

The black market bane — a case study

Black marketeering and corruption is the bane of African governments anxious to bring their economies under control. One government has just decided to institute new anti-black market programmes. In Mozambique neighbourhood councils now have special powers, and the heads of black market rings can now be tried in military courts. The results of the measures will be eagerly watched. Antonio Makwala examines the life and motives of the black marketeer.

In northern Mozambique they call him the *muhalele*. In Maputo and the south he is known as the *candongueiro*. He is the person who buys goods at one price only to resell them illegally at a higher one. This activity is the *candonga*. Its principal ally is the shortage of consumer goods in Mozambique, particularly foodstuffs.

In the range that stretches from the street-corner *candongueiro* to the major sharks of the black market, there are thousands of individuals making a living out of this parasitism characteristic of underdeveloped countries.

There are many ways of being a *candongueiro*. The restaurant-owner has a problem: clients come and eat at his restaurant. They are a pain in the neck. They ask for food, they eat it, they complain if it is badly cooked, they check and see if the price he charges is the same as

that stipulated by law. So to make money — with much less work — the owner closes his restaurant and puts up a notice saying "Closed for redecoration." But he continues to receive his supplies of food and drink regularly from the appropriate state bodies, since he has not bothered to inform them that he has closed the restaurant — and the food goes out of the back door at two or three times the price he would get from cooking it and selling it legally in the restaurant.

If the suppliers become aware of what is going on, then the normal stratagem can be tried: a few thousand meticaïs (38 meticaïs = US \$1) or some foreign exchange to grease the palm and shut the mouth of "Senhor X" in the state supply body.

The bakery worker steals some sacks of bread, or buys the bread in the bakery at the standard price of two and half meticaïs

for a 250-gramme roll. He goes from there straight to one of the suburbs where he sells the rolls at 10 or 20 meticaïs each. Add a little *candonga* margarine and price rises to 50 meticaïs.

The housewife has a contact in the state apparatus who sells her flour at the legal price plus a commission. Sugar and other products are acquired in a similar manner; cakes are made — and sold at 500 or 600 meticaïs each.

The wealthy trader buys foreign currency at five or six times the legal exchange rate. He takes that foreign currency to South Africa or Swaziland where he buys products that are unavailable on the Mozambican market. Then he sells these goods in Mozambique at scandalous prices that will more than cover his next exchange of meticaïs for foreign currency.

Recently a new type of illegal trading has made its appearance. It is an even more destructive form of *candonga*. A foreign worker visits a shop and asks what it has to eat. The shopkeeper looks his visitor over, concludes that she is a foreigner and replies: "I've got some eggs."

"OK, then I'll have two dozen," says the foreigner hopefully.

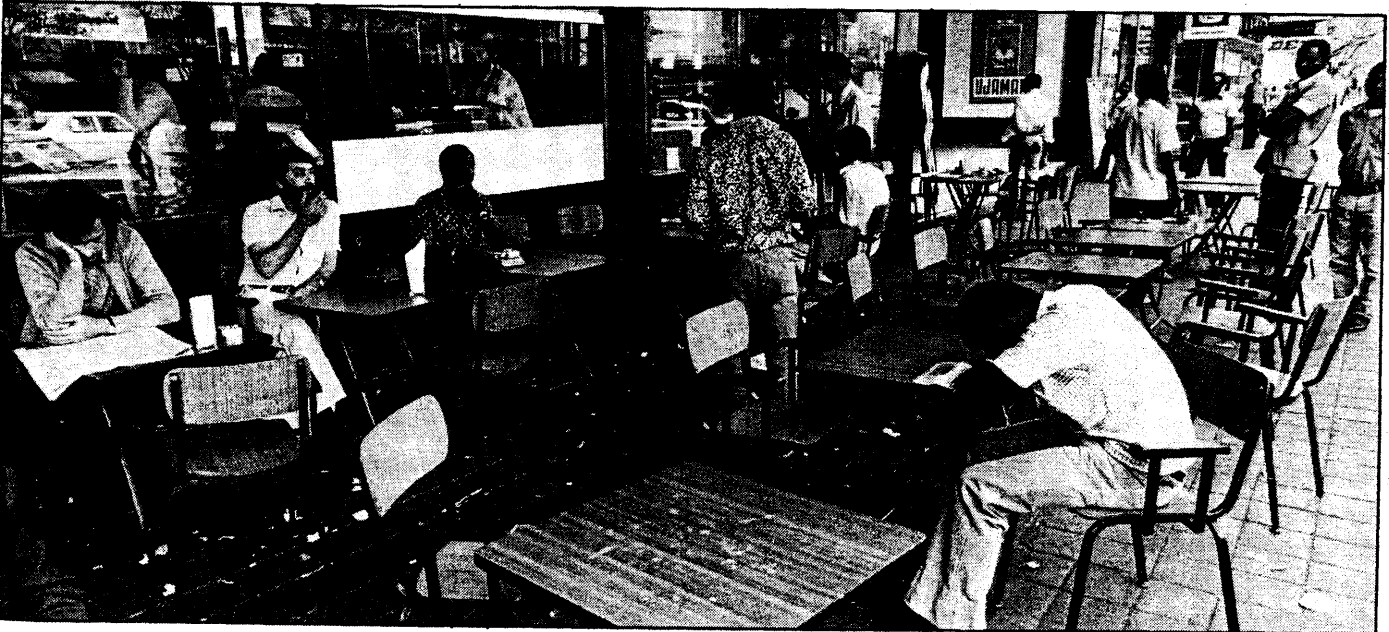
"Well, I can sell them to you — but it all depends," says the trader.

"I'm not worried about the price."

"The price is even cheaper than the legal one. But it'll have to be in foreign currency."

The foreigner hands over her dollars and the satisfied shopkeeper adds: "Don't forget — whatever you want, come here. It's cheaper than the Loja Franca." (The Loja Franca is Maputo's foreign exchange shop. It contains many goods that Mozambique only produces in small quantities or not at all. There you pay in

Maputo open-air cafe: restaurant owners have a problem — and some have a shady way of solving it



foreign currency, which goes straight to the Bank of Mozambique. In a small way, it helps Mozambique's balance of payments).

A little while ago, in Namaacha on the Swaziland border, I had an interesting talk with a Portuguese woman. A Mozambican in her 40s had just left this woman's well-stocked smallholding. She had come to ask the Portuguese if she had any chickens to sell.

"You see that?," she said to me. "They come to ask me for chickens, ducks and I don't know what else. When I first came here 25 years ago they sold me chickens. I've asked them why they don't keep chickens any more. They say that there's no feed to give to the birds now. As if they had feed in the past! I tell them: 'Look, in the colonial period the government didn't sell you any feed, but you still kept chickens.' The chickens used to wander around eating anything: worms, bugs, anything, Guinea-fowl will eat the lot. Now they talk about feed. This isn't the problem. They've got lots of money. You know what they do? They go to the frontier and they exchange salt and other things for wool. Then they sell each bit of woollen clothing here, or in Maputo, for a thousand meticaís or more."

It is not just poultry. These women used to produce crops: maize, beans, cassava. Their switch to illegal trading led them to abandon farming or reduce it to a minimum. They have plenty of money and expect to buy their food in the markets.

But the more people abandon production, the less there is in the markets. The less food there is on sale, the dearer it is. Their response is simple: they raise the price of wool.

Unemployment is another ally of *candonga*. Around 90 people a day enter Maputo from the countryside. In the country they used to produce. In the city they are unable to find jobs. Result: they become *candongueiros* — either buying and reselling or, taking illegality a step further, stealing and selling.

Candonga provokes many awkward situations. For example, there are many small-scale producers in Mozambican cities. In what are effectively their gardens they have a few chickens, ducks, even pigs. They have too many to be fed on the scraps left over from the family meals. Nor do they follow the advice of my Namaacha contact and let their animals grub for worms.

Instead, they buy feed on the *candonga* at speculative prices, because the state reserves imported animal feed for the state farms, the co-operatives, and the large scale private producers, all of whom figure in the state plan. Result: when the chicken is ready to be sold, it has already cost its owner 150 or 200 meticaís. To make a profit, the small producer sells his bird at 300 meticaís. Since there is great popular animosity towards the *candongueiros*, some of the political organisations in his neighbourhood react badly and confuse petty producers with *candongueiros*. The difference is that the former may sell at



Lamooning corruption in Mozambique

speculative prices, but is at least producing something. The latter is a total parasite. Something similar happens with fishermen. Many sell speculatively, but they are still producers.

In December 1981 — when people were saying that the state had completely closed its eyes to the problem — the police suddenly launched an operation against *candonga*. An area known as Ho Ling, in downtown Maputo, next to the Central Market, was surrounded by police and dozens of *candongueiros* operating there were detained. Smaller police raids of a similar nature took place in other parts of the city. The Press and radio gave great prominence to the actions of the police and of those members of the public who provided the information on which the raids were based.

One by one, the *candongueiros* were hauled through the courts — some were put on public trial at Ho Ling itself — and received prison sentences, to be served in rural re-education centres.

A minority of the public — in general, well-off individuals — reacted badly to the police raids. Suddenly certain products which these people had been able to buy from the *candongueiros* disappeared. They

started muttering: "Now there's nothing. They've arrested those who used to help us..."

But to get rid of *candonga*, it is not enough to jail hundreds of *candongueiros*. It is also necessary to swamp the markets with produce. Otherwise the *candongueiros* reappear — and charge more.

In May last year, during his state visit to Tanzania, President Samora Machel took up the theme of *candonga* again, and in harsh terms. Six weeks later, at a Maputo rally on June 22, he returned to the subject and linked *candonga* to the economic, political and social destabilisation manipulated by South Africa through the bandit gangs it trains and arms. Evidently, alongside the more general efforts at increasing production, the government does not intend to abandon repression as a means of fighting *candonga*.

In early 1981, as an experiment, the government introduced a rationing system for 11 basic products in Maputo. This democratised the distribution system and led to a substantial reduction in queues. From the warehouses to the shop shelves, a system of control was established which brought benefits that were immediately visible to anyone who had experienced the

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city in 1980. Even so, some of those 11 products still find their way into the illegal, parallel circuits.

Other, non-rationed foodstuffs — those of which there is simply not enough for an equitable distribution — are channelled preferentially through the consumer co-operatives. So much so, that some private shopkeepers in Maputo say openly that the future of private trading does not lie in foodstuffs, because “the state has put a noose round our necks — and the noose is the co-operative.”

In most African countries — and in poverty-stricken countries of other continents too — *candonga* and illicit trading in general are a major weapon in the de-personalisation and the moral and political corruption of entire populations. Leaders and led alike are corrupted in an evil that embraces millions. In comparison with much of Africa, Mozambique is still a sort of exception to the rule. But this is poor consolation for Mozambicans.

Nowadays, Mozambique's long-term development plans — the so-called “big projects” — are more clearly based on a policy of launching smaller-scale activities at once (one of the theses for this year's Fourth Congress of the FRELIMO party is almost entirely dedicated to the importance of small projects).

In May last year, the government launched a campaign in Maputo to sell seeds and equipment to small producers. More than 10,000 families have already profited from this campaign, which, by improving the supply of vegetables, will bring benefits to the rest of the population as well. Those responsible for the campaign are not dancing in the streets yet — but it has been a success. By the end of the year it was expected to result in an extra 2,000 tonnes of produce.

This sort of campaign, as part of a broad spectrum of small-scale projects, agricultural and industrial, will certainly force the *candongueiros* onto the defensive.

Until then, however, repression remains the best remedy. For most of the public, the *candongueiro* is someone from whom you buy because you have to — because the level of production, and of state control over distribution circuits, are still not satisfactory. But at the same time, the *candongueiro* is a hated figure. Many people would not lose much sleep if big-time *candongueiros* were simply rounded up and punished.

Mozambique chooses a more honourable method, though more difficult in the short-term. After Samora Machel's speech on legality in November 1981, the *candongueiros* have had the right to a trial. Many people consider this a waste of time. But in the long and complex transition to socialism, human values for a just and peaceful society must take roots — even though it is recognised that the *candongueiro* is a hated figure. Many people most despicable of crimes. They are profiting from other people's hunger ●