU as LI has some advantage in communication with the local people because of faculty members' Portuguese language skills.
- 8) In general, Mozambique presents a very interesting case study for the implementation of the peri-urban model, although some difficulties may be encountered in implementing the research plan.

The second proposed country, Mali, meets several of the criteria established for the country selection in a way similar to Mozambique. Bamako, the capital city, is experiencing a severe economic crisis. Rapid immigration and a shrinking of the public sector have created a major unemployment problem. Observations about the criteria selected for the study include:

- 1) Peri-urban zones around Bamako are the focal point for diverse economic activities.
- 2) There are active land, labor, and financial markets in and around the Bamako area. Unemployment has reached high levels in urban areas, and there is an increasing demand for land for public infrastructure, residential housing, and the production of perishable agricultural products.
- 3) The government of Mali, NGOs and donors are interested in applying the research results to improve the policy base for development. The existence of a major structural adjustment program has important policy implications for peri-urban areas.
- 4) Mission activities in Mali are highly concerned with economic growth, poverty, employment, migration, land markets, and financial markets. A great deal of complementarity is found between the project objectives and the interests of USAID/Mali. Applied research needs to be directed to the issues already identified in USAID/Mission activities, specifically economic reform and liberalization, and the Haute Vallee project.
- 5) Well-qualified and experienced local collaborators (researchers and institutions) are available. None of the possible collaborators would be able to provide all the skills needed for the project; however, a mix of a number of them would provide opportunities for collaboration and networking. Further discussions and negotiations will be necessary to clarify issues of feasibility, mix of collaborators and approaches to integrating their roles and responsibilities into the project.
- 6) The Mission has indicated interest in the project and a willingness to cost-share with Bureau funds already provided.
- 7) Cooperation requirements will be finalized during the planning visit.
- 8) In general, Mali presents a very interesting case study for the implementation of the peri-urban model.

Botswana, the third country, represents an interesting case study because of a striking feature. Gaborone, the major city, is the fastest growing urban center in the world; the population is growing at an estimated annual rate of 11 percent. Much of this population is settling in peri-urban areas around Gaborone and is engaged in economic activities in these zones. Similar to the previous two countries, the features which make Botswana an appropriate country for this project are:

- 1) The peri-urban zones around Gaborone are very dynamic centers and have diverse economic activities.
- 2) Active land, labor, and financial markets are found in and around the Gaborone area. There is a significant growth of the informal sector in peri-urban areas that is absorbing the excess population and is solving some unemployment problems. The high demand for land around Gaborone exceeds the supply at the controlled prices. Although the financial system is not overburdened with liquidity problems, the small enterprises and the informal sector lack access to credit.
- 3) Interest was found on the part of the Government of Botswana and donors to apply research results to improving the policy base for private sector growth.

- 4) Mission activities in Botswana are highly concerned with private sector development, employment, land markets, and financial markets. A great deal of complementarity is found between project objectives and the interests of USAID/Botswana.
- 5) Well-qualified and experienced local collaborators (researchers and institutions) are available. Possible collaborators have background and experience that can be drawn on for the project.
- 6) The Mission has indicated interest in the project and has built funds for negotiated cost-sharing into the budget of its BPED PID.
- 7) Cooperation requirements will be finalized during the planning visit.
- 8) In general, Botswana is an excellent case study for the implementation of the peri-urban model.

B. Proposed Planning Visits

The planning visit to Mozambique is proposed to take place in July-August for a period of 2-3 weeks; tentative dates are given below in the schedule of the research program. The AFR/DP project manager will provide the cooperators with a copy of the SIP prepared by DAI on Mozambique and of the FY 1990-92 concept paper/action memo as part of their preparation for this visit. The LI does not have, at the present time, a junior staff member/ graduate student with proficient language skills ideally suited to supervise the field work in-country. Participants in the workshop took note of this issue and will attempt to pass on the request for names of a qualified person as a possible post doctoral candidate to be hired by OSU. The USAID Mission will also be notified, by the project director, of this matter and will be requested to make suggestions of possible candidates.

Prior to the planning trip, the cooperators will explore the possibilities of getting LANDSAT imagery and copies of available maps for the site. The SARSA group, headed by Dr. Peter Little, will take the initiative to provide more information about this issue because of its previous experience with GIS. Research arrangements and specific targeted tasks to be accomplished during this trip are the following:

- Meet with Mission and Government officials in related ministries. Arrange for future direct communication with the Mission. Agreement on initial time schedule and tentative dates for future trips. Cable notifications would be sent to USAID/Mission prior to cooperators travel dates.
- Adaptation and modification of the scope of work according to circumstances and needs in the country.
- Identification of local collaborators and negotiation of contracts, subcontracting or direct hiring, to define their scope of work and specific responsibilities. Investigation of collaborator's data entry and processing capabilities.
- Questionnaire design discussion and preliminary pretesting.
- Investigation of sampling alternatives.
- Research clearance procedures.
- Identify relevance of other research studies available or on-going.
- Logistics, money transfers, housing, and etc.
- Preplanning phase 2 studies.
- Budgeting.
- Mission backstopping.

Planning visits to Mali and Botswana are proposed to undertake tasks similar to those listed for Mozambique. A tentative schedule is outlined for these trips and the initiation of the phase 1 and phase 2 studies for the project (Table 1). However, these dates will be changed as necessary because of cooperator and Mission schedules, and because of information learned in the phase 1 studies.

C. Future Coordination with Missions

AFR/DP project director, Joan Atherton, has been communicating with the USAID Missions in the countries visited by the cooperators during the reconnaissance trips. Further communication is required to work out additional funding requirements and arrange for a suitable time schedule to initiate field work by cooperators which would be convenient for Missions, considering the schedule of other on-going activities. This task will be undertaken by Ms. Atherton and will be discussed with Mission program officers through out the summer of 1990. Final decisions regarding the number of cooperators to undertake phase 2 studies in each country depends largely on these negotiations, the country planning visits, and the outcome of the phase 1 surveys.

D. Schedule of Research Program

The research is proposed to be implemented over about a 36-month time horizon. The review of literature and reconnaissance trips were completed as scheduled. During this second workshop some modifications were made to the schedule of the research program that was proposed in the first workshop, because planning visits are added to the action plan. The projected schedule for the three countries is given in table 1.

Table 1
Approximate Schedule of Research Program

Activity	Mozambique	Mali	Botswana
Planning visit (alternatives)	7/10-31/90 7/23-8/10/90 8/10-31/90	10/15-30/90	1/10-23/91
Phase 1 study	11/90	2/91	4/91
Planning meeting phase 2	12/90		
Reporting phase 1 Results to Mission	3/91	9/91	10/91
Phase 2 study start-up	3/91	4/91	8/91

Other tasks to be scheduled include final reporting of phase 2 studies to Missions, a final comparative analysis, and final comparative reporting.

E. Questionnaire Design

A draft of the questionnaire to be used in the phase 1 study, which was prepared by the cooperators before the meetings, was reviewed. A copy is provided in appendix 3. This questionnaire will be used to generate baseline data and give information about the nature of the factor markets and types of economic activities in the sample households. Questions include an examination of types of land tenure, labor, migration, and financial transactions of households. The household head will be interviewed; however, the questionnaire is designed also to capture other sources of income generated by adult members living in the same household. The questionnaire is written in English and will be translated to different languages as needed. Phase 2 questionnaires will be designed by each cooperator to provide in-depth information about a specific market.

Several issues were raised regarding sensitive questions which need to be investigated. It was agreed that the time allocated to different activities is a more appropriate approach for phase 1 than the direct investigation of gross revenue or an approximation derived from the amount of resources used to generate output. More questions will be included to capture the overlap in tied transactions in the three factor markets.

Additional drafts of the questionnaire are going to be exchanged among the cooperators before the final draft is complete. The time schedule established is:

- May 15: second round of comments to OSU
- May 30: third draft to CAs
- June 15: third round of comments to OSU
- July 5: fourth draft to CAs; pretest in Mozambique
- August: feedback from Mozambique.

F. Literature Review

The first document reporting on the progress of this project was the proceedings of the first workshop. A draft of the literature review, annotations and general bibliographies was distributed during this second workshop. The Institute for Development Anthropology, a member of the SARSA group, took the lead to put this document together. All cooperators contributed in their area of expertise. This review is intended to document the important literature on peri-urban economies in Africa and to annotate the most important references. Some observations made from this literature review conclude that: first, concepts of peri-urban are not consistently defined; second, many sources related to peri-urban economies only address the topic in a tangential manner; third, geographic coverage of peri-urban economies is uneven; and fourth, not many studies have attempted to investigate the structure, function and efficiency of peri-urban markets. It is hoped that this study will shed more light on the definition and provide substantial insights into the literature.

Additions to this literature review will be made along the course of the work as other studies prove relevant. Comments and suggestions about the draft will be collected and used for revision. Copies of the final revision will be available from the Institute for Development Anthropology.

G. Data Analysis and Reporting

Local collaboration will be sought to carry out the phase 1 data collection. Senior/junior cooperator staff persons will provide supervision to ensure quality control, especially in countries where there is not much experience with local collaborators. The extent to which local collaborators will be responsible for data entry can not yet be determined; however, every attempt will be made to complete data entry in country and ship the questionnaires back to the U.S. for reference.

The baseline survey report will be the responsibility of the lead institution. It will document the major findings of the phase 1 survey. The report will include some descriptions of land use, occupational profiles, and access to financial services. This phase 1 examination should help define the peri-urban concept. The data will be available, in ASCII, Lotus, or other accepted format, to all cooperators and USAID Missions involved in the work.

The phase 2 studies will be designed to address issues relevant to the phase 1 households. However, successful completion of the phase 2 studies may not require or be adequately served by studying all or some of the same households. In fact, the phase 2 studies in the finance area, for example, might require studying the banks, credit unions, and informal lenders that serve peri-urban households. Alternatively, perhaps it will be decided that a study of credit union members is needed, and the phase 1 sample households may represent too small a number of observations for meaningful analysis. A special sample of credit union members may be required.

A final synthesis report from the baseline studies of the three countries will attempt to draw comparisons and general conclusions from the research. Interim reports will be provided as the work progresses. The final reporting of phase 2 studies will be carried out by each cooperator.

H. Future coordination among cooperators

Sampling methodology is an important issue which was not resolved during the workshop and will be discussed by cooperators after the planning visits .

Conference calls and comments by FAX will provide the required modifications to the questionnaire for phase 1.

Maps and other information will be shared among the cooperators prior to the planning visits to each country.

Planning for phase 2 studies is deferred until more information becomes available about Mission interests, budgets, and phase 1 results.

I. Budgeting and Financial Issues

The lead institution will be responsible for covering the costs of the phase 1 study. Phase 2 studies will be covered by each cooperator according to the nature of the in-depth work to be conducted. Further communication with Missions may lead to buy-ins and additional cost-sharing with Africa regional funds.

Financial arrangements for research in each country will be thoroughly reviewed during the planning visits. The scope of the research to be conducted in each country and, therefore, the cost will depend upon the nature of existing information about peri-urban areas, the amount of information the Mission desires, and the need to maintain a degree of research comparability across the three countries. Cost factors are likely to vary among the countries, and this will also have an important bearing on total research costs. The research budget included in the proceedings of this workshop may be adequate in one country, but may be much too low in another.

The question of allocating budgets among the cooperators will be a concern because of the differences in costs one cooperator may experience compared to another in conducting a phase 1 or 2 study in a particular country.

Appendix 1
Workshop Agenda

13-

**SECOND WORKSHOP ON
PERI-URBAN ECONOMIC GROWTH IN SUB-SAHARAN AFRICA**

**25 AND 26 APRIL, 1990
Shenandoah B Room
Rosslyn Westpark Hotel**

AGENDA

APRIL 24

Arrival at Rosslyn Westpark Hotel.

8:30 pm Informal meeting of the collaborators at the hotel (for those persons able to arrive in time).

APRIL 25

Coffee, tea, and danish available at 8:30.

8:30-8:40 **Dick Meyer (OSU). Opening remarks and overview of workshop format.**

8:40-8:50 **Joan Atherton (AID/AFR/DP). Opening remarks.**

As in Workshop No. 1, the Session Coordinators will referee the time, facilitate the discussion, and seek resolution of issues. The Rapporteurs will record the discussion and will put information on flip charts or the blackboard to assist in decision making. Agreements and unresolved issues will be recorded.

8:50-10:00 **Session 1: Review of Reconnaissance Reports**

Session Coordinator: Dick Meyer (OSU).

Rapporteur: Joan Atherton (AID/AFR/DP).

This session will involve a review of the country visits led by the following persons:

- Cameroon - Carlos Cuevas
- Botswana - Carol Dickerman
- Zimbabwe - Carol Dickerman
- Mozambique - Doug Graham
- Mali - Mike Roth

Each presenter will use approximately 10 minutes to summarize the findings of the reconnaissance visit including the following points:

- 1) applicability of the peri-urban concept to key metropolitan centers in the country;
- 2) nature and urgency of land, labor, and financial market issues in peri-urban areas, and possible Phase II studies;
- 3) host country interest in and policies toward peri-urban areas;
- 4) relationship to Mission activities;
- 5) local institutional interest and capacity;
- 6) Mission financial support and backstopping;
- 7) cooperation requirements (staffing, languages); and
- 8) general applicability/feasibility of the peri-urban research model.

10:00-10:15

Coffee and tea break

10:15-12:00

Session 2: Country Selection, Schedule, Follow-up

Session Coordinator: Doug Graham (OSU)

Rapporteur: Melissa Brinkerhoff (AID/S&T/RD)

This session will consist of two parts. First, Joan Atherton (AID/AFR/DR) will report on recent developments and communications. The second will be a general discussion of issues.

Joan Atherton (AID/AFR/DR). Report on Recent AID Developments and Mission Communications.

Discussion: The discussion will be guided to make decisions on the following issues:

- 1) Country selection
 - How many countries
 - What country (countries) first and why
 - How many countries are certain now and which ones may come on stream
 - Any additional countries to visit and when
 - Priorities and why

- 2) Cooperator selection
 - What is the preferred match between cooperators and countries considering personnel availability, nature of peri-urban problem, and probable Phase II studies, language and personnel requirements
 - Matching of countries and cooperators

- 3) Scheduling and follow-up
 - Communications with Missions
 - Scope of work modification
 - Buy-ins, clearances
 - Research planning visits
 - Recruitment of local collaborators
 - Research agreements
 - Subcontracts
 - Final questionnaire design
 - Inputs from collaborators
 - Field testing and revision
 - Division of labor among cooperators
 - Detailed time table leading to Phase I data collection for country No. 1 and perhaps No. 2

12:00-1:15

Lunch on your own

1:15-3:00

Session 3: Research Design and Methodology

Session Coordinator: Mike Roth (LTC)

Rapporteur: Terry Hardt (AID/S&T/RD)

The purpose of this session will be to review the concepts about research design developed in the first workshop and make decisions about any revisions that may need to be made.

- 1) Concept of Peri-Urban
 - Insights from the literature review
 - Insights from the reconnaissance visits
 - Insights from questionnaire design
 - Operational definition to delineate geographical area and implications for comparability

- 2) Integration of three market approach
 - Areas of complementarity
 - Simple data sharing versus integrated analysis
 - Implications of three country, two market model for comparability

- 3) Scope of research
 - One versus multiple peri-urban areas per country
 - Heterogeneity of households and economic activities
 - Possible firms as units of analysis
 - Probable sample size
 - Sampling design
- 4) Linkages
 - With other cooperator activities
 - With other Mission/host country/local institution activities
- 5) Project inputs and data sharing
 - Needs and interests of Missions/host governments/local institutions
 - In depth analysis in-country and in US
 - Desirability of a concepts paper
 - Literature review paper

3:00-3:15

Coffee and tea break

3:15-4:45

Session 4: Data Analysis and Reporting, Topical Studies

Session Coordinator: Peter Little (SARSA)

Rapporteur: Melissa Brinkerhoff (AID/S&T/RD)

The purpose of this session is to review several items discussed in Workshop No. 1 and to develop a research plan for data analysis and reporting including the following topics:

- 1) Implications of literature review
- 2) Local collaboration in Phase I data collection and analysis
- 3) Local input into questionnaire design
- 4) Coordination and supervision of field staff
- 5) Costs for Phase I
- 6) Expected analysis of Phase I data for the three markets
- 7) Possible Phase II studies and link to Phase I
- 8) Local support arrangements for Phase II, cost, coordination issues
- 9) Specific procedures for data processing, editing, and exchange

4:45-5:00

Closing comments, review of tomorrow's agenda

DAY TWO OF THE WORKSHOP

**Club Room
Rosslyn Westpark Hotel**

26 April

Coffee, tea, fruit, and danish available at 8:30.

8:30-10:00

Session 5: Revision of Research Plan

Session Coordinator: Dick Meyer (OSU)

The purpose of this session will be to review all aspects of the initial research plan in light of the previous day's discussion. As time permits, there will be additional discussion led by Carlos Cuevas (OSU) on the draft questionnaire that will have been distributed and discussed previously over the phone. This revised draft questionnaire will be distributed at the Workshop.

10:00-10:15

Coffee and tea break

10:15-12:00

Session 5: Continues

12:00-1:15

Planned lunch in Club Room, Westpark Hotel. (Advance reservations required)

1:15-3:30

Session 6: Review of Research Plan, Logistics and Schedule

The purpose of this session will be to review, discuss, and revise the research plan developed in the morning, and to work out the details for project implementation and schedule for the next 6 months. Emphasis will be on communication between cooperators, and between AID and the cooperators and a plan will be developed for the cooperators to provide necessary information for that purpose. A specific plan and schedule will be developed for:

- 1) Country priorities
- 2) Negotiations on final country-level scope of work
- 3) Final design of questionnaire
- 4) Visits to first country to develop all research arrangements
- 5) Future coordination and communication among cooperators
- 6) Future coordination and communication among participating missions
- 7) Nature of and schedule for research output

- 8) Budgeting and financial issues
- 9) Planning and reconnaissance visits to other countries

Besides this detailed short term schedule, the overall project schedule discussed in the first Workshop will be reviewed.

3:30-4:00

Concluding Remarks

Joan Atherton, Bill Douglass, Cooperators

4:00

End of Workshop

Participants may continue discussion of any outstanding issues or concerns.

Appendix 2
Reports on Reconnaissance Visits

Project on Dynamics of Peri-Urban Economies in Africa

Carlos Cuevas, Peter Little and Michael Roth¹
Cameroon Visit: 4-10 February 1990

I. Relevance of Cameroon to the "Peri-Urban Economy in Africa" Project

Cameroon would serve as a good case study for the peri-urban economy project because it meets several important criteria that the project has established for country selection. These include:

- o Active land, labor, and financial markets in Yaounde and Douala peri-urban areas;
- o Diversity of economic activity within these areas;
- o Presence of a major structural adjustment program that has important policy implications for peri-urban areas;
- o Availability of well-qualified and experienced local collaborators (researchers and institutions); and,
- o complementarity between project interests and those of USAID/Cameroon (discussed in greater detail below).

II. Project Objectives

Based on this initial reconnaissance visit, Cameroon (specifically areas around Yaounde and Douala) would provide good opportunities for meeting the project's objectives of:

- o examining how statutory law, key policies and property institutions are affecting resource use, tenure security, land distribution, investment and transactions in land;
- o documenting the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services;

Michael Enders of the Regional Bureau of Housing and Urban Development, Abidjan, also accompanied this research team on its reconnaissance trip to Cameroon. Although not directly involved in the peri-urban project, he accompanied the team to assess the relevance of the possible project in Cameroon in view of the Regional Bureau's interests.

- o determining the potential for viable financial intermediation among households and firms and the most promising institutional forms of supplying financial services to them on a self-sustained basis;
- o studying key contractual relationships (formal and informal) that have evolved in land, labor and capital markets, and their implication for program interventions; and,
- o identifying potential policy and program interventions for improving the functioning of land, labor and capital markets to promote economic growth and equity objectives.

II. USAID/C Activities

The following USAID/C activities were elaborated on in discussions with USAID staff:

a. Policy Reform of Agricultural Marketing Systems (PRAMS).

Program will focus on liberalizing agricultural commodity and input markets. Four markets for such reforms have been identified: arabica coffee, robusta coffee, cocoa, and pesticides.

The most immediate relevance of the peri-urban project to the marketing reforms is the emphasis on land and capital/credit markets. Neither land, labor, nor capital market reforms can be placed in a strictly commodity focus. Imperfections in all markets can result in insecure resource access, with direct implications for investment incentives in either farm or non-farm sectors. Evidence from this mission indicates that conflicts between statutory tenure and customary tenure and ambiguity of land rights are creating disincentives for labor and capital in peri-urban investment. Further, limited access to credit because of current problems in the financial sector is impacting growth and investment in farm and non-farm sectors.

b. Financial Sector Study.

The time frame for this project is still uncertain. However, given the current crisis of the banking system, there is growing concern in AID and in the business community about the performance and potential of the financial sector.

The objectives of the peri-urban project clearly match up well with this concern. Two possible options for this project were raised by USAID/C: (1) use the peri-urban project to do the background work for designing a financial sector study; (2) make the peri-urban project the financial sector study. We consider the peri-urban project as being most suitable for accomplishing (1). OSU and the mission will continue independent discussions on OSU's potential involvement in undertaking (2).

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c. New Institutional Activities.

The mission has become interested in the importance of institutions affecting the functioning of markets and property rights, based on studies by de Soto and others, and its recent experience with fertilizer market reforms. International organizations in general are increasingly recognizing that property institutions are affecting the supply and demand response of producers and consumers to structural adjustment reforms (price liberalization), and incentives for investment.

As noted in the objectives above, one of the principal objectives of the peri-urban project is to gather empirical information on institutions governing the functioning of factor markets in formal and informal sectors, and to improve researchers understanding of the impact of statutory and customary law and national and municipal policies on factor use and allocation.

d. Free Trade Zone.

This project emphasizes four principal reforms: (1) complete exoneration of all customs tariffs, duties and levies; (2) complete exoneration of firms within the new zone from taxes for 10 years, with a flat 15% tax rate thereafter; (3) One-stop shop for establishing a firm to reduce the large number of steps now required to enter an industry; and (4) provide for free-market wage rates and labor negotiations. Law was signed on 29 January 1990.

Mission cable (State 002256) suggested the possibility of using the peri-urban project to assist in tracking the economic impact of the free trade zone on the Douaïa peri-urban area. Based on this mission's assessment, the zone is at least 1-2 years from implementation and perhaps 3-5 years away from attracting a sufficient scale of economic activity to justify tracking and monitoring activities. However, the household baseline under Phase 1 of this project and subsequent topical studies under phase 2 would help establish a baseline for future evaluation of that project.

e. Other USAID/C Activities and Studies:

- o MAPS Private Sector Survey;
 - o Cornell University, Social Impact of Structural Adjustment Programs;
 - o FIAS Diagnostic Study of the Investment Environment; and,
 - o CAMCCUL, Cameroon Cooperative Credit Union League. A successful, long standing project in the mission supports the CAMCCUL primarily through funding technical assistance and training activities.
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At a minimum the peri-urban project can utilize these studies as secondary sources of information and build on their research findings. However, several more direct complementaries are envisaged. First, the combination of the MAPS private sector study and the peri-urban household study under Phase 1 would provide a comprehensive snapshot of economic activity (of both firms and households) in and around the area of Douala. Second, rigorous evaluation of statutory codes affecting land and capital markets, with empirical validation of impacts, should complement the work already underway by FIAS on evaluating the investment climate. Third, the current interest of CAMCCUL in spreading their organization into the francophone (specifically Douala) area of Cameroon, offers a significant point of coincidence and complementarity with the peri-urban project. As early as in the first phase of this study, the project will generate important data and will offer analytical results that would contribute to CAMCCUL's knowledge of this new area of activity.

III. Mode of Operation

A. Country Selection

Decisions on choice of countries for the study will be made at a project workshop to be held in Washington DC, 25-26 April 1990. However, an earlier decision is possible if there is consensus between the cooperators, AID/W and the local AID mission.

B. Research Design

Three cooperators were selected by AID/W for this project to encourage an inter-disciplinary and multi-market approach to studying institutional dimensions of factor markets in peri-urban economies. The research design will focus heavily on market institutions and contractual relations and how these impact market structure, investment, economic growth and welfare.

Research under the project will be undertaken in two phases. In phase 1, a household survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the household survey will be undertaken by a lead institution and a secondary institution. Choice of institutions will depend on the final mix of countries selected. But, our initial sense is that the research issues in Cameroon are highly compatible with the research expertise of Ohio State's rural savings mobilization cooperative agreement and Wisconsin's Land Tenure Center. However, certain activities related to labor contracts may justify visits and short-term work by the IDA/VPI SARSA cooperative agreement.

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C. Phase 1 Household Survey

Phase 1 of the study would consist of a baseline household survey in one peri-urban area in Cameroon, and the collection of secondary data from institutions and organizations concerned with the land, labor and financial markets. Our preliminary assessment is that Douala or one of the smaller regional centers would be appropriate for the research. However, since this project will require a comparative analysis of three country studies, decisions on site selection must await visits to the other countries scheduled for reconnaissance visits--Botswana, Mali, Mozambique and Zimbabwe--to help ensure comparability in research design.

Phase 1 of the project is designed to:

- a. establish a household data base;
- b. provide a snapshot of economic activities of households through statistical analysis of that data base;
- c. further refine or diagnose key factor market issues for the phase 2 studies through statistical analysis of that data base and interviews with ministry officials, local officials and expert witnesses.

Activities (a) through (c) are intended to provide USAID/W and the mission with interim outputs while laying the foundation for the phase 2 studies.

D. Phase 2 Topical Studies

Phase 2 of the project will involve the undertaking of specific research on topics emphasizing land and financial markets. Based on this reconnaissance visit, the following topics appear to be important issues, and may merit special attention in this second phase. Work under phase 1, will help to more narrowly focus, define and prioritize these studies:

- o inconsistency between the transfer of use rights over land via customary mechanisms versus the transfer of property rights under statutory law with implications for land access;
- o tenure insecurity affecting land transfers and land investment due to uncertainties in property rights posed by both customary tenure and statutory law;
- o high transaction costs in land title acquisition, and high transfer costs affecting factor mobility;
- o impact of structural adjustment policies on rural-urban labor flows, land rents, wages, employment, and small-enterprise activity;
- o feasibility and viability of the extension of the cooperative credit union movement to (francophone) peri-urban areas of Douala;

- o potential for the cooperative credit union sector to satisfy medium-term financing requirements of peri-urban housing and development;
- o linkages between the informal financial sector, the cooperative credit union organization and the banking system.
- o linkages between mortgageability of land and credit access.

E. Phasing

This research team is very sensitive to the interim reporting needs of the AID mission. All three institutions involved in this project are experienced in blending 'quick and dirty' analyses, to meet short to intermediate term mission needs, with long term research and analysis. This balance is reflected in the project design:

- o The phase 1 household survey is phased so as to provide interim reports within 6-8 months following its inception (3-4 months for data collection followed by 3-4 months for analysis and write up). This baseline will be accompanied by short term consultancies to complement the household survey. Outputs will be (1) a data base; (2) analysis of the data base; and (3) complementary reporting of key-informant interviews. Every attempt will be made to make this analysis policy and action oriented.
- o The phase 2 studies will emphasize data collection and rigorous statistical analysis. Realistically, final reporting from these phase 2 studies will not be forthcoming for 15-18 months following inception of the phase 2 work. But, it is also this intensive work that we have found most useful in understanding policy constraints and defining realistic policy options for governments. Every effort will be made to provide timely reporting.

D. Local Collaboration

The phase 1 study would entail significant participation of a local cooperator in the collection of primary data. Three possible collaborators have been visited during the course of this reconnaissance visit:

- o IOCS African Informatics S.A.
- o Ecole Superiore des Sciences Economiques et Commerciales, Douala.
- o Center for Research and Applied Economics, University of Yaounde.

All three institutions have background and experience suitable for this study. Which institution would be most appropriate, must await further discussions and negotiations.

IV. Project Financing and Administration

This team has been cautioned by AID/W against negotiating with the mission on its funding contribution to the project. Joan Atherton prefers to handle these discussions with the mission directly.

The mission however has requested some idea of what funding levels might be requested from the mission in this memo for its consideration. Based on preliminary budgets prepared by the cooperators, the project needs about \$450,000 to supplement the funds from AID/W to complete the research in 3 countries. If that amount is spread over three countries, the project would require about \$150,000 per mission. No evidence is yet available on what other missions are willing or able to spend. Further, based on this reconnaissance visit, without visits to other countries, our estimates of the \$450,000 needed to complete funding for the project is in the ball park.

According to the mission director, money is less an issue than demands of this project on the mission's time for project administration. The mission is currently stretched very thin, raising concerns about the additional work load raised by this project. Project officers were left in the final debriefing to consider this point.

Michael Enders offered the suggestion that, to the extent that the mission is interested, the regional housing and urban development office out of Abidjan would be willing to backstop the project and do any work on administration that may be necessary from AID's perspective. Outside of occasional meetings or briefings, the project would be 100% self contained and administered, with minimal requirements on the time of mission staff, should this solution be acceptable to all parties concerned.

Project on Dynamics of Peri-Urban Economies in Africa

Cameroon Visit: 4-10 February 1990

Schedule of Activities

<u>Date</u>	<u>Activity</u>
February 4	Carlos Cuevas, Peter Little and Michael Roth arrive in Yaounde.
February 5	Meeting with Brian Ames, Macroeconomist/Private Sector Officer (8:30 and 10:00 am). Meeting with Jay Johnson, Director; E.M. Amundson, Deputy Director; Norm Olsen, PRM; Bob Shoemaker, PDE; Tham Truong Economist; and Brian Ames of USAID/C (9:00 am). <u>Meeting with Paul-Andre' Derosiers and Andree' Delchef of the Centre Creation Entreprises Yaounde (3:00 pm).</u> Meeting with Tamar Manuelyanatic, Economist, and Kingston Aparah, <u>World Bank</u> (4:30 pm). Meeting with Samuel Ngogang, Director, <u>Center for Research in Applied Economics</u> (8:30 pm).
February 6	Meeting with Jean-Paul Ngameni, Director des Etudes et du Developpement, <u>Caisse Commune d'Epargne et d'Investissement</u> (8:00 am). Meeting with Tham Truong, EAPRI (11:00 am). Depart for Douala (12:30 pm). Meeting with Geeta Pasi, Vice Consul of the United States, and Jean-Marie Sumo, Assistant Commercial Attache, <u>American Consulate</u> , Douala (4:00 pm).
February 7	Meeting with William Tiga Tita, Director General, <u>IOCS African Informatics S.A.</u> (8:30 am). Meeting with Bernard Ngameni Kamga, Chef de Division des Etudes, <u>Chambre de Commerce, d'Industrie et des Mines du Cameroun</u> (10:30 pm). Field Visit Outside Douala: Kamga and Buea (12:30-6:30 pm).

- February 8 Meeting with Elong Mbassi, Director, and Antoine Settipani, Deputy Director, Mission d'Aménagement et d'Équipement des Terrains Urbains et Ruraux, Agence de Restructuration et d'Aménagement de Nylon (9:00 am).
- Meeting with Nida II Elie, Director, Ecole Supérieure des Sciences Économiques et Commerciales, Centre Universitaire de Douala (11:15 am).
- Travel from Yaounde (1:30 pm) to Douala (4:30 pm).
- February 9 Visited the University of Yaounde and the Center for Research in Applied Economics, accompanied by Samuel Ngogang (10:30 am).
- Meeting with John Balis, ARD (2:30 pm).
- Final debriefing with Jay Johnson, Director; Bob Shoemaker, PDE, and Norm Olsen, PRM (4:30 pm).

Project on Dynamics of Peri-Urban Economies in Africa

Carol Dickerman and Peter Little
Zimbabwe Visit: 12-19 February

I. Relevance of Zimbabwe to the Project

Zimbabwe would serve as a good case study for the peri-urban economy project because it meets several important criteria that the project has established for country selection. These include:

- o active land, labor, and financial markets in Harare peri-urban area;
- o diversity of economic activity within these areas, with a good mix of non-farm and farm activities;
- o availability of good secondary data bases on peri-urban areas, particularly such settlements as Epworth and Chitungwiza (Harare area); and
- o availability of local researchers and institutions for collaboration in the study.

Zimbabwe is particularly relevant to the project's objectives of:

- o documenting patterns of land ownership, use, and transfers in peri-urban areas and how these patterns are being influenced by competing demands for residential use, manufacturing and service industries, and agriculture;
- o analyzing the critical factors determining the allocation of labor by households among farm and wage employment, document the major sources of farm and non-farm employment, and examine how these sources have changed over time and how they vary spatially;
- o examining the employment generation potential of key peri-urban industries (e.g., housing and food-processing);

- o documenting the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services;
- o identifying the key factor market linkages between peri-urban and rural sectors and their effects on rural labor migration and capital flows; and
- o identifying potential policy and program interventions for improving the functioning of land, labor, and capital markets to promote economic growth and equity objectives.

II. USAID Strategic Objectives

During the past week we met with several USAID officers to discuss USAID/Zimbabwe's program. The following objectives and programs were identified as relevant to the objectives of the peri-urban project:

a. Export Promotion Project, SADCC Region

This program is currently being designed and will focus on the promotion of exports from the SADCC region. It has a strong emphasis on developing the private sector's capacity to participate in export trade.

The most immediate relevance of the peri-urban project to the Export Promotion Project is the identification of key manufacturing and agricultural activities in peri-urban areas that have export potential. Evidence from the Harare area indicates that certain industries, such as textiles, have moved from the urban to peri-urban zone. The movement of industry to peri-urban areas may reflect the lower costs of land and labor there than in urban areas. Decisions to locate export-oriented industries in peri-urban zones will depend on availability of land, skilled labor, and financial resources in these areas. By emphasizing these three key factor markets--land, labor, and capital--the study will be able to provide information on the opportunities and constraints that peri-urban areas provide to private-sector firms. In addition, because the peri-urban project is likely to work in at least two SADCC countries the Export Promotion Project will have access to information from more than one country.

b. RHUDO/Housing Guaranty Initiatives. RHUDO/Nairobi has been involved in substantial low-cost housing programs in Zimbabwe, most notably in Marondera, and is concerned to shift the burden for land delivery and housing provision from the public to the private sector.

The most immediate relevance of the peri-urban project to the long-term objectives of RHUDO/Nairobi is the investigation of the existing land markets, credit facilities, and housing and construction industries and their capacity for restructuring and expansion. All three of these factors are critical in the provision of shelter in the private sector. At the same time, housing-related activities are frequently the most dynamic sub-sector of the peri-urban economy.

c. Agriculture and Livestock Development: Regional Food Security

The Zimbabwe component of this project has carried out research and policy analyses related to grain marketing and food security; training of Zimbabwean counterparts; and publications and conferences on food security in the SADCC region. The program has been implemented through the MSU Cooperative Agreement on Food Security in Africa.

During the past three years, this project has collected considerable data on food security and agricultural production in the rural communal areas of Zimbabwe. It has very recently begun to consider peri-urban grain channels and milling around Harare. During the next year it has proposed to undertake research on grain marketing in the Chitungwiza peri-urban area, and the staff of MSU have expressed interest in collaborating with the peri-urban project if Zimbabwe/Harare area is included as a case study. The focus on land, labor, and capital markets in the Chitungwiza area would complement the MSU focus on grain marketing and milling.

d. Country Development Strategy Statement (CDSS), USAID/Zimbabwe

USAID will begin writing its CDSS in the near future. It is expected that the CDSS will be completed by the Spring 1991.

The peri-urban project will produce considerable information that will be of immediate relevance for the CDSS. Data on employment generation/labor markets should help USAID acquire an understanding of employment problems in Zimbabwe; the employment issue is likely to be an important theme in the CDSS. Other peri-urban themes that are likely to provide important information for the CDSS include the role of the private sector in peri-urban economies, particularly small and medium-scale enterprises, and land markets/land reform in these areas. The peri-urban project will also gather data on women's economic activities and household incomes that could be used in preparation of the CDSS.

III. Mode of Operation

Decisions on choice of countries for the study will be made at a project workshop to be held in Washington, D.C., 25-26 April 1990. The meeting will be attended by all three cooperating institutions as well as USAID/Washington Africa Bureau staff.

A. Structure of Project

Research under the project will be undertaken in two phases. In phase 1, a household baseline survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the baseline will be undertaken by a lead institution and a secondary institution. Choice of institutions will depend on the final mix of countries selected, but our current plan is for one institution to take the lead in conducting the household baseline survey and analyzing the data and for phase 2 studies to be undertaken by whichever institutions are most appropriate for the further investigation of issues raised by the household survey.

Phase 1 of the study would consist of a baseline household survey in the peri-urban area of Harare, while phase 2 would focus on the collection of secondary data from institutions and organizations concerned with the land, labor and financial

markets. Our preliminary assessment is that the household survey could be administered to a sample drawn from Chitungwiza, Epworth, and Seke Communal Area, permitting comparisons to be made between three different peri-urban locations of widely varying population densities, tenure types, and infrastructures. However, since this project will require a comparative analysis of three country studies, decisions on site selection must be tentative until an assessment can be made of the proposed peri-urban research sites in each of the countries scheduled for reconnaissance visits--Botswana, Cameroon, Mali, Mozambique, and Zimbabwe--to help insure comparability in research design.

B. Phasing

This research team is very sensitive to the interim reporting needs of the AID mission. All three institutions involved in this project are experienced in blending preliminary analyses, to meet short- to intermediate-term mission needs, with long-term research and analysis. This balance is reflected in the project design. The phase 1 baseline survey is phased so as to provide interim reports within 6 to 8 months following its inception. In Zimbabwe, administration of the baseline survey could best be scheduled to coincide with the University of Zimbabwe's long vacation, from December to March. This baseline will be accompanied by short-term consultancies to complement the baseline. The phase 2 studies will have a rigorous research focus. Realistically, final reporting from these phase 2 studies will not be forthcoming for 15-18 months following project start-up, although interim reports will be provided.

C. Local Collaboration

The phase 1 study would entail significant participation of a local cooperator in the collection of primary data. Three possible collaborators have been visited in the course of this reconnaissance visit:

- Centre for Applied Social Sciences, University of Zimbabwe
- Department of Rural and Urban Development, University of Zimbabwe
- Plan, Inc., Harare

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All three prospective collaborators have background and experience suitable for this study, can field teams of enumerators for the survey, and are able to undertake data analysis. Which institution would be appropriate must await further discussions and negotiations.

D. Phase 2 Topical Studies

Phase 2 of the study will involve the undertaking of specific research on topics emphasizing land, labor, and capital markets. In Zimbabwe, topics that may merit special attention in this phase include the following:

- employment generation associated with such peri-urban activities as the housing and construction industry.
- diversification of household economies in peri-urban areas.
- tenure insecurity affecting land transfers and land investment due to uncertainties in property rights posed by both customary tenure and statutory law.
- effects of varying levels of land mobility and constraints on residence on economic initiatives.
- source and investment targets of capital flows into the peri-urban areas.
- direction and nature of labor migration into peri-areas, whether from urban to peri-urban area, or from rural to peri-urban area.

IV. Project Financing

Funds for the peri-urban study have been provided primarily by AID/Washington, Africa Bureau. We would hope that participating missions would be able to contribute additional funding from bilateral or regional programs whose objectives are complementary to those of the peri-urban study.

Timetable of Zimbabwe Visit, 12-19 February 1990

February 12 Carol Dickerman and Peter Little arrive in Harare

February 13 Meeting with Doug Pickett, ADO, USAID/Harare (9 a.m.)

Meeting with Fred Zobrist, Deputy Director, USAID/Harare (12 p.m.)

Visit to Central Statistics Office and Surveyor General's Office, Harare (2 p.m.)

Meeting with Joshua Mushauri, USAID/Harare (3:30 p.m.)

Meeting with Brad Wallach, Project Office, USAID/Harare (4:30 p.m.)

Meeting with Tom Jayne, MSU Food Security Program (5:30 p.m.)

February 14 Meeting with Dr. Marshall Murphree, Director, Centre for Applied Social Sciences, University of Zimbabwe (10 a.m.)

Meeting with Colleen Butcher, Plan Inc., Harare (3:30 p.m.)

Field visit to Epworth with Ms. Butcher (4:30 p.m.)

February 15 Field visit to Marondera with Margo Ellis, Program Office, USAID/Harare, and Mrs. Makombe, Urban Development Corporation (8:30 a.m.)

Field visit to Chitungwiza (2 p.m.)

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February 16 Meeting with Department of Rural and Urban Planning, University of Zimbabwe (2 p.m.)

Meeting with Dr. Blanckenburg, Department of Agricultural Economics, University of Zimbabwe (2 p.m.)

Final consultations with USAID/Harare (3 p.m.)

Project on Dynamics of Peri-Urban Economies in Africa

Doug Graham and Michael Roth
Mozambique Visit: 20-24 March 1990

I. Timing of Visit and Team Composition

The project team was originally scheduled to arrive in Maputo on Monday morning, March 19. Upon arrival in Paris, the team learned that the LAM flight from Paris to Maputo would be delayed 3 days, due to a routine maintenance stop in Paris. Although it was later learned that the maintenance stop had been officially scheduled, for unknown reasons the travel agents at Madison and Columbus had not been informed of the schedule change during bookings. An alternative routing was made through Lisbon to Maputo on an Air Portugal flight, but due to the delay the team arrived in Maputo only on Tuesday, March 20 at 4:30 pm.

The team comprised two members, Douglas Graham of the Department of Agricultural Economics at Ohio State University, and Michael Roth of the Land Tenure Center and Department of Agricultural Economics, University of Wisconsin. David DeGroot of the Regional Bureau of Housing and Urban Development, Nairobi, also accompanied the team on the reconnaissance trip during the period 19-21 March. Although not directly involved in the peri-urban project, he accompanied the team to assess the relevance of the possible project in Mozambique in view of the Regional Bureau's interests and funding.

A complete list of contacts made during the course of the mission is included as Annex A.

II. Background

Peri-urban zones of Mozambique have become dynamic areas of change over the past decade. The insurrection has resulted in tremendous upheaval of the rural population, uprooting families from their traditional lands, and causing loss of belongings and life. While secure zones surround many of the urban centers in Mozambique, cities such as Maputo have not escaped the devastation of war. Rapid in-migration from the country-side and lack of employment opportunities have resulted in a rapidly expanding belt of sub-standard housing and poverty at the city's fringe. Insecure tenure rights over land and inadequate access to credit exacerbate private investment in physical infrastructure. Expansion has surpassed the capabilities of the state to either control land use through zoning, or to monitor the scope of activities.

The secure zone extending out roughly 20-30 kms from Maputo's center, affords the city a reasonable level of security. While on the one hand this boundary keeps at bay the insurgency, it also forms an artificial economy, characterized by intense competition for land and water resources and by massive unemployment due to migration from insecure outer zones. The influx of migrants have increased the demand for land for residential and agricultural purposes, and increased the pool of unskilled labor.

Unemployment resulting from both insecurity and the declining state and parastatal sectors is resulting in increased demand for agricultural land from urban and rural residents as a means for livelihood. Research by the Faculty of Agronomy has shown that many agriculturalists in the "green zones" are not farmers by trade, but rather people seeking or awaiting non-farm employment.

Maputo today is a dual city. The tree lined avenues and Portuguese architecture that border the sea within the old city walls is as picturesque as anywhere in Africa. Along with the country-side within the secure zones, the description of paradise used by residents and visitors is not uncommon or undeserved. Yet beyond the old city limits, the agricultural green zones are now becoming a vast area of temporary housing with limited or no access to water, electricity or sewage. Poverty is pervasive. One perceives a sense of pain in talking with long-term residents as they reminisce of the past. While the city has rebounded somewhat in recent years, it has deteriorated substantially from the times of only a decade or so past. As noted by Jose Forjas of the Faculty of Architecture and Planning, one is in effect witnessing the ruralization of Maputo. And as reflected in some of the work of the Center for African Studies, the green zones are perhaps more appropriately labeled peri-rural, rather than peri-urban.

At the very time that these challenges are greatest, the role of the state in routine matters of policy analysis and policy formation is waning. It is arguable the extent to which the Marxist-Leninist ideals of the past have contributed to the extent of economic woes. But clearly the process of decentralization from a socialist state to a market-oriented economy, have caused uncertainties concerning the appropriate roles of government employees and the purpose of state government.

III. Advantages and Disadvantages of Mozambique as a Case Study

Against this background, a number of considerations have an important bearing on the choice of Mozambique as a case study:

Starting with advantages, Mozambique meets several important criteria that the project has established for country selection, including:

- the presence of active land, labor, and financial markets in and around the Maputo area;
- diversity of economic activity within these areas;
- an active green zone policy by the government and peri-urban programs involving these zones by NGOs.
- presence of a major structural adjustment program that has important policy implications for peri-urban areas;
- availability of well-qualified and experienced local collaborators (researchers and institutions);
- interest on the part of the Government of Mozambique and donors to apply research results to improving the policy base for development; and,

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- complementarity between project interests and those of USAID/Mozambique (discussed in greater detail below).

However there are also a number of weaknesses that detract from the overall research design:

- The peri-urban zone is essentially an artificial economy derived from war. Consequently the zone is highly unstable, very dynamic and highly influenced by conditions of in-migration, unemployment and poverty;
- Decisions of producers and consumers are heavily influenced by the psychological effects of war, especially among the migrants from rural areas that have settled the peri-urban zones; and
- Because the situation is caused by war, the most important policy questions confronting the government concern the consequences of the insurgency either continuing or being eliminated. Constantly changing expectations of the population and policymakers, and the dynamics of the economy, are heavily influenced by current perceptions of peace versus continued insurgency.

Because of these three factors, it will be very difficult to separate the impacts of government policy from the impacts of war in the analysis. Further, from the perspective of planning a comparable research design among countries, peri-urban areas around Maputo must be considered an extreme case caused by very unique circumstances. Hence, the peri-urban economy is artificial in its origin, and only semi-permanent from a policy point of view. From the perspective of cross country analysis and need for a comparable research design across countries, these very important points must be kept in mind.

IV. Objectives of the Peri-Urban Project

Based on this initial reconnaissance visit, Mozambique would provide good opportunities for meeting the project's objectives of:

- Documenting patterns of land ownership, use, and transfers in peri-urban areas and how these patterns are being influenced by competing demands for residential use, manufacturing and service industries, and agriculture;
- examining how statutory law, key policies and property institutions are affecting resource use, tenure security, land distribution, investment and transactions in land;
- documenting the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services;
- determining the potential for viable financial intermediation among households and firms and the most promising institutional forms of supplying financial services to them on a self-sustained basis;

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- analyzing the critical factors determining the allocation of labor by households among farm and non-farm activities, documenting the major sources of farm and non-farm employment, and examining how these sources have changed over time and how they vary spatially;
- studying key contractual relationships (formal and informal) that have evolved in land, labor and capital markets, and their implication for program interventions; and,
- identifying potential policy and program interventions for improving the functioning of land, labor and capital markets to promote economic growth and equity objectives.

Essentially, the project would provide insights into understanding and managing a highly dynamic economic situation which factors centrally into Mozambique's capacity to continue a process of political integration and economic liberalization.

V. Definition of Peri-Urban in Mozambique.

While conceptual difficulties have been experienced in defining peri-urban in some of the countries previously visited, an operable definition does exist in the case of Mozambique. The operating definition used within the Ministry of Construction and Water Supply and by municipal government is zones 4 and 5 of Maputo province, starting roughly at the city's edge near the airport, and extending northward out of the city. This area is predominated by informal sector activities and extreme competition over land for residential and agricultural use. These areas comprise the green zones. The government maintains a green zones policy for food security reasons. Numerous PVOs and NGOs maintain research and program activities in green zone areas.

VI. Overlap and Linkages with USAID/M and World Bank Activities.

The following activities were elaborated on in discussions with USAID/M and the World Bank mission staff:

A. Poverty, Employment and Migration.

By far the most pressing issues posed to this team have been concerned with the issues of poverty and the settlement of migrants in peri-urban areas. Reportedly, the Ministry of Agriculture estimates that 50% of the people living in peri-urban areas would return to their rural homes should peace come about. This estimate is only an educated judgement, and is not based on any systematic research. Moreover, the percentage of returnees most certainly changes over time depending on such variables as access to land, employment opportunities, extent of overcrowding, insecurity associated with the insurgency, etc. Still, the dilemma posed during the team's discussions with the Ministry of Construction and Water Supply drives home the frustrations and challenges of this issue confronting analysts of land use planning. Should the

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government, for example, invest heavily in basic utilities, infrastructure and housing, and bear the risk that the investment goes unutilized with the exodus of people to rural areas with peace? Or, by developing infrastructure, are incentives being created to fix the population in place, in effect increasing disincentives to return to rural areas? A critical lack of data exists on the coping strategies of peri-urban populations:

- Do people have a desire to return, and do they have the means to return, given their loss of family and belongings as a result of war;
- What are the current strategies for coping with the war, their current means of livelihood and employment; and
- Do people have land, shops, businesses or other productive assets both within and outside the peri-urban zone, and what strategies are being used concerning the operation of, and investment in, these businesses.

B. Land Markets.

The green belt zones are characterized by considerable informal sector activities and intense competition for land and water resources. Cooperatives vie with large and small private producers for agricultural land. In-coming migrants have increased the demand for residential lands and small scale enterprises. Layoffs in the public and parastatal sectors appear to be increasing the demand for agricultural land as a temporary source of employment and livelihood, while these unemployed state employees continue to search for non-farm employment.

Land was nationalized after independence in 1975; only in 1988 was the Land Law officially published. The Law fails to consider urban land use and use rights. Considerable confusion exists over what rights are held, and the extent of state protection of those rights. According to Paul Jenkins of Pro-Habita, few people in Maputo know the boundaries of their land or have secure title. Agricultural producers and residential owners appear to be operating under very insecure tenure arrangements. Severe disputes and land use conflicts arise between individual families and cooperatives and between cooperatives and large private farms. Households traditionally have held 3-4 parcels of various qualities as a risk management strategy against drought. With the influx of migrants, however, land uncultivated or unused is settled or taken over by others.

Formal title is often rationed to civil servants, the military, and those with economic power. The titling process is sometimes used to gain access to land based on the provision that all unregistered land is owned by the state and subject to redistribution. Although there are provisions in the Law to protect the rights of those with long term demonstrated use rights, the unstable nature of settlement and migration in the area along with high scarcity value of land results in tenure rights becoming more ambiguous as demand for land rises. Because land cannot officially be transferred without government approval, disputes

are settled outside of official courts by either district or family chiefs. While the traditional authorities have no official power to allocate land, they are under considerable pressure to do so. Land is actively transferred, with cash transactions and transaction fees, all off the record.

In 1977, rental apartments became state property, with rents initially established on the basis of salary, and later according to size of property. Rents are fixed at a fraction of their market value. Apartment dwellers have no incentive to invest in their homes because of lack of ownership; the government has neither the capacity or the means to make improvements, because repairs and maintenance exceed rental revenues. Also, rents go to the Central Government, but the municipality must pay for the maintenance. Because rental values are equalized across space, there is no incentive to move to outlying areas because of limited buses, taxis, and otherwise high transport costs between urban and rural areas. Taxes are levied on salaries, sales of goods and services, and foreign trade, but property taxes are minimal. Hence market imperfections prevent private costs on property from truly reflecting scarcity value, exacerbating problems of in-migration and land use conflicts. Proposed constitutional provisions for private ownership could have an important bearing on the operation of land markets if enacted, further enhancing the policy importance of the peri-urban research project.

C. Financial Markets.

Three formal financial institutions operate in Mozambique: The Bank of Mozambique (BM) which is both a central bank and a commercial bank; the Banco Popular de Desenvolvimento (BPD) a state owned development bank; and another small commercial bank, the Banco Standard Totta de Mozambique (BSTM). Incremental lending in 1988 indicated a share of 48% for BM, 37% for BPD, and 7% for the BSTM. The remaining 8% is accounted for by the Caixa de Credito Agrario e Desenvolvimento Rural (CCADR), a subsidized agricultural credit program managed for the government by the BPD (this program is supposed to be terminating). Credit to agriculture (mainly to state enterprises) which was well over 50% up to 1987 dropped to 39% of incremental funding in 1988 as a result of bank reforms and restructuring.

Very little is known about the rural dimensions of financial markets in Mozambique. Formal institutions such as the BM and the BPD reach selected agricultural areas and enterprises with lines of credit. The former emphasizes support to export activity since it has the mandate to handle all activity that earns foreign exchange. The latter focuses its activity on enterprises producing for the domestic market. At the same time the BPD acts as a wholesaler of credit to such entities as the General Union of Cooperatives who in turn retail loans out to their member cooperatives in the Green Zones.

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The BM acts as the Central Bank of the country as well as a commercial bank. The other smaller commercial bank, BSTM, is a foreign owned private bank with only 7 branches. Both play a role in servicing deposit and credit markets with the BM exercising a much larger role through an extensive branch network in the major urban centers of the country. The BPD through its branches focuses more on development projects and includes an important agricultural sector portfolio in addition to managing a subsidized agricultural lending program (CCADR). Deposit mobilization was largely ignored up to 1987.

Administrative allocation of credit and public funds meeting the targeted goals of central planning predominated in the financial systems up to 1987. Not surprisingly, this led to high arrears and a large portfolio of non-performing loans. Under a complex program of financial reforms since 1987 (too detailed to get into here), the financial sector is being restructured to mobilize deposits and allocate credit more in line with market oriented principles with interest rates beginning to play a role as a rationing instrument in financial markets. Inflation has declined from several hundred percent in 1986-7 to 50% in 1988 and 30% in 1989. It is targeted to fall to 18-20% in 1990. If so, then the range of current loan interest rates (i.e. 17 to 36 %) would become positive in real terms. Deposit rates would still be negative in real terms except for some certificates of deposit and the longest term deposits.

While some documentation exists on the financial sector in general terms, there is little explicit information readily available on the degree of financial penetration into rural or peri-urban market areas through the established lines of credit from these formal institutions or from the development programs of the BPD. A peri-urban field survey could help clarify the nature, terms and conditions of formal finance within its purview, its relative importance in financing selective enterprises, producers and cooperatives, and possible strategies to improve financial intermediation in these settings.

Also very little is known about informal finance in Mozambique. It is felt that various forms of inter-family lending occurs, as well as some rudimentary form of ROSCA activity (i.e. informal rotating savings and credit activity). However, no one has any idea of the relative magnitudes flowing through these informal channels, the activities financed, or, in addition, the degree to which input suppliers or product buyers engage in implicit credit transactions through their contracts.

D. Women in Development.

The green belt areas around Maputo and other areas lend themselves to an investigation of many issues concerning women in development. Most of the agricultural producers and heads of households are women. Most of the agricultural cooperatives are comprised of women. Work loads are excessive, many live in poverty, and many are said to suffer from psychological duress of war. Many women are divorcees. The men are

either working or searching for work in nearby urban zones, have migrated to neighboring countries for employment, or have been drafted for the war effort. Women and children have traditionally been left behind to farm and subsist on their private plots and to work in agricultural cooperatives where cultivation and livestock activities are handled in a joint fashion.

There are a number of studies of the green zone, that have frequently been conducted by the Center of African Studies working through the General Union of Cooperatives. The studies characteristically emphasize issues of collective responsibilities with a goal of designing more effective strategies to improve the status of participants through government policies. However, there have been few studies documenting the production activities within a carefully constructed economic framework. The urban and semi-urban market linkages are poorly understood along with the interactions among land, labor and financial markets for cooperatives and individual women producers alike. A peri-urban field study documenting these interlinked factor and product markets could assist in the design of more effective policies that improve the productive potential of cooperatives and women in both agricultural and non-agricultural activities.

E. Structural Adjustment.

It was pointed out by Nils Tcheyan of the World Bank, that while studying the impacts of structural adjustment is important, a more forward looking approach is needed on how to make the structural adjustment process more effective. A critical shortage of data constrains the World Bank's efforts on project and program design in peri-urban and rural areas. Basic questions arise on how to resurrect the physical capital and morale of the country devastated by war, and how best to meet the most basic food security needs of the poor. If price policy change is supposed to increase rural incomes, what is the relationship between structural adjustment and stability in an unstable setting?

By and large, the primary interest of the USAID mission is to increase the knowledge of economic activities in peri-urban areas, and the coping strategies of that population. Such insights will improve both government and donor understanding of the scale of peri-urban needs, the nature of the dynamic between urban and rural areas, and the ways in which policy reforms (particularly pricing policies) affect economic behavior. Assuming the security situation does not change significantly in the near future, this type of information will give government and donors a basis for formulating policy on peri-urban areas which should influence long term settlement patterns and strongly affect the stability and viability of urban and peri-urban zones. Should the security situation improve significantly in the near future, the information base generated by the project will provide an empirical basis for estimating resettlement patterns and formulating appropriate policies.

VII. Mode of Operation

A. Country Selection

Reconnaissance trips have already been made to Botswana, Cameroon and Zimbabwe. Following this reconnaissance trip to Mozambique, Michael Roth and Tom Painter of SARSA will be visiting Mali March 25-31 on the last reconnaissance mission. In the 2-3 weeks immediately following, intensive discussions will be held on selection of countries and phasing of research. Final decisions on choice of countries for the study will be made at a project workshop to be held in Washington DC, 25-26 April 1990. However, an earlier decision is possible if there is consensus between the cooperators, AID/W and the local AID mission.

B. Research Design

Three cooperators were selected by AID/W for this project to encourage an inter-disciplinary and multi-market approach to studying institutional dimensions of factor markets in peri-urban economies. The research design will focus heavily on market institutions and contractual relations and how these impact market structure, investment, economic growth and welfare.

Research under the project will be undertaken in two phases. In phase 1, a household survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the household survey will be undertaken by a lead institution and a secondary institution. Choice of institutions will depend on the final mix of countries selected. But, our current plan is for one institution to take the lead in conducting the household baseline survey and for phase 2 studies to be undertaken by whichever institutions are most appropriate.

C. Phase 1 Household Survey

Phase 1 of the study would consist of a baseline household survey in the peri-urban area around Maputo. The suggestion was made by the World Bank that the household study be expanded to other peri-urban areas in the "priority districts program." These districts are those with historically high food production, relatively good infrastructure remaining, relatively good government security, and reasonable access. Expansion of the study to these areas will be considered as security and resources allow. Also, since this project will require a comparative analysis of three country studies, decisions on site selection must remain tentative until an assessment is made of the proposed research sites in each of the 5 countries scheduled for reconnaissance visits--Botswana, Cameroon, Mali, Mozambique and Zimbabwe--to help ensure comparability in research design.

Phase 1 of the project is designed to:

- a. establish a household data base;

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- b. provide a snapshot of economic activities of households through statistical analysis of that data base;
- c. further refine or diagnose key factor market issues for the phase 2 studies through statistical analysis of that data base and interviews with ministry officials, local officials and expert witnesses.

Activities (a) through (c) are intended to provide AID/W and the mission with interim outputs while laying the foundation for the phase 2 studies.

D. Phase 2 Topical Studies

Phase 2 of the project will involve the undertaking of specific research on topics emphasizing land and financial markets. Based on this reconnaissance visit, the following topics appear to be important issues, and may merit special attention in this second phase. Work under phase 1, will help to more narrowly focus, define and prioritize these studies:

- tenure insecurity and market constraints affecting land transfers and land investment;
- high transaction costs in land title acquisition, and high transfer costs affecting factor mobility;
- impact of rural-urban labor flows on land rents, wages, employment, and small-enterprise activity;
- coping strategies of households as they deal with the insurgency, lack of employment opportunities, and declining employment in state and parastatal agencies from structural adjustment reforms;
- linkages between the informal financial sector and the formal banking system; and
- linkages between mortgageability of land and credit access.

E. Phasing

This research team is very sensitive to the interim reporting needs of the AID mission. All three institutions involved in this project are experienced in blending consultancies to meet short to intermediate term mission needs, with long term research and analysis. This balance is reflected in the project design. The phase 1 household survey is phased so as to provide interim reports within 6-8 months following its inception (3-4 months for data collection followed by 3-4 months for analysis and write up). This baseline will be accompanied by short term consultancies to complement the household survey. Outputs will be (1) a data base; (2) analysis of the data base; and (3) complementary reporting of key-informant interviews. The phase 2 studies will have a more intensive research focus. Realistically, final reporting from these phase 2 studies will not be forthcoming for 15-18 months following inception of the phase 2 work, although interim reports will be provided.

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F. Local Collaboration

The project will require significant participation of one or more local collaborators for research and data collection. Four possible collaborators have been visited during the course of this reconnaissance visit:

- Center of African Studies, Eduardo Mondlane University. A multi-disciplinary Center, the staff is comprised of 10 Mozambicans and 4 expatriates. Although reportedly very busy, expressions of interests in collaboration were expressed in preliminary meetings. Many staff have conducted research in the green zones and on women in development issues. In the event that staff are unavailable, the Center maintains a list of consultants for hire. The Center also has access to enumerators, statisticians and experts in other departments.
- Green Zones Office, General Union of Cooperatives (Uniao Geral das Cooperativas Agro-pecuarias de Maputo). Prosperino Gallipoli has offered assistance with review of questionnaires, approvals for access to member cooperatives, and also the supply of enumerators comprised of young students and helpers working in the cooperatives.
- Faculty of Agronomy, Eduardo Mondlane University. Mr. Firmino Gabriel Mucavele of the Faculty of Agronomy has done extensive research in the green zones, but unfortunately will be leaving shortly for advanced training at the University of Florida. No other persons were contacted, but some institutional link is still possible.
- BM and BPD. In the second stage research in which questionnaires and documentation of rural financial market activity might be emphasized, selected staff of the BM and BPD could possibly be drawn in as key part-time collaborators in the analysis of formal financial programs and activities. The Governor of the Banco de Mozambique felt that this probably would be possible as long as full time participation was not required.

All four institutions have some background and experience suitable for this study. Which institution would be most appropriate, must await further discussions and negotiations.

IX. Project Financing and Administration

Funds for the peri-urban study have been provided primarily by AID/Washington, Africa Bureau. In order to carry out case studies in three African countries, it is important that Missions provide at least some cost-sharing arrangement. Joan Atherton of AFR/DP should be contacted to discuss the specifics of the budget and cost-sharing arrangements.

The mission has indicated interest in the research and has budget up to \$150,000 for the work. In addition RHUDO-Nairobi has offered to add another \$25,000 given that AID/M, AID/W and the three cooperators are in agreement.

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It is recognized by this report that the mission and RHUDO need to make decisions on the commitment of those funds at the earliest possible moment, either out of this year's or next year's funds. This issue will need to be quickly resolved in April.

The shortage of staff in the mission has again raised the issue of the demands of this project on the mission's time for project administration. The mission is currently stretched very thin, raising concerns about the additional work load raised by this project. Carlos Pascual raised the opportunity of having David DeGroot of the regional housing and urban development office out of Nairobi assist the mission in backstopping the project and with any work on administration. This team also emphasized that outside of occasional meetings or briefings, the project would try be 100% self contained and administered, with minimal requirements on the time of mission staff.

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ANNEX A

Timetable of Mozambique Visit, 20-24 March 1990

<u>Date</u>	<u>Activity</u>
March 20	Doug Graham and Michael Roth arrive in Maputo (4:30 pm). Meeting with Carlos Pascual, Program Officer, and Julie Born, Program Adviser, USAID/Maputo (6:00 pm).
March 21	Meeting with Prosperino Gallipoli, Green Zones Office (8:30 am). Field Visit to Green Zones around Maputo including visits to the Primeiro DeMaio Cooperative and the 16 de Junho Cooperative (10:00 am to 4:00 pm). Meeting with Steve Radojicic, Water Supply and Sanitation Officer, and with Fatemeh Ali-Nejadfard, Research and Project Officer and Women in Rural Development Officer, UNICEF (4:30 pm).
March 22	Meeting with Paul Jenkins, Pro-Habita, Ministry of Construction and Water (8:00 am). Meeting with Francisco Pereira, Ministry of Construction and Water (9:15 am). Meeting with Aileen Marshall, USAID PVO officer and WID officer, USAID/Maputo (11:15 am). Meeting with Teresa Cruz e'Silva and Isabel Casimiro, Centre of African Studies (2:30 pm). Meeting with Josef Forjaz, Faculty of Architecture and Planning (4:00 pm).
March 23	Meeting with Eneas Comiche, Governor, Bank of Mozambique (9:00 am). Meeting with Firmino Gabriel Mucavele, Faculty of Agronomy (11:00 pm). USAID debriefing with Deputy Director David Mutchler, Program Officer Carlos Pascual, Program Adviser Julie Born, Economist Luisa Capelao, and Project Development Officer Aileen Marshall, (2:00 pm). Visit to the National Agency for Geography and Cadastre in Mozambique, DINAGECA (4:00 pm). Meeting with Nils Tcheyan, Resident World Bank Representative (5:00 pm).
March 24	Meeting with John Yale, World Vision (8:00 pm). Doug Graham and Michael Roth depart Maputo (9:00 pm).

Project on Dynamics of Peri-Urban Economies in Africa

Carol Dickerman and Peter Little
Botswana Visit: 19-24 February, 1990

1. Relevance of Botswana to the Peri-Urban Project

The population of Botswana's major city, Gaborone, is growing at an estimated annual rate of 11 percent, which makes it the fastest growing urban center in the world. Much of this increased population is settling in peri-urban areas around the city and engaged in economic activities in these zones. Such nearby villages as Tlokweng and Mogoditshane are rapidly urbanizing and forced to absorb the increased population. This dynamism in the peri-urban areas makes Botswana an excellent case study for the Peri-Urban Project.

A. Active Labor Markets and A Growing Informal Sector

The Botswana people have participated in wage labor markets since the late nineteenth century. While much of the employment and labor migration were focused on the mining sector, both in South Africa and Botswana, more recently they have centered on such urban centers as Gaborone. Growth in employment in the mining sector has slowed and the formal sector in general is only able to absorb approximately half of the working-age population that annually enters onto the job market. While Botswana is confronting a serious unemployment problem, the informal sector has likely absorbed some of this excess population and in the future it will be the key to solving Botswana's employment problems. As in most African countries, the informal sector in Botswana is strongly concentrated in the peri-urban areas.

B. Important Land Tenure Issues

The Government of Botswana has elected to follow a cautious course in the provision of serviced land in the urban areas until recently, with the result that demand far exceeds supply. Land prices both in and around Gaborone have accelerated in recent years, and in the surrounding villages of Tlokweng and Gaborone-- and even as far distant as Mochudi and Ramotswa--there are increased numbers of applications for land by Gaborone residents seeking to acquire land for housing, commercial activities, and speculation. Although the Accelerated Land Servicing Programme, instituted in 1988, is expected to help ease this demand it will be a number of years before its effects will be felt. In the meantime, demand for land in and around Gaborone will continue to exceed supply and prices can be expected to climb. An understanding of the operation of the land markets in the peri-urban areas will be critical to an assessment of the potential for expansion of the informal sectors in these areas.

C. Active Financial Markets

Botswana provides an excellent opportunity to explore a financial system that is not overburdened with liquidity problems. Nonetheless, it is clear that there are major constraints for small enterprises and the informal sector in general to acquire access to credit for productive investments.

A major component of the project focuses on the ways that small-scale enterprises are constrained or benefit from the formal financial system, and the extent to which informal credit/savings organizations fill gaps in the formal system.

D. Secondary Data Sources

An important criterion for the selection of case study countries is the availability of secondary data that would allow examination of trends over time. In Botswana there are existing data sources on household incomes and expenditures, labor migration, land use and tenure, and employment that will greatly complement the peri-urban project, and allow some time-series analyses.

E. Collaboration with Botswanan Institutions and Researchers

Discussions with members of government and private organizations indicate: (1) there is a strong interest in peri-urban research; (2) the government is concerned about the development of peri-urban areas; and (3) there are several researchers and institutions that would be available for collaboration on peri-urban research. At this point we are inclined to work with the Applied Research Unit, Ministry of Local Government and Lands, and to draw researchers from different departments of the University of Botswana. The Applied Research Unit is directly concerned with settlement issues and would benefit from increased "on-the-job" training in survey methodology and data entry and analysis.

F. Relationship to Specific Project Objectives

Botswana is particularly relevant to the project's objectives of:

- o documenting patterns of land ownership, use, and transfers in peri-urban areas and how these patterns are being influenced by competing demands for residential use, manufacturing and service industries, and agriculture;
- o analyzing the critical factors determining the allocation of labor by households among farm and wage employment, documenting the major sources of farm and non-farm employment, and examining how these sources have changed over time and how they vary spatially;
- o assessing the employment generation potential of key peri-urban industries (e.g., construction and housing, agro-processing);
- o documenting the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services;
- o identifying the key factor market linkages between peri-urban and rural sectors and their effects on rural labor migration and capital flows; and
- o identifying potential policy and program interventions

for improving the functioning of land, labor, and capital markets in peri-urban areas to promote economic growth and equity objectives.

II. USAID Strategic Objectives

During the past week we met with several USAID officers to discuss USAID/Botswana's program. The data collected under the peri-urban project would be clearly most germane to the new Botswana Private Enterprise Development (BPED) Project. The overall objective of this project is to increase productive investment in the Botswana private sector, especially among citizens, in selected labor-intensive, non-traditional sectors. Below we discuss several ways that the peri-urban project can be helpful to the BPED.

A. Monitoring of BPED Impacts

BPED is required to monitor and evaluate the impact of its activities. This means that the project must have some baseline data to gauge changes that have resulted from the project. The peri-urban project can provide such baseline data in key areas:

- o the number of employees in peri-urban industries, such as construction, housing, and agro-processing (these are all activities that BPED has highlighted);
- o the number of women-owned small- and medium-scale enterprises in peri-urban areas;
- o the number of small-scale enterprises, particularly those owned by women, that have access to the formal credit system;
- o levels of household incomes in peri-urban areas;
- o the types and numbers of peri-urban industries that are currently exporting goods;
- o the major government/policy constraints that peri-urban enterprises confront; and
- o the capital:labor ratios of key peri-urban enterprises.

The Peri-Urban project is designed to collect baseline data on all of the above issues that have been highlighted as important parts of BPED. The Peri-Urban Project's researchers can work with the BPED staff to insure that our baseline data are used to assist them with monitoring the impact of their activities. We will leave copies of our data set that can be incorporated into the BPED monitoring and evaluation system. We can also point out to BPED staff areas/enterprises that have significant employment/investment potential.

B. Identification of Employment Generation Potential of Key Industries

In addition to collecting baseline data at the household and firm levels, the Peri-Urban Project will conduct case studies of key peri-urban industries. These case studies will focus on the employment generation potential of such industries as construction, housing, and agro-processing. These are industries that are concentrated in peri-urban zones and that are earmarked for assistance under BPED. These case studies will provide directly relevant data to BPED that will help it to identify the best means to assist these industries.

C. Formal and Informal Financial Systems

One of the goals of BPED is to strengthen the financial system so as to allow small-scale enterprises (particularly those owned by women) to gain access to needed capital. The peri-urban project will conduct research on formal and informal financial systems in peri-urban areas, including their policy/institutional environment. A major concern of the project will be to document how small- and medium-scale enterprises acquire needed capital. These data will be directly germane to BPED's goal of strengthening medium-scale financial markets.

D. Areal/Geographic Assessments of Private Enterprises

It is important that BPED have access to spatially-oriented information that will help guide investments in specific locations. Because the Peri-Urban Project has a location/geographic focus, it can assist with identifying specific areas with strong private sector potential; pointing out specific land and labor constraints or opportunities in these locations; and showing how private sector activities are influenced by geographic location (e.g., ease of access to major urban markets).

E. Identification of Land Tenure/Delivery Constraints to Private Sector Development

A critical component in any assessment of the potential for economic expansion in peri-urban areas will be data on the operations of the land market in and around Gaborone and an analysis of the effect of the various tenure types (Fixed Term Grant, Certificate of Right, 50- and 100-year leaseholds) on such important factors as landholders' access to credit and willingness to invest.

F. Focus on Women's Issues in Peri-Urban Areas

A significant number of households in peri-urban areas are headed by women, but they are likely to be relatively disadvantaged in terms of skills, access to capital, and ability to secure positions in the formal sector. Although there is some indication that women are beginning to receive training in such traditionally male pursuits as carpentry and construction work, it is by no means clear that such male-dominated occupations will be able to absorb women in proportion to their numbers in urban and peri-urban areas. Most women in the peri-urban areas will no doubt continue to depend on various domestic and agro-processing activities to generate income; without baseline data on these female-headed households, their

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economic activities, and the returns to women for their labor, however, it will be impossible to design programs that will enable women to break out of the cycle of poverty in which many of them are held.

III. Mode of Operation

Decisions on choice of countries for the study will be made at a project workshop to be held in Washington, D.C., 25-26 April 1990. The meeting will be attended by all three cooperating institutions as well as USAID/Washington Africa Bureau staff.

A. Structure of Project

Research under the project will be undertaken in two phases. In phase 1, a household baseline survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the baseline will be undertaken by a lead institution and a secondary institution. Choice of institutions will depend on the final mix of countries selected, but our current plan is for one institution to take the lead in conducting the household baseline survey and analyzing the data and for phase 2 studies to be undertaken by whichever institutions are most appropriate for the further investigation of issues raised by the household survey.

Phase 1 of the study would consist of a baseline household survey in the peri-urban area of Gaborone, while phase 2 would focus on the collection of secondary data from institutions and organizations concerned with the land, labor and financial markets. Our preliminary assessment is that the household survey could be administered to a sample drawn from Old Naledi in Gaborone and from communal and leasehold areas in and around Mogoditshane, permitting comparisons to be made between three different locations of widely varying population densities, tenure types, and infrastructures. However, since this project will require a comparative analysis of three country studies, decisions on site selection must be tentative until an assessment can be made of the proposed peri-urban research sites in each of the countries scheduled for reconnaissance visits--Botswana, Cameroon, Mali, Mozambique, and Zimbabwe--to help insure comparability in research design.

B. Phasing

This Research team is very sensitive to the interim reporting needs of the AID mission. All three institutions involved in this project are experienced in blending preliminary analyses, to meet short- to intermediate-term mission needs, with long-term research and analysis. This balance is reflected in the project design. The phase 1 baseline survey is phased so as to provide interim reports within 6 to 8 months following its inception. In Botswana, administration of the baseline survey could be scheduled to begin in late 1990-early 1991 with first results available in April or May of 1991. This baseline will be accompanied by short-term consultancies to complement the baseline. The phase 2 studies will have a rigorous research focus. Realistically, final reporting from these phase 2 studies will not be forthcoming for 15-18 months following project start-up, although interim reports will be provided.

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C. Local Collaboration

The phase 1 study would entail significant participation of a local cooperator in the collection of primary data. Several possible collaborators have been visited in the course of this reconnaissance visit:

- Applied Research Unit, Ministry of Local Government and Lands
- Department of Economics, University of Botswana
- National Institute of Development Research and Documentation, University of Botswana

All these prospective collaborators have background and experience that we might draw on for this study. The Applied Research Unit can recruit and train teams of enumerators and is anxious to take part in the data entry and analysis phases. The Department of Economics (both faculty and students) have been conducting a detailed study of household incomes and expenditures in the northeastern part of the country, while the National Institute of Development Research houses an extensive collection of materials on both rural and urban research.

D. Phase 2 Topical Studies

Phase 2 of the study will involve the undertaking of specific research on topics emphasizing land, labor, and capital markets. In Botswana, topics that may merit special attention in this phase include the following:

- employment generation associated with such peri-urban activities as agro-processing, the housing and construction industries.
- diversification of household economies in peri-urban areas.
- tenure insecurity and market constraints affecting land transfers and land investment.
- effects of varying levels of land mobility and marketability on economic initiatives.
- source and investment targets of capital flows into the peri-urban areas.
- direction and nature of labor migration into peri-urban and urban areas.

IV. Project Financing

Funds for the peri-urban study have been provided primarily by AID/Washington, Africa Bureau. In order to carry out case studies in three African countries, it is important that Missions provide at least some cost-sharing arrangement. Joan Atherton of AFR/DP should be contacted to discuss the specifics of the budget and cost-sharing arrangements.

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Timetable of Botswana visit, 19-24 February 1990

- February 19 Carol Dickerman and Peter Little arrive in Gaborone; afternoon spent in discussions with Mike Lippe, RIIUDO/E&SA, and in preliminary field visit to peri-urban areas of Gaborone
- February 20 Meeting with Dr. K. Frimpong, Dean, Faculty of Social Sciences, and Dr. A. Gyekye, Department of Economics, University of Botswana (10 a.m.)
- Meeting with Brian Egner, Egner Consultants (11:30 a.m.)
- Meeting with Will Elliott, USAID/Botswana (12:30 p.m.)
- Meeting with John Roberts, USAID/Botswana (2 p.m.)
- Meeting with R. Chephethe, Principal Urban Planner, Ministry of Local Government and Lands (3:30 p.m.)
- February 21 Meeting with M. Setimela, Director, and Mrs. L. Malamu, Urban Sociologist, Applied Research Unit, MLGL (8 a.m.)
- Meeting with Dr. R. Love, Acting Head, and Drs. A. Gyekye and O. Gyimah, Economics Department, University of Botswana (9:30 a.m.)
- Meeting with Professor N. Morapedi, Acting Director, and Dr. Ulla Kann, National Institute for Development Research and Documentation, University of Botswana (11 a.m.)
- Meeting with Agas Groth and E. Inger, Rural Industries Innovation Centre, Rural Industries Promotion (2 p.m.)
- February 22 Meeting with Lloyd Pierson, Director, and Ralph Hertwig, Peace Corps/Botswana (8 a.m.)
- Meeting with Barbara Belding, USAID/Botswana (9:30 a.m.)
- Visit Surveys and Lands Department (10 a.m.)
- Field visit to Mogoditshane and Molepolole; visit to Kweneng Rural Development Association and discussion with T. Wentzel, Peace Corps
- Field visit to Ramotswa, Tlokweng, and various sites within Gaborone (p.m.)
- February 23 Meeting with Chris Mulomo, Central Statistics Office (10:30 a.m.)
- Presentation to USAID/Botswana (11:30 a.m.)

Meeting with Dr. R. Silitshenya, Department of
Environmental Sciences, University of Botswana
(tentative, p.m.)

February 24 Field visit to Mochudi (a.m.)

Project on Dynamics of Peri-Urban Economies in Africa

Thomas Painter and Michael Roth
Mali Visit: 25-31 March 1990

I. Timing of Visit and Team Composition

The team comprised two members, Thomas Painter of the Institute for Development Anthropology, Binghamton, New York, and Michael Roth of the Land Tenure Center and Department of Agricultural Economics, University of Wisconsin. Michael Enders of the Regional Bureau of Housing and Urban Development, Abidjan, who had assisted the team in Cameroon, also accompanied the team on this reconnaissance mission to Mali to assess the relevance of the possible project in Mali in view of the Regional Bureau's interests.

A complete list of contacts made during the course of the mission is included as Annex A.

II. Background

Bamako like many cities in the Sahel is experiencing a severe economic crisis. Its population has exploded from only 62,000 people in 1957 (Lewis and Russell 1989) to 419,239 by 1976 and to 646,163 by 1987 (Enders 1989). Due to rapid in-migration from rural areas, the city's fringe has rapidly pushed out into heretofore agricultural zones increasing conflicts between residential use, small to medium scale enterprises, farmers and livestock herders. Unemployment has reached dangerous levels; by some estimates 25 percent of the active population are unemployed. Traffic jams are pervasive due to limited road infrastructure, and a cloud of dust hangs over the city during daylight hours from the heavy traffic on dirt roads. The congestion on the single bridge across the Niger river poses a severe bottleneck to and from the city. Rapid in-migration and low incomes have resulted in a rapidly expanding belt of squatter settlements and sub-standard housing with little or no infrastructure at the city's fringe.

Employment or the lack thereof is the single most important issue, and employment generation the top priority of donors and the government alike. The once burgeoning public sector has now begun to wane under the current economic crisis. Until very recently, fiscal shortfalls have meant delays of as much as 3 months in salary payments to public servants. Real public sector incomes have slowly eroded over time due to budgetary constraints, forcing civil servants to manage outside jobs to make ends meet. As many as 9,000 civil servants are being proposed for layoffs under current structural adjustment reforms and decentralization programs. Conversely, government interventions in price and trade policy, high taxes, official obligations and complicated regulations have created an unattractive business climate for both formal and informal sectors. While the informal sector's ability to escape government surveillance and taxes have given it an advantage over

the formal sector, fundamental questions remain concerning its potential to absorb the growing pool of migrants and civil servants.

Peri-urban zones have become the focal point for these diverse interests, resulting in a hotbed of economic activity and land use conflicts. The influx of migrants along with population growth is increasing the demand for land for public infrastructure and residential housing. Limited employment opportunities and low incomes force incoming migrants to seek agricultural land on the periphery for subsistence needs. Civil servants, who have privileged access to information and to mechanisms which permit land purchases at low prices, are reaching beyond the city limits to acquire land (concessions rurales) in order to supplement their incomes. The high demand for vegetables and milk products within Bamako and the perishability of these products is leading to increased demand for land with good access to urban markets. Capital for investment is scarce. Land markets are robust and pervasive as the urban wealthy and elite use official and traditional institutions to purchase land in the peri-urban area.

III. Advantages of Mali as a Case Study

Against this background, Mali meets several important criteria that the project has established for country selection, including:

- the presence of active land, labor, and financial markets in and around the Bamako area;
- diversity of economic activity within the peri-urban zone;
- an active peri-urban program within AID/M through the Development of the Haute Vallee Project;
- interest of NGOs in peri-urban problems, and the presence of already well-established programs (i.e. the ILCA peri-urban milk project) to look at peri-urban phenomena;
- presence of a major structural adjustment program and economic reform programs that has important policy implications for peri-urban areas;
- availability of well-qualified and experienced local collaborators (researchers and institutions); and,
- complementarity between project interests and those of USAID/M (discussed in greater detail below).

IV. Objectives of the Peri-Urban Project

Based on this initial reconnaissance visit, Mali would provide good opportunities for meeting the project's objectives of:

- Documenting patterns of land ownership, use, and transfers in the Bamako peri-urban area and how these patterns are being influenced by competing demands for residential use, manufacturing and service industries, and agriculture;
- examining how statutory law, key policies and property institutions are affecting resource use, tenure security, land distribution, investment and transactions in land;
- documenting the extent to which households, merchants and enterprises utilize formal and informal financial services (both credit and deposit services), or are suppliers of these services;
- determining the potential for viable financial intermediation among households and firms and the most promising institutional forms of supplying financial services to them on a self-sustained basis;
- analyze the critical factors determining the allocation of labor by households among farm and non-farm activities, document the major sources of farm and non-farm employment, and examine how these sources have changed over time and how they vary spatially;
- studying key contractual relationships (formal and informal) that have evolved in land, labor and capital markets, and their implication for program interventions; and,
- identifying potential policy and program interventions for improving the functioning of land, labor and capital markets to promote economic growth and equity objectives.

V. Location of Peri-Urban Project.

While defining the limits of the peri-urban zone has been problematic in certain countries previously visited, an operable definition appears to exist in the case of Mali. AID/M proposes that the Office de Haute Vallée (OHV) zone, an area of roughly 34,000 km² with Bamako at its center, be used as the peri-urban area. The OHV is an integrated development project in its 12th year of AID/M financing. The final research design of the peri-urban project need not correspond exactly with the boundaries of the OHV, but this zone appears quite suitable for purposes of the research. From a program perspective, the overlap between the OHV and the peri-urban project presents several opportunities: (1) information and recommendations generated by this research will contribute to the continued planning and development of the Haute Vallée Project, a very important objective of AID/M; and (2) the zone could give the peri-urban project the official credibility and institutional support it needs to conduct the research and to implement policy recommendations. It is also worth noting that ILCA has chosen the area around Bamako as its site for peri-urban research concerning opportunities for expanding forage, milk production and dairy marketing.

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VI. Overlap and Linkages with USAID/M

AID/M has indicated to this reconnaissance team that any work under the peri-urban research project will need to fit in with already existing AID/M program activities, specifically: (1) economic reform and liberalization; (2) the OHV integrated development project; and/or (3) decentralization. Based on this team's discussions with government officials, USAID/M staff and others, applied research directed to the following issues will provide relevant information, analyses and specific recommendations pertinent to (1) and (2) above.

A. Employment and Migration

Urban growth in Mali is estimated to be 5% per annum. The population of Bamako increased from 419,239 in 1976 to 646,160 in 1987, an increase of 54%. This rate of growth is almost double that of Mali's other urban centers (Sikasso, Segou, etc.), and almost three times the population growth rate for Mali during the same period. Natural increase accounts for a small percentage of this growth in Bamako; the largest increase comes through net in-migration. Unemployment is estimated to be as high as 25%, including growing numbers of:

- unemployed, unskilled, and uneducated youth;
- unemployed technical and superior school graduates, 3,500 of which are added to the job market each year, resulting in 17,500 graduates from 1983 to 1987 alone of which only 48% found jobs;
- early retirees from the government civil service;
- an estimated 6,000 workers dismissed from public and semi-public enterprises that were reduced in size, privatized, or closed down;
- rural inhabitants who have left the countryside for the city as the result of repeated droughts (whose origins can be traced at least to the late 1960s), declining agricultural productivity, and decreasing access to good quality land; and
- increasing numbers of migrants from other African countries (particularly the Cote d'Ivoire), where an estimated 3 million Malians still reside.

A combination of factors has sharply altered employment opportunity structures for Malians in Mali, throughout West Africa, and in Europe: structural adjustment, economic stagnation, and related changes in national policies aimed at curtailing the influx/presence of foreign workers. Repeated drought has also upset opportunities for securing livelihoods in the countryside. The result for Mali has been an increase in the number of unemployed from 19,000 in 1976 to 122,000 in 1987.

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The government of Mali has developed a variety of programs and projects to deal with employment problems in peri-urban areas in collaboration with, among others, ILO, Swiss Cooperation, UNDP, FED, FAC, IBRD, USAID, Norwegian aid, CIDA, and the Cologne Chamber of Commerce.

Efforts to improve employment confront numerous obstacles, some of which stem from a lack of information on the changing nature of opportunity structures in Mali's peri-urban zones. Examples include insufficient knowledge of employment markets; a poor understanding of market absorptive capacity for innovative income generating strategies, leading to widespread imitation, quick market saturation, and declining returns (e.g. poultry production for the Bamako market); an unclear picture of the micro-level (individual and household/family-level) impact of prolonged crisis and resulting local level strategies for adapting to greater resource constraints in everyday life; and a poor understanding of the spread of risk-taking and risk-absorption capacity across gender categories. Also of considerable significance for all efforts to capitalize on the "dynamic" nature of the informal sector is the underlying fact that this dynamic is driven by growing numbers of individuals who have very small and irregular amounts of disposable income.

Populations in the Bamako peri-urban area, on the other hand, are confronted with a variety of obstacles, including lack of access to credit; lack of reasonably priced land for dwellings and small-scale enterprises; the necessity for each active person to secure income from multiple sources to ensure household survival; depressed purchasing power among urban and peri-urban populations, leading to depressed earnings by individuals who seek to piece together livelihoods in the informal sector; and the increasingly heavy work loads of women (particularly in cases where they are the sole providers for households) who must juggle household responsibilities with the opportunities of multiple income sources.

B. Land Markets

Land in the peri-urban areas around Bamako may be acquired through one of three mechanisms:

- (1) Inside the municipality of Bamako, a person can apply to the government for a lot. An influential person well-connected within government circles might receive land in 4-5 years, although it is increasingly difficult for the government to find land. Without political connections it is impossible to obtain land through this channel. An undeveloped lot 25 meters x 25 meters costs in the vicinity of FCFA 100,000 to FCFA 300,000, excluding even the influential who are not wealthy.
- (2) Without political connections, land must be purchased from a willing seller. The same plot size under (1) today costs 1.5 to 6.0 million FCFA depending on location and family relations, and would normally be registered. There is a risk. Land untitled poses uncertainties to the buyer. Titled land by law cannot be transferred until it is

developed, and after expending large sums on land purchase, capital is often inadequate for development. Further, parcels are often purchased and sold for speculation. Notwithstanding this condition, so called "illicit" transactions are reportedly widespread on grounds that customary rights are sufficiently strong to validate the transfer, and the gains from speculation of rising land values are sufficient to offset the risks.

- (3) Purchase land through the village chief or village committee. Land sales by chiefs still occur within the city of Bamako, but such transactions are more prevalent in areas outside the city, where land is less scarce. Many of the squatters in and around Bamako acquired their land through this mechanism. Reportedly once the transaction is made, the village chief respects the sale. But there are several risks: (1) the chief can die and without witnesses or records, the land may be reclaimed by village members; and (2) the land is not registered and thus can be expropriated by the government without compensation. The weekend farmers of Bamako today generally acquire land through this mechanism.

Once land is purchased, the land can be registered with a provisional title of occupation ('Permit d'Occupee' in the case of the city of Bamako, or 'Titre Provisoire' in the case of the districts). District authorities once allowed registration of up to 10 ha of land outside Bamako. Because of growing land scarcity, this limit has now been reduced to 2.5 ha. After 5 years, the applicant can apply for a definitive title ('Titre Foncier') if conditions (unknown) are met.

Whether on the basis of need or to take advantage of investment opportunities, urban residents are purchasing land in peri-urban areas for "weekend farming", for establishment of residences, and for crop and livestock agriculture. Many government civil servants are participants presumably due to preferential access to information and their greater understanding of bureaucracy. Commercial entrepreneurs acquiring land for livestock farming has also been an important phenomena. Low tax rates, the rising demand for milk products, and disincentives in formal sectors have made livestock and dairying lucrative industries. Although cash transactions and some form of compensation appears to accompany the transfer, questions of land grabbing, land speculation, and land displacement remain. Fundamental questions also arise concerning the efficiency of the market mechanism in transferring land from buyers to sellers, land use efficiency, the effect of tenure insecurity on land investment and productivity, selection biases involved in the titling process, and costs and benefits of gaining access to title.

Discussions with Paul Bartholomew and Siegfried Debrah of ILCA point out the importance of tenure security in the investment decisions of dairy producers. cursory observations indicate that influential dairy farmers in the Bamako peri-urban area who have acquired title and have clear ownership have invested substantially in their farms (fencing, wells and cattle shelters). To what extent this reflects greater access to capital or is the result of increased tenure security is unknown. Inter-relations among title, tenure security, transferability of land, and mortgage are also important

questions. In a more general sense, what effect have the 'Titre Provisoire' and 'Titre Foncier' had on borrowers access to capital and the supply of credit?

Agriculture, whether it be vegetable growing or dairy production and marketing, presents lucrative investment opportunities. Fundamental questions arise concerning the sustainability of these opportunities in and around Bamako in light of rising land values and demands for land for residential and non-farm commercial use. Since many or perhaps most vegetable growers are renters, fundamental questions arise concerning their tenure security, incentives for investment in new agricultural techniques, fruit-tree production, and use of medium to long-term agricultural investment. Land access also affects economies to scale in dairy production and marketing. In rural areas, communal land tenure arrangements reportedly provide inadequate incentives for intensive forage production, thus inhibiting the expansion of milk production. New forage technologies are available, but it is not clear whether farmers will have sufficient tenure security and exclusionary rights (livestock herds in the dry season) for the technologies to be profitable if they are introduced.

Demographic pressures and economic development are beginning to increase land scarcity as much as 100 km outside the city of Bamako. The opening of new paved roads out of Bamako is now making it easy for urban residents to acquire land. The areas along 60 kms of paved road between Bamako and Koulikoro appear to have been largely claimed, and strip development is occurring. Discussions with representatives of several village associations in areas on the outer periphery of the OHV area revealed that population pressures are now making land access difficult in certain areas. But some villages are responding by intensifying land use, in effect substituting labor and capital for the scarce land resource. Issues of security of property rights in land will be emerging with the introduction of land-intensive technologies.

Land markets are in a state of flux. AID/M is seeking fundamental information under the OHV project about land market mechanisms, the nature of buyers and sellers, efficiency of markets, etc. The question is not whether important land issues exist, but how to define a research program that responds to the limited funds.

VII. Mode of Operation

A. Country Selection

Reconnaissance trips have already been made to Botswana, Cameroon, Mozambique and Zimbabwe. In the 2-3 weeks immediately following, intensive discussions will be held on selection of countries and phasing of research. Final decisions on choice of countries for the study will be made at a project workshop to be held in Washington DC, 25-26 April 1990. However, an earlier decision is possible if there is consensus between the cooperators, AID/W and the local AID mission.

B. Research Design

Three cooperators were selected by AID/W for this project to encourage an inter-disciplinary and multi-market approach to studying institutional dimensions of factor markets in peri-urban economies. Research under the project will be undertaken in two phases. In phase 1, a household survey will be administered to a sample of households in the peri-urban area of one major population center. In phase 2, topical studies identified on the basis of the household survey will be undertaken by a lead institution and a secondary institution. Choice of institutions will depend on the final mix of countries selected. But, our current plan is for one institution to take the lead in conducting the household baseline survey and for phase 2 studies to be undertaken by whichever institutions are most appropriate. Currently, the most important issues appear to be land and employment. Information needs for financial markets are of lesser importance, because it has been more widely studied.

C. Phase 1 Household Survey

Phase 1 of the study would consist of a baseline household survey in the peri-urban area around Bamako. Since this project will require a comparative analysis of three country studies, decisions on site selection must remain tentative until an assessment is made of the proposed research sites in each of the 5 countries scheduled for reconnaissance visits--Botswana, Cameroon, Mali, Mozambique and Zimbabwe--to help ensure comparability in research design.

Phase 1 of the project is designed to:

- a. provide a picture of economic activities of households through quantitative analyses of the data base; and,
- b. further refine or diagnose key land, labor and financial issues for the phase 2 studies through statistical analysis of that data base and interviews with ministry officials, local officials and expert witnesses.

Activities (a) and (b) are intended to provide USAID/W and the mission with interim outputs while laying the foundation for the phase 2 studies.

D. Phase 2 Topical Studies

Phase 2 of the project will involve the undertaking of specific research on topics emphasizing land and labor markets. Based on this reconnaissance visit, the following topics appear to be important issues, and may merit special attention in this second phase. Work under phase 1 will help to more narrowly focus, define and prioritize these studies:

- nature of the land market mechanism, actors involved, the outcomes of land markets concerning economic growth and distribution of resources, and policy implications of market constraints affecting land transfers;

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- levels of insecurity in property rights in land and water resources, and the impacts of this insecurity on labor and capital investment in agriculture, housing, and manufacturing sectors;
- market factors restricting the access to land and financial market resources, and possibilities for increasing credit access through mortgageability of land;
- diversification of economic activity, resource allocation, investment strategies and employment decisions by peri-urban households (extending from urban to rural areas);
- impact of rural-urban migration on land rents, wages, employment, and small-enterprise activity; and,
- coping strategies of households as they deal with the current economic crisis, and declining employment in state and parastatal agencies from economic reform measures;

This phase II research on peri-urban areas will need to be undertaken from two perspectives: (1) employment strategies of urban households in terms of farm and non-farm activities and their demand for land in peri-urban areas; and (2) the employment strategies of mostly agrarian households on the outside periphery of the peri-urban area in terms of off-farm employment opportunities in the region and in Bamako. Thus, the study will focus on the dimensions of both urban-rural and rural-urban diversification strategies of households to adapt to current economic conditions.

E. Phasing

The research team fully appreciates the importance the AID mission accords to the policy and program relevance of the proposed studies. All of the collaborating institutions involved in this project are experienced in combining short-term data collection and analyses, which are responsive to intermediate term mission needs, with long term research and analysis. This balance is reflected in the project design. The phase 1 household survey is phased so as to provide interim reports within 6-8 months following its inception (3-4 months for data collection followed by 3-4 months for analysis and write up). This baseline will be accompanied by short term consultancies to complement the household survey. The phase 2 studies will have a more intensive research focus. Realistically, final reporting from these phase 2 studies will not be forthcoming for 15-18 months following inception of the phase 2 work, although interim reports will be provided.

D. Local Collaboration

The project will require significant participation of one or more local collaborators for research and data collection. The team held discussions with staff members of four possible collaborators during the course of this reconnaissance visit:

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- The Institut des Sciences Humaines (ISH) is part of the Mali government's Ministry of Culture. ISH was created initially to undertake basic research over a broad range of areas in the social sciences and the humanities. Since the mid-1980s, ISH has been increasingly involved in development-related social science research. In 1989 this orientation was made official by a government decree mandating a more applied/development orientation for ISH programs. Recent and ongoing research activities include work on socio-economic development of populations resettled because of the Manantali high dam, socio-economic development and natural resource use in southern Mali where onchocerciasis has been controlled and where settlement is occurring, and a national study of rural-urban migration. The ISH staff consists of seven core professionals trained in the social sciences and the humanities, 15 collaborating associates, and additional technical staff. ISH can prepare and administer survey instruments, and conduct the analysis, but has no current capacity for computerized data entry or analysis.

- Ecole Normale Superieure (ENSUP). Contacts with the staff of the Laboratoire Tiers-Monde Afrique: Les Societes dans Leur Histoire et Leur Environment of the Universite de Paris VII, prior to arriving in Bamako, revealed that students and staff in geography of ENSUP's Department de Histoire et Geographie have done potentially relevant work in the Bamako urban and peri-urban areas. Discussions with the Department's director and several faculty members confirmed the presence of student work and past, ongoing and planned research projects by department staff on Bamako and its region. ENSUP is another potential source of collaborating personnel whose approach seems to be particularly relevant to the more in-depth studies planned for Phase II of the peri-urban study. Participation of ENSUP staff, if judged desirable, would be on an individual basis.

- Center for Applied Research on Population and Development (CERPOD). A multi-funded donor effort, CERPOD is involved in various studies of population, health, and social welfare. Its facilities are impressive, and include 30-40 micro computers in carefully controlled environmental conditions. While not a potential source of field research assistance, CERPOD offers considerable potential for collaboration in the form of exchange of information, computerized analysis, technical data base assistance, and perhaps office space. Because of the high demands on CERPOD's computer capacity, the purchase and import of a microcomputer will be necessary to ensure entry and analysis of the peri-urban project's data.

- Office of Haute Vallee (OHV). The OHV covers most of the peri-urban area and offers considerable potential for collaboration. Based on discussions with AID/M, four areas of collaboration might be considered: (1) conducting complementary studies to the OHV's own research activities in the zone; (2) institutional support in gaining necessary official approvals to conduct research in the area; (3) the official Malian collaboration needed to

institutionalize policy recommendations and to pursue sustainable interventions; and (4) possibilities for logistical support. Unfortunately, time did not permit discussion of the last point. Because of CFA zone prices, field research costs promise to be high in Mali. The team requests AID/M to consider ways that OHV resources might be used for the research, or how this project's funds might be utilized to strengthen OHV resources. Another option is to use the OHV framework to coordinate activities with the other collaborating institutions mentioned above.

Other potential collaborators include:

- Bureau d'Etudes, de Conseils, et d'Interventions au Sahel (BECIS). The team was unable to make contact with BECIS staff during the reconnaissance visit, but did have the opportunity to review its work on informal credit markets, "Marche Financier Informel: Etude en Milieu Urbain et en Milieu Rural." AID/M's experience with the firm has been very acceptable. The informal credit market study reviewed by the team reflects a good command of survey methods, conceptualization of research, and the ability to work independently.

None of the above institutions would be able to provide all the skills needed for the peri-urban project. However, some mix of the above would provide opportunities for collaboration and networking. Further discussions and negotiations will be necessary to clarify issues of feasibility, the optimal mix of collaborators and effective approaches to integrating and delegating their roles and responsibilities in the project.

IX. Project Financing and Administration

Funds for the peri-urban study have been provided primarily by AID/Washington, Africa Bureau. In order to carry out case studies in three African countries, it is important that Missions provide some cost-sharing arrangement. Joan Atherton of AFR/DP should be contacted to discuss the specifics of the budget and cost-sharing arrangements.

The mission has expressed a tentative interest in the research conditional on its acceptance of a project proposal. While any discussions of funding are tentative until such a proposal is accepted, the figure now being considered by the mission is \$50,000/yr for three years. In addition, RHUDO-Abidjan may be willing to add a small amount of funds given that the research has an urban focus. If AID/M does a buy-in, the funds would likely come from a studies line item in the OHV budget. These funds have already been committed, so timing is less urgent. Michael Enders has indicated, however, that he will need to commit the RHUDO funds by the end of May, so timely decisions on a project proposal and choice of countries is needed.

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According to Mission Director Dennis Brennan, project approval in Mali will also be conditional on cooperators' agreement on the following:

- all reports will need to be published in French;
- collaboration needs to be genuine including authorship of Malian collaborators on reports; and,
- the research is applied and fits in with AID/M mission activities.

Because of shortage of staff in the mission, cooperators are requested to respect the time demands of mission staff; the mission also has indicated the importance of respecting the time demands of cooperators. It is also important to involve the mission in the research findings and to keep them informed. A mutual involvement of peri-urban staff, AID/M staff and Malian collaborators is considered by the mission to be very important.

ANNEX A

Timetable of Mali Visit. 24-31 March 1990

<u>Date</u>	<u>Activity</u>
March 24	Tom Painter arrives in Bamako (6:05 pm).
March 25	Michael Roth arrives in Bamako (3:15 pm).
March 26	Overview meeting with Jon Breslar, Program Office (9:00 pm). Meeting with Mission Director Dennis Brennan (9:40 pm). Meeting with Agricultural Economist David Atwood, DHV Project Officer Dennis Bilodeau, Program Officer Jon Breslar, General Development Officer George Thompson and Malian USAID Staff (10:00 pm). Meeting with Yaya Togola, Director General, Office of Haute Vallee, and Adly Hassanein, Chief of Party, Development of Haute Vallee Project, USAID/Mali (1:30 pm). Meeting with William Dalrymple, Cooperative Business Advisor, Bamako (3:00 pm).
March 27	Meeting with Madame Sy Assana, Directrice du Credit, and Madame Mirianne Sissago, Directrice Adjointe, Division Du Credit, Banque Internationale Pour L'Afrique Occidentale au Mali (BIAO/Mali) (9:30 am). Meeting with Dr. Mamadou Bagayoko, Directeur, Office National de la Main D'Oeuvre et de l'Emploi (11:00 am). Meeting with Hamadou Magassa, Planificateur/Sociologue, Direction Nationale de la Planification, and Souleyman Doucoure', Conseiller Technique, Ministere Administration Terretoriale du Developpement a la Base (12:00 pm). Meeting with David Atwood (3:00 pm). Archival Research in USAID library (3:30 pm).
March 28	Field Trip to the Office of Haute Vallee zone. Visited AVs in the villages of Kafara and Sougoula (8:30 am to 4:30 pm).
March 29	Meeting with Directeur Adjoint Moussa Sow, Felixe Yaouja Kone, and Madame Maiga Fatimata, Institut des Sciences Humaines (10:30 am). Meeting with Moulage Diallo and Sory Ibrahim Diabate, Ministry of Environment and Livestock (12:00 pm).

Visit to the Center for Applied Research on Population and Development (CERPOD) and tour of CERPOD facilities (Roth only) (1:45 pm).

Meeting with the staff of the History and Geography Department, Ecole Normale Supérieure (ENSUP) (Painter only) (1:30 pm).

Meeting with Team Leader Paul Bartholomew, and Agricultural Economist Siegfried (Kofi) Debrah, International Livestock Centre for Africa (ILCA) (5:00 pm).

March 30

Field trip along the Koulikoro road to view market gardens, roadside land acquisition, and development (7:00 am).

Meeting with Mr. Ibrahima M'Bouille Fofana, Directeur General Adjoint, Office National de la Main d'Oeuvre et de l'Emploi (Painter only) (8:30 am).

Meeting with Mr. Figuiere, Office des Migrations Internationales, (9:00 am).

Meeting with Mr. Manlafi Keita, Training Officer, USAID (10:00 am).

Meeting with Oumar Dia, USAID/M, concerning land markets in and around Bamako (11:00 am).

Wrap-up session with Jon Breslar and Dennis Bilodeau (1:00 pm).

Meeting with American Ambassador Pringle (2:30 pm).

Final debriefing with Mission Director Dennis Brennan and Jon Breslar (4:00 pm).

Meeting with Mr. Doulaye Konate, Director of History and Geography Department, Ecole Normale Supérieure (ENSUP), (6:30 pm).

March 31

Meeting with Mr. Ouedraogo, Chef de la Division, D'Etudes et de Recherche, CERPOD (11:00 am).

Meeting with Mr. Sidike Traore, History and Geography Department, ENSUP (1:00 pm).

Appendix 3
Questionnaire Draft

PERI-URBAN ECONOMIC GROWTH

Questionnaire for Peri-Urban Households
Baseline Survey, 1990

SECOND DRAFT
24 April 1990

- | | |
|---|-----|
| 1. Identification number _____ | 1. |
| 2. Interviewer's name _____ | 2. |
| Place: 3. Province (region) _____ | 3. |
| 4. Administrative division _____ | 4. |
| 5. City _____ | 5. |
| 6. Suburb (quartier, etc.) _____ | 6. |
| 7. Village/Neighborhood _____ | 7. |
| Date: _____ | |
| Name of the interviewee:
_____ | |
| 8. Age _____ years | 8. |
| 9. Sex 1. Male ____
2. Female ____ | 9. |
| 10. Marital Status
1. Married ____
2. Single ____
3. Widow/er ____
4. Separated/Divorced ____ | 10. |
| 11. Ethnic group _____ | 11. |
| 12. Head of household (family)?
1. Yes ____ 2. No ____

If not, | 12. |
| 13. Position in the household (relationship to
the head of the household) | 13. |

(Note: Right-hand column reserved for coding throughout the questionnaire except when indicated otherwise.)

I. HOUSEHOLD CHARACTERISTICS

(a) Size, gender, age composition, and literacy

14. List all members of the household currently residing at home or only temporarily absent (less than 3 months)

Member (names and relationship w/ head of household)

		<u>Currently</u>						
		Code relat.	at home	temp. absent	Sex M/F	Age	Read /write ¹ Code	Years Formal Educ.
1.	Head of household							
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								

¹ Language(s) in which household members read and write:
 0. None
 1. French
 2. Vernacular
 3. Arab (Koranic school)
 4. English
 5. French/vernacular
 6. English/vernacular
 7. English/French
 8. English/French/vernacular

15. List all members of the household permanently (more than 3 months) absent from the household.

Member (relationship with head of household)

	Code relat	Currently working in (locality)	Sex M/F	Age	Read/write code	Years Formal Educ.
1. Head of household						
2.						
3.						
4.						

16. Indicate the household's place of residence for the last 10 years (start with current place).

Location	Since (Year)	Occupation of Head of Household
1. Current		
2.		
3.		
4.		
5.		

17. What is the main reason why you (the household) came to live in this area?:

- | | |
|---------------------------|-----------------------------------|
| 1. Employment ___ | 5. Relatives in Area ___ |
| 2. Business ___ | 6. Problems in Previous Place ___ |
| 3. Farming ___ | 7. Other (specify) ___ |
| 4. Affordable housing ___ | |

(b) Socioeconomic indicators

18. Is the house where you live (check where appropriate)

1. A permanent construction? ___
2. A squatter house? ___

19. What material is it built with?

1. Cardboard ____
2. Wattle and daub ____
3. Adobe ____
4. Plaster-covered adobe ____
5. Sheet metal ____
6. Bricks ____
7. Concrete ____
8. Other (specify): _____

20. What type of roof?

1. Thatch ____
2. Sheet metal ____
3. Straw ____
4. Other ____

21. What type of floor?

1. Hard-packed earth ____
2. Wooden ____
3. Concrete ____
4. Covered concrete
(ex., tiled or terrazzo) ____
5. Other (specify): _____

22. How many rooms are there in your house? _____

23. Is there a latrine or lavatory used only by the members of your household?

1. Yes ____ 2. No ____

24. Is there electricity in your house?

1. Yes ____ 2. No ____

25. What fuel is used to do your cooking?
(if more than one, rank in order of importance,
ONE is most important)

- Charcoal ____
Wood ____
Kerosene ____
Gas ____
Electricity ____
Other ____
(specify): _____

26. What is your source of drinking water?

- 1. Water course (river, stream, pond) ____
- 2. Public well ____
- 3. Private well ____
- 4. Public water system ____
- 5. Cistern (rain water) ____
- 6. Other (specify): _____

27. Is water piped into the house?

- 1. Yes ____
- 2. No ____

28. If no, indicate average time spent in fetching water per day. _____ hours

Do you or another member of the household currently own:

- 29. a watch? 1. Yes ____ 2. No ____
- 30. a radio? 1. Yes ____ 2. No ____
- 31. a television set? 1. Yes ____ 2. No ____
- 32. sewing machine? 1. Yes ____ 2. No ____
- 33. a bicycle? 1. Yes ____ 2. No ____
- 34. a motorcycle? 1. Yes ____ 2. No ____
- 35. a generator? 1. Yes ____ 2. No ____
- 36. an automobile? 1. Yes ____ 2. No ____

II. OCCUPATION OF HOUSEHOLD MEMBERS

37. Indicate the primary and secondary occupation of all household members, according to the time spent on each occupation during the past year.

Member (relationship with head of household)	Code relat.	Primary		Secondary		Tertiary	
		(Use code at bottom of page and indicate number of days worked in each occupation)					
		Code	N. ds.	Code	N. ds.	Code	N. ds.
1. Head of household							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							

- Codes for occupation:
- 1. Farmer/cattle rearer
 - 2. Salaried employee
 - 3. Wage labourer
 - 4. Merchant/trader
 - 5. Artisan
 - 6. Retired
 - 7. Student
 - 8. Other (specify)

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For household members having received wages (or salaries during the previous year (last twelve months):

38. Indicate time worked for and revenues obtained from different employers during the year.

Member (relationship with head of household)	Code relat.	Employers (type of business) ¹		
		1	2	3
1.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				
2.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				
3.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				
4.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				
5.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				
6.				
Number of days/months employed				
Daily/monthly wage				
Daily/monthly allowances				
Lump-sum bonuses, benefits				

¹ Code for type of business:

- 1. Public institution/government
- 2. Private enterprise

- 3. Farm
- 4. Other

39. Indicate below the household members who operated a business or shop during the past year.

Member (relationship with head of household)	Code Relat.	Type of business/Shop ¹	Total Sales	No. of Employees	Year established
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

40. Do you or any other household member own rental properties?

1. Yes ___ 2. No ___

If yes,

41. Indicate type and number of properties and rents perceived during the past year.

Type ²	No. of Units	Rent per month (total per type)
1.		
2.		
3.		
4.		
5.		

¹ Code for type of business/shop:

1. Wholesale trade 3. Transportation 5. Crafts (wood, metal, etc.)
 2. Retail trade 4. Restaurant/Bar 6. Repair shop
 7. Other

If a household member operated more than one type of business/shop, use multiple lines for the same household member.

² Code for type of property:

1. Land (plots) 3. Apartment
 2. House 4. Warehouse/storage

42. Have you or another member of the household received any remittances during the past 12 months?

1. Yes ___ 2. No ___

If yes,

43. For how much? _____

44. From where?

1. Other place in the country _____

2. Another country _____

III. ACCESS TO LAND AND LAND USE

(a) Ownership and Acquisition

45. How many parcels of land are held by you and other members of the household?

No. of parcels _____

46. For all parcels provide the following information:

Parcel	Size Has.	Location			Distance from household Km.	Year acquired/ occupied
		1. in city	2. city border	3. country side		
1	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____

For each parcel, answer the following questions:

Parcel 1

47. How acquired/occupied?

- 1. Inherited _____
- 2. Purchased _____
- 3. Rented in _____
- 4. Received as gift/dowry _____
- 5. Transfer from communal property _____
- 6. Transfer from public property _____
- 7. Borrowed _____
- 8. Claimed _____

48. If rented, how paid for?

- 1. in cash _____
- 2. in kind (incl. labor) _____
- 3. shared revenues _____

If purchased,

49. Price paid (total) _____

50. Purchased from:

- 1. Immediate family _____
- 2. Kin _____
- 3. Neighbor _____
- 4. Unrelated private individual _____
- 5. Public institution (government) _____

51. Type of (current) tenure:

- 1. Registered free hold _____
- 2. Unregistered free hold _____
- 3. State lease hold _____
- 4. Customary tenure _____
- 5. Squatter _____
- 6. Rented in _____
- 7. Borrowed _____

52. Describe the principal use of and managerial responsibility for each plot on this parcel (check where appropriate):

Use/management	Plot				
	1	2	3	4	5
_____	_____	_____	_____	_____	_____
<u>Residence</u> _____	_____	_____	_____	_____	_____
<u>Crops</u> _____	_____	_____	_____	_____	_____
<u>Livestock</u> _____	_____	_____	_____	_____	_____
<u>Non-farm business</u> _____	_____	_____	_____	_____	_____
<u>Rented out</u> _____	_____	_____	_____	_____	_____
<u>Idle/undeveloped</u> _____	_____	_____	_____	_____	_____
Managed by _____ (use code for household member)	_____	_____	_____	_____	_____

Parcel 2 (skip if only one parcel)

53. How acquired/occupied?

- 1. Inherited _____
- 2. Purchased _____
- 3. Rented in _____
- 4. Received as gift/dowry _____
- 5. Transfer from communal property _____
- 6. Transfer from public property _____
- 7. Borrowed _____
- 8. Claimed _____

54. If rented, how paid for?

- 1. in cash _____
- 2. in kind (incl.labor) _____
- 3. shared revenues _____

If purchased,

55. Price paid (total) _____

56. Purchased from:

- 1. Immediate family _____
- 2. Kin _____
- 3. Neighbor _____
- 4. Unrelated private individual _____
- 5. Public institution (government) _____

57. Type of (current) tenure:

- 1. Registered free hold _____
- 2. Unregistered free hold _____
- 3. State lease hold _____
- 4. Customary tenure _____
- 5. Squatter _____
- 6. Rented in _____
- 7. Borrowed _____

58. Describe the principal use of and managerial responsibility for each plot on this parcel (check where appropriate):

Use/management	Plot				
	1	2	3	4	5
Residence					
Crops					
Livestock					
Non-farm business					
Rented out					
Idle/undeveloped					
Managed by (use code for household member)					

Parcel 3 (skip if only two parcels)

59. How acquired/occupied?

- | | |
|---------------------------------|--|
| 1. Inherited _____ | 5. Transfer from communal property _____ |
| 2. Purchased _____ | 6. Transfer from public property _____ |
| 3. Rented in _____ | 7. Borrowed _____ |
| 4. Received as gift/dowry _____ | 8. Claimed _____ |

60. If rented, how paid for?

- | | |
|--------------------------------|--------------------------|
| 1. in cash _____ | 3. shared revenues _____ |
| 2. in kind (incl. labor) _____ | |

If purchased,

61. Price paid (total) _____

62. Purchased from:

- | | |
|---------------------------|--|
| 1. Immediate family _____ | 4. Unrelated private individual _____ |
| 2. Kin _____ | 5. Public institution (government) _____ |
| 3. Neighbor _____ | |

63. Type of (current) tenure:

- | | |
|---------------------------------|--------------------|
| 1. Registered free hold _____ | 5. Squatter _____ |
| 2. Unregistered free hold _____ | 6. Rented in _____ |
| 3. State lease hold _____ | 7. Borrowed _____ |
| 4. Customary tenure _____ | |

64. Describe the principal use of and managerial responsibility for each plot on this parcel (check where appropriate):

Use/management	Plot				
	1	2	3	4	5
Residence					
Crops					
Livestock					
Non-farm business					
Rented out					
Idle/undeveloped					
Managed by (use code for household member)					

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IV. ACCESS TO FINANCIAL SERVICES

(a) Institutional Credit

65. Are you aware of the existence of a lending institution in your area?

1. Yes ___ 2. No ___

If Yes,

66. What institutions?

1. Bank _____
2. Credit union _____
3. Development project _____
4. Cooperative _____
5. Other (specify) _____

67. Indicate the number of loans received (if any) from institutions.

Institution	Number of Loans			Date of Most Recent Loan
	Last 6 Years	Last 3 Years	Last Year	
Bank				
Credit Union				
Development Project				
Cooperative				
Other (specify)				

For the MOST RECENT LOAN received:

68. Date obtained:

Month _____
Year 19 _____

69. Which institution granted you this loan?

1. Bank _____
2. Credit union _____
3. Development project _____
4. Cooperative _____
5. Other institution (specify) _____

70. What was the total amount of this loan?

71. If totally or partially in kind, indicate form and amount.

Form (description) Approximate value

72. _____ 73. _____

74. _____ 75. _____

76. _____ 77. _____

78. _____ 79. _____

80. _____ 81. _____

(b) Informal Credit

82. Have you or another household member borrowed/received assistance from any of the following sources (check when appropriate).

	Never	Rarely	Frequently	Last Year (Y/N)
83. Moneylenders				
84. Traders who purchase your product				
85. Traders who sell you inputs				
86. Merchants who sell you consumer goods (grocer, butcher, etc.)				
87. Savings/ credit group				
88. Friends/ neighbors				
89. Relatives (spouse or others)				

For the MOST IMPORTANT (informal) loan or assistance during the last 12 months, please answer the following questions:

90. Source of the loan or assistance

Date 91. Month _____
 92. Year 19 _____

Form and Amount

Form (description)	Approximate value
93. _____	94. _____
95. _____	96. _____
97. _____	98. _____
99. _____	100. _____

101. HAVE YOU GIVEN A LOAN OR ASSISTANCE TO ANYONE DURING THE LAST TWELVE MONTHS?

1. Yes ___ 2. No ___

102.

	To Whom? (Relation)	How Many Times	Amount (Total)	In What Form	
				Cash	Kind
1.					
2.					
3.					

(c). Savings in Financial Institutions

103. Are you aware of the existence of savings and deposit institutions in your area?

1. Yes ___ 2. No ___

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Which ones? (List in order of importance?)

104. _____

105. _____

106. _____

107. _____

108. Do you have deposits or savings in (mark all that apply)

1. a bank? ____
2. a credit union? ____
3. the post office? ____
4. a savings and loan association? ____
5. other (specify) ? _____

If there is more than one answer to question 108, ask the following questions about the institution where the LARGEST DEPOSIT is currently held:

109. What is the name of the financial institution? _____

110. How far is it from your house?
_____ kilometers

Date of your first deposit:

111. Month _____

112. Year 19 _____

(d) Informal Savings

113. Do you have a deposit or savings in one or several GROUPS OR ASSOCIATIONS (ROSCAs, tontines, sugus, etc.)?

1. Yes ____ 2. No ____

114. Which one(s)?

1. Tontine (ROSCA) ____
2. Pooled fund ____
3. Other (specify) _____

Answer the following questions for the MOST IMPORTANT ASSOCIATION

115. Name of the association: _____

116. This association operates:

- 1. In your village/neighborhood _____
- 2. In another village/neighborhood _____

If the answer is 2,

117. How far is it from your residence?

_____ kilometers

118. For how long have you participated in it?

_____ number of months

119. Are you aware of other savings options?

- 1. Yes _____
- 2. No _____

Which ones? _____

120. Are there money-keepers in the area where you live?

- 1. Yes _____
- 2. No _____

If Yes,

121. Do you know any?

- 1. Yes _____
- 2. No _____

122. Do you deposit cash with any of these money-keepers?

- 1. Never _____
- 2. Rarely _____
- 3. Frequently _____

Appendix 4
List of Workshop Participants

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List of Workshop Participants

EARS:
Carlos E. Cuevas
Douglas H. Graham
Richard L. Meyer
Barbara E. Lee
Mayada Baydas

LTC:
Michael Roth
Carol Dickerman

SARSA:
Peter Little
Anna Hardman
Thomas Painter
Gerald Karaska

AID:
Joan Atherton
AFR/DP/PPE

Melissa Brinkerhoff
S&T/RD/RRD

Eric Chetwynd
S&T/RD

Dana Fisher
AFR/SRA/SRO

Jean Lins
AFR/SWA/SRO

Terry Hardt
S&T/RD

Appendix 5
List of Project Participants

SB

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List of Project Participants

EXPERIMENTAL APPROACHES TO RURAL SAVINGS MOBILIZATION (OSU)

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LAND TENURE CENTER (LTC)

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SYSTEMS APPROACH TO REGIONAL INCOME AND SUSTAINABLE RESOURCE ASSISTANCE
(SARSA)

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94'

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