The Impacts of Covid-19 on the Charcoal Value Chain and Rural Livelihoods in Mozambique

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Sustainable Woodfuel Value Chains Conference
Panel: Value Chain Analysis
24 November 2021, 14:00-15:30
Livelihood impacts of Coping with Covid in rural Africa (CwC) (funded by UoE GCRF)

Dr. Casey Ryan (PI)
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Prof. Luis Artur
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Jone Fernando Jr.
Eduardo Castro Jr.
Julio Tembe

Prof. Clemence Zimudzi

Dr. Rose Pritchard
Research Questions

RQ 1) How were rural livelihoods in Mozambique affected by Covid, particularly in the charcoal value chain?

RQ 2) What can we learn for building value chains that prove resilient for the most vulnerable value-chain actors?

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Research design & methods

- 441 interviews with 92 panelists in 9 communities, 6 districts
- 3-7 study weeks (May-July 2020)
- 10/11 panelists per community
- All of Mozambique: state of emergency/calamity (transport, trading restrictions, social distancing etc.)
Methodological metamorphoses

• **Phone panel questionnaires**
  - Based on prior work (Pritchard et al., 2020; Smith et al., 2019)
  - Local languages <-> PT (coded & analysed through Nvivo 12)
  - First week: straightforward questions/answers (phone!)

• **Weekly individual calls: co-d/revise study, questionnaires, analysis**
  - Revised questionnaires for final two weeks: more focus on risk, community responses

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Results: 1- Charcoal value chain (1)

• Pre-Covid:
  – Key semiformal economic sector, crucial cash income source (Baumert et al., 2016; Vollmer et al., 2017)
  – 90% value generation elsewhere for small-scale producers; weak associations

• During Covid:
  – Trains discontinued => key transport link eliminated

• Livelihoods under Covid:
  – Charcoal in payment at stalls
  – Production: no collaboration, mutual aid
  – Changed transport modalities: difficult to sell, access sacks and rope for packaging; truck drivers: strong position
  – Differences in volume & price
Results: 1- Charcoal value chain (2)

• Livelihoods under Covid

‘Before, we used to sell charcoal through the train, to people who came from Maputo and bought charcoal wholesale. Now they don’t buy like they used to. I used to be able to sell 10 or 20 sacks per month. Now, I can only sell 5 sacks.’ (BR-06-02)

‘[With the pandemic] we are not selling well ... It feels like we are getting ripped off because of coronavirus.’ (BR-05-02)

• Small-scale charcoal producers
  – Restricted selling opportunities in terms of volume and price
  – Market power asymmetries

• No collective power to contest urban charcoal sellers
Results: 2 - Other value chains

• Baobab:
  – Civic-minded investor & company; adjusted operations during Covid
    ‘I have nothing to sell. I did not sell peanuts; we are only selling baobab, and the women are able to buy a lot of things with the money from baobab.’ (TL-01-05)
  – Risk transferred away from most vulnerable in civic-based

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Discussion (1)

• Charcoal value chain in rural Mozambique under Covid:
  – Heightened engagement (women – no other livelihoods)

Positive:
  – Used as payment at stalls

Negative:
  – No collaboration permitted
  – Difficulty accessing sacks & rope for packaging
  – Limited bargaining power vs. truck drivers (transport & prices)
  – Unpredictable sales & prices for small-scale
Discussion (2)

– **Charcoal value chain:**
  - Market-based (i.e. price most important)
  - Higher returns for charcoal in urban centres, not passed on to producers
  - No contestation because associations weak
  - Food insecurity in charcoal communities, esp. among vulnerable (gender, age)

– **Baobab value chain:**
  - Civic-minded investors (i.e. concerned about producer welfare)
  - Alliance: producer association, investor, company
Recommendations

• **Baobab**: producer associations helped increase bargaining power, NGO support

• **Charcoal**: associations weak/non-existent; little governmental/civil society/donor support
  – **Govt/Donors-NGOs/Research/Associations**: Explore opportunities to facilitate charcoal producer associations: transport links/access to packaging/equitable pricing&selling opportunities
  – **Donors-NGOs/Research/Associations**: Facilitate cross-chain learning between sectors
  – **Govt/donors**: Vulnerability analysis (Covid exacerbated existing vulnerabilities, new exposures created)
Thank you!

Questions?

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