



## « GENERAL UNION OF AGRICULTURAL AND LIVESTOCK COOPERATIVES »

Maputo, Mozambique

*Period of implementation: 1980 (launch) | Study case written in 2010*

The General Union of Agricultural and Livestock Cooperatives of Maputo is a multi-sector organisation working in the poorer sectors of society, and is a system based on the principles of self-management. Its philosophy for growth is based on a principle of needing to create the economic and social conditions that enable the members of the cooperative, who are mostly women, to gain access and control of economic and social resources, and thus to empower them to take decisions that lead to an improvement in economic and social development. The context for the emergence of the UGC – during the period of independence – was favourable for its development because the State was encouraging the cooperative movement at that time. Several areas occupied by UGC were affected by increasing disputes over land from the 1990s onwards. However, due to the cooperatives' organisational need to survive in this context, as well as the concept of the opportunity to mitigate the community's economic difficulties, the UGC succeeded in becoming consolidated as a democratic management body and as a driving force behind economic development.



The **Inclusive Cities Observatory** was launched in 2008 by the UCLG Committee on Social Inclusion, Participatory Democracy and Human Rights with the aim of creating a space for analysis and reflection on local social inclusion policies. The initiative was developed with the scientific support of Professor Yves Cabannes (University College of London) and the Centre for Social Studies (CES) from the University of Coimbra. At present, the Observatory contains more than sixty study cases mostly developed between 2008 and 2010. Even though many of these cases refer to policies that have already come to an end, they still have much to offer: from capitalizing on the learning acquired by other local authorities to discovering suggestive and alternative means to address social inclusion challenges from a local perspective.

## Context

### *Government context*

Mozambique is a presidential republic in which the political party with a parliamentary majority nominates and organises the government. The country has 43 local authorities. Local government structures were restored to the country in the 1990s, when the country became a multi-party democracy.

After independence in 1975, the measures taken by Mozambique's government were based on social, political, and economic restructuring, using a development theory that supported the extension of the cooperative sector and small family-run farms, which were predominant in the country. However, mechanised production aimed at higher productivity levels finally prevailed in the agricultural sphere. During the decade after independence, the government promoted other adjustment measures based on national ideals for development and the specific regional features of the country in order to encourage the preservation and stimulation of local production centres for the development and increase of productivity.

Mozambique was forced to reformulate its economic policy as a result of the economic crisis that the country began to suffer from in the early 1980s, due to the combination of an increase in internal armed conflict and political and economic pressure from neighbouring apartheid South Africa. It joined the Bretton Woods institutions in the late 1980s. The country's acceptance of structural readjustment programmes in the field of socio-economic development, enacted by the World Bank and the International Monetary Fund, led to profound changes in its plans for development, with inter- and intra-regional social and economic inequalities becoming increasingly apparent.

### *City context*

The city of Maputo – the capital – has province status, as well as local government and district status. The city is also the country's main economic driving force.

The territory's government is elected by popular vote. In terms of administrative organisation, there are seven local authorities in this district:<sup>1</sup> KaMpfumo, Nlhamankulu, KaMaxaquene, KaMavota, KaMubukwana, KaTembe and KaNyaka, covering a population of over 1 million inhabitants.<sup>2</sup>

The City Council consists of a mayor elected for a mandate of five years by universal, equal, direct and secret suffrage of the voters residing in Maputo. The leadership of this local government also includes 15 councillors designated by the mayor, who are individuals who he trusts politically and personally.<sup>3</sup>

Mozambique is considered a developing country and, despite differences compared to elsewhere in the country, social indicators in the city of Maputo are still lower than the anticipated level of quality of life. For example, per capita income is around 942 meticales, or approximately U.S.\$36.00.

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<sup>1</sup> These are in turn subdivided into neighbourhoods and urban developments.

<sup>2</sup> Data from the most recent population census consulted at [http://www.ine.gov.mz/populacao/projeccoes/proj\\_maputo\\_Cidade/ppq04](http://www.ine.gov.mz/populacao/projeccoes/proj_maputo_Cidade/ppq04).

<sup>3</sup> For further information, see <http://www.cmmaputo.gov.mz/>.

Trade dominates as one of the main areas of the economy, accounting for around 30% of the volume of transactions. With a strong presence of informal structures in the economy, the indicators available show that, in terms of employment, around 14% of the informally employed workers are in the field of agriculture. As the unemployment rate shows, the most heavily affected are women – around 44.2% of the total number of active workers.

The management of the 'greater Maputo' green belt involves two towns: Maputo and Matola, with a total of 1.8 million inhabitants of which almost 40,000 are directly involved in the production and sale of agricultural products from the Green Areas.<sup>4</sup>

### *Governmental decentralization context*

Mozambique is an ex-colony of Portugal, and achieved its independence in 1975. The political experiences of the decades immediately afterwards had a profound effect on its urban spaces. A series of armed conflicts led many citizens to seek shelter in large cities, as was the case in Maputo, the country's capital.

The links between various levels of government and civil society are still subject to strong disagreement despite the fact that democratically elected local authorities were (re)introduced in 1994.<sup>5</sup> One of the central topics in these discussions is the definition of political-administrative structures to make the process of decentralisation of power feasible in order to meet the range of social needs in each town.

**Institutional level of policy development:** Municipal and Provincial

### *Social context*

The city of Maputo is surrounded by a green belt that is highly suitable for growing crops, particularly horticulture and fruit farming products. The space had been used in this manner for some decades, but after Mozambique's independence (1975) the area, which was occupied by small and medium-sized colonial farms, became an agricultural production area (family agriculture) mainly used by socially and economically vulnerable individuals, and women in particular. The first co-operatives aiming to organise family production and overcome the technical and financial difficulties devastating the region emerged during this period. In 1980, the municipal government created the Green Zones Office (GZO) whose main objective was to provide administrative and technical knowledge to the cooperatives and private farmers working in the region. Several cooperatives were established in the area during this period.

## **Policy development**

As well as other problems related with socio-economic development, the process of growth of the population of the city of Maputo and occupation of reserved areas led to an uncontrolled use of urban land and ecological imbalances in the outlying areas, especially from the 1970s onwards.

The General Union of Agricultural and Livestock Cooperatives (UGC) emerged in the political-administrative space created by the Green Zones Office<sup>6</sup> with the objective of organising the

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<sup>4</sup> The Green Zones of the two towns cover around 45,000 hectares.

<sup>5</sup> At this time, the Municipalities Law 3/94 was passed, which introduced the concept of the district as a democratically elected space for autonomous urban local authorities. The country currently has 43 towns.

<sup>6</sup> An office created to manage the food production that takes place on the outskirts of Maputo and which guarantees a large proportion of the city's means of food subsistence. In 2001, agricultural producers in the Maputo Green Zones produced around 3,000 tonnes of vegetables and three million chickens (Madeleno & Correia 2001).

farmers in their struggle against production problems such as poverty and other self-management difficulties. The UGC members initially adopted a socialist political approach and then, in the early years, they saw the need for a growing decentralisation of powers at the local level, which led to a process of emancipation and the severing of links with party institutions. Since it was created, the members of the UGC have mostly been women farmers, which gives this cooperative association an outlook that emphasises social action.

Some problems became apparent during this period. These included those related to the adaptation to new methods of production, the need to include democratic control and management methods, the need for increased training of the farmers, and the creation of an efficient accounting structure. As a result, the first UGC General Assembly to discuss these problems and to foster participation in the decision-making process took place in 1982. This process led to the creation of farmer training units, the establishment of a financial and technical support centre, and the UGC gaining official status in 1983. Women joined at such a rate that they accounted for 95% of the total membership by 1986.

As the project matured in the period 1987-1990, the UGC made several investments in social and economic areas and introduced new types of organisation in production, creating more spaces for democratic participation, and opportunities for solving the problems that affected the cooperative's members. This period also saw a change in Mozambique's economic situation due to the devaluation of the national currency, the Metical, which directly affected the sale of products. This contributed to lowered morale among the cooperative's members, as well as neglect of co-operative work and more sales in the local market. This situation forced the UGC to reconsider its objectives and to define its areas of action more precisely. As a result of this process, the Union became more sensitive to the social problems affecting its members' everyday lives, and the opportunities for expanding its participation in the agricultural market.

In the period between 1990 and 2000, the UGC became consolidated as an important institution for social emancipation. In 1990, the UGC was legally recognised as a cooperative company with legal status, with 185 cooperatives, 12 area unions, 5,500 members, and registered assets. The UGC acted as a holding company until the early 2000s, and in 2000 became the ninth largest business in Mozambique.

### *Policy objectives*

The objectives of the UGC have changed over time, due to both the dynamic nature of the deliberative process and the challenges that the organisation has faced, but it has always been focused on the social needs of its members and the development of production activities.

The objectives were to create a platform enabling production of a food supplement and an additional income to minimise the shortages that families suffered from, especially those depending on single women or widows, or on women whose husbands were emigrant workers in neighbouring countries. However, due to its members' economic, social and market difficulties, the UGC extended its area of work on various fronts, including adult literacy, technical training in the areas of agriculture and fishing management, and other courses/investments in the areas of leadership and cooperativism.

New activities and means of production have been added, and market opportunities have been used to increase the sales of the cooperative's products and the agricultural restoration of units that had already been farmed.

Over the last two decades, after the expansion of its work into various production sectors, such as flower growing and the sale of fresh and processed products, the UGC has become

energetically involved in social areas such as public health and community support, which has made it into an important political and social agent.

### *Chronological development and implementation of the practice*

The consolidation of the UGC as one of Mozambique's largest cooperative businesses and as an important agent for local development is the result of a process of constant (re)definition and structural optimisation, as well as a dynamic process of self-assessment of objectives and results.

Throughout its history, the UGC has suffered from countless problems, of either an internal nature, such as leadership disputes, or external ones, such as national development plans and other difficulties in the economic sector. However, its social capacity has always overcome difficulties in that the decisions taken were guided by clear and feasible objectives and, above all, decided upon by means of participatory deliberation among its members.

As a result, the reinforcement of participatory management and the constant technical skills of its managers have made the UGC into a company that uses capitalist concepts of the market to create spaces of social emancipation in the city of Maputo.

### *Stakeholders, beneficiaries and participatory methodologies*

#### **Agents involved**

The main agents involved have been the farmers and their families, as they have always been the driving force behind the UGC. The role played by women has been particularly noteworthy, as the main force behind these cooperatives. The local authority, specific national policies, and financial aid from NGOs, mainly between the start-up period and consolidation, have also made the Union feasible.

#### **Beneficiaries**

The main beneficiaries are members of this association and their family members, due to the income they obtain and the other social services and training provided by the UGC. However, due to the profound social effects it has in all the regions where it works, the entire population benefits from UGC initiatives.

#### **Participation processes implemented**

Participatory deliberation has been the instrument that has made the UGC into a non-capitalist cooperative company and has enabled its development and progress. At present, in addition to the general assemblies, which are attended by all its members in order to take part in the process of deciding on the company's objectives and goals, the Union's management is carried out with the participation of all its members. These forums, which are based on individual participation, ensure that the process of deliberation has a sufficiently broad-based perspective on the social issues within the areas in which the UGC works.

### *Institutionalizing and financing*

#### **Institutionalization processes**

The UGC was established in a political-administrative space created through the intervention of the local authority. However, as was the case during development and after it acquired official and legal status in 1990, the UGC operates as a cooperative company managed by its members on a participatory and decentralised basis that entails various types of decision-making.

## **Financing**

Today, the UGC is self-financing due to its production and, above all, is able to generate profits and to ensure a high level of productive and social investment.

## **Outcomes and reflections**

### *Key results and achievements*

The key results of the UGC's work are found in the improvement of the living conditions of its members and their families. However, the most outstanding feature of its work is the creation of a space where citizens who are socially restricted and fragmented due to economic difficulties can express their disagreements. This provides emancipation for the local population and new types of relations in the public and family arenas.

The UGC has to overcome various types of obstacles, such as internal disputes and difficulties in access to the market. The UGC plays an important role in the inclusion of new co-operatives, leading to their sound financial health and management, and the constant modernisation of business and means of production.

### *Overall assessment and replicability or adaptation elsewhere*

#### **General assessment**

This is an important experience involving the use of customs against the hegemony of capitalist practices, which also generates non-economic results. The UGC's work in improving the population's social welfare is at the heart of this project. Its decisions, even at times of crisis, have always been guided by deliberative participation and social and local objectives.

The success of the UGC can be measured not only by its results in practical terms, such as its yield, its assets, or the financial gain obtained by its members, but also by the part of society that benefits from the social services that have been provided. As a consequence of the UGC's actions, access to productive credit has been created for poor families not in the cooperative; that is, the UGC has a social perspective that is feasible due to the fact that it undertakes economic activity that because of its deliberative and cooperative nature makes it an emancipatory project in itself.

#### **Replicability or adaptation of policy elsewhere**

The success of the UGC's experience in promoting an agricultural cooperative was due to a series of factors, including: the interest of the local authorities in supporting the ability of small farmers to create an association, based on instruments of promotion and support, or by means of legislative initiatives; the agreement between the public authorities and the farmers to use an urban space to meet the interests and needs of local inhabitants; the farmers' management ability; and, above all, the position adopted by the UGC members in order to make the cooperative an instrument for economic development and social inclusion in their community.

In terms of replicating this experience, except for basic issues such as investment capacity, support from the local authorities, and the technical abilities of the members/managers, the main areas of action have focused on the associative capacity of the population involved and on local socio-economic conditions.

Careful observation of the aspects and background of the area's socio-economic make-up is essential for an experience of this type to be efficient and be governed by its own objectives. For example, in the context in which the experience of an association takes place, it is necessary to consider restrictions of a social and economic nature as well as opportunities for breaking with the capitalist socio-economic system.

The urban agriculture experiences of UGC in Maputo are defined by vigorous management and participation by women and are rooted in the need to increase incomes and access to basic health services. The administrative structure of the UGC is feasible, as women are a significant part of its administrative body and its work is based firmly on the area's interests and needs.

However, it is important to take into account that this experience is a process and not a method with immediate results; the results must be based primarily on the participatory deliberations of its members, and on the debate concerning objectives and projects related to the local context over time. Decision-making should therefore be decentralised, inclusive, and have feasible objectives, which should be based on the local area's interests and history.

## Further information

The case was researched and written by Leonardo Veronez under the supervision of Maria Paula Meneses, in 2010. Both work at the Centre for Social Studies at the University of Coimbra, Portugal.

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