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# DOES A PEASANT FARMER IN MARERA IN MOZAMBIQUE BENEFIT FROM FREE TRADE?

## O COMÉRCIO LIVRE BENEFICIA O CAMPONÊS EM MARERA, MOÇAMBIQUE?

### Abstract

Mozambique is one of the poorest countries in the world, with most of its population living in rural areas. This is a mixed methodology case study which analysed the impact of trade liberalization on peasant farmers involved in fruit production in Marera in Central Mozambique and measured their benefits and life improvements as compared with the decade of the 1990s. It found that 73.3% of peasant farmers assess their life as little better than 10-15 years ago and only 5.6% have experienced substantial improvements. It was discovered that better knowledge and access to production inputs play a role in improving benefits from fruit production and trade. The study concluded that although trade liberalization can bring benefits, when appropriate conditions are met, peasant farmers in Marera are not different from their counterparts around the world and benefit little from trade liberalization.

**Keywords:** Trade liberalization, Agriculture, Fruit production, Development, Mozambique.

### RESUMO

Moçambique é um dos países mais pobres do mundo e a maioria da população vive no campo. O estudo adoptou a metodologia mista e, além de analisar o impacto da liberalização do comércio sobre os camponeses envolvidos na produção de fruta em Marera, no Centro de Moçambique, também mediu seus benefícios em termos de melhoria de vida, em comparação com a década de 1990. Constatou-se que 73,3% dos camponeses em estudo avaliaram a sua vida como pouco melhor do que há 10 - 15 anos e apenas 5,6% tiveram melhorias substanciais. Descobriu-se que o maior conhecimento e um melhor acesso aos recursos produtivos tem o papel crucial no que concerne aumento dos benefícios e melhoria das habilidades no envolvimento no comércio livre. O estudo concluiu ainda que, embora a liberalização do comércio traga benefícios, enquanto não estiverem reunidas as condições apropriadas, os camponeses em Marera não são diferentes dos seus homólogos das outras partes do mundo e beneficiam pouco da liberalização do comércio.

**Palavras-chave:** Liberalização do comércio, agricultura, produção de fruta, desenvolvimento, Moçambique.

## Introduction

The research analysed the impact of trade liberalization on the livelihoods and the assets of peasant farmers and their households in Marera in Central Mozambique (20 kms from Chimoio). In particular, it attempted to answer the question: does a peasant farmer take advantage of trade liberalization and market openness and if yes, does this, in turn, impact positively on his/her financial assets, creating more opportunities to engage in commercial activities and thus improving the quality of livelihoods?

Globalization affects our entire life, not only economic but also social and political. But, undoubtedly, trade liberalization is one of the most important aspects of globalization (Arribas, Pérez & Tortosa-Ausina, 2009; IMF, 2011; Deardorff & Stern, 2006). Furthermore, Guttal (2007) states that trade liberalization is the practical expression of globalization as it allows free and unhindered movement of goods around the world which benefits producers and consumers alike. Furthermore, it derives its logical framework from the spirit of liberalism and the “Washington Consensus”. Its practical manifestations are free markets, low tariffs, no impediments in the form of bureaucracy or corruption and ever increasing volumes of trade between countries (Head, 2008, p. 22). It has two principal aims: to provide consumers with a variety of goods which increases their choices and to stimulate internal markets in order to become more productive and competitive (Head 2008; Deardorff & Stern 2006).

According to The United Nations Development Programme, “Globalization offers opportunities for growth and development in all parts of the world, however the hopes and promises attached to rapid liberalization of trade and finance have not so far been fulfilled in many developing countries, and

particularly so in the Least Developed Countries (LDCs). In fact, the latter are increasingly becoming marginalized, especially in agriculture (UNDP, 2007, p.2).

The above cited document states that among the least developed countries, especially in the sector of agriculture, there isn't much improvement derived from trade liberalization. Production tends to remain at the same level or it even declines. In fact, the decrease of agricultural productivity might be precisely due to trade liberalization, which allows cheap subsidized agricultural products to enter developing markets, or it may be due to an inefficient pricing strategy (Mosca, 2011; Todaro, 2000). In this way trade liberalization may affect a peasant farmer's livelihood and especially his/her financial assets in either a positive or a negative way.

The relevance of this study is based on the following premises. First, it is believed that: "Agriculture accounts for between 30 to 60% of the gross domestic product (GDP) among the LDCs, employs more people than any other sector (as much as 70-80%, in most cases), represents a major source of foreign exchange, supplies the bulk of basic food and provides subsistence and other income to more than half of the LDCs' population" (UNDP, 2007, p. 2).

Second, according to Ellis, (1998) the composition of rural household incomes is poorly researched and national income and expenditure surveys have been infrequent in most sub-Saharan African countries.

Third, there are few studies in Mozambique of this nature and of this scope focusing just on one rural community. The findings of this study could contribute to a better understanding of if and how trade liberalization

impacts on peasant farmers' financial assets in Marera and what constitutes their main difficulties in either improving or getting access to markets.

Due to gradual liberalization of the agricultural sector the Government removed its direct support to food producers, decreased agricultural spending and reduced tariffs offering easier access to its domestic market, especially to the trading partners from within the SADC region. In this way the liberalization opened a window of opportunity to farmers who were involved in marketable cash crop production e.g. cashew, cotton, tea, fruit and vegetable, and who from now on could theoretically engage with more lucrative markets.

### **Agricultural trade in Mozambique**

The agricultural potential of Mozambique is immense with 36 million hectares of arable land and only 10% in use by peasant farmers. (Mozambique, 2010, p. 14). Agricultural production is the backbone of the economy providing employment for about 80% of the workforce and contributing on average 25% to the GDP (WTO, 2001).

However, the International Fund for Agricultural Development and International Food Policy Research Institute (IFAD-IFPRI, 2010) reports that in Mozambique the percentage of agricultural exports to total exports was reduced by half from 31.4% in 2002 to 14.4% in 2008. As a result, Mozambique, where agriculture makes up 32% of the GDP in 2012, exported only 61 million Euros worth of agricultural products. In comparison, South Africa, where agriculture contributes only 2.4% to the GDP, exported 1,590.4 million Euros worth of agricultural products (DG Trade, 2013).

The Third National Poverty Assessment (Mozambique, 2010) reports some rather worrying data reflecting, to a certain extent, the state of the

Mozambican liberalized agriculture. For instance, in 2008 only 2.6% of rural households received any form of bank credit, which would indicate their limited ability to use financial services. The lack of capital is then reflected by a limited percentage of farmers using modern inputs e.g. only 3.8% used pesticides to combat pests.

Furthermore, The Third National Poverty Assessment reports that, although there was a slight increase in total production in most of the major crops the level of production per person from 2002 to 2008 fell considerably, e.g. maize from 90 kg to 80.7kg, rice from 7.5kg to 5.8kg or sorghum from 11.2kg to 8.4kg (Mozambique, 2010). This suggests that the agricultural production is outpaced by population increase in other words the farmer's productivity remains low and it doesn't increase proportionally to match the increase in population size thus in the long run it will not satisfy growing food demand.

## **Research Metodológica**

The research used mixed method procedures, e.g. a quantitative questionnaire in order to gather numeric information and then qualitative in-depth face to face interviews to expand, explain and cross-validate the primary source information with more detailed accounts Creswell states that mixed methods allows for analysis of both quantitative and qualitative data within one study (Creswell, 2003).

### **Data collection**

The researcher adopted a sequential explanatory strategy (data collection phase during which first quantitative and then qualitative data were collected). Creswell (2003) explains that in a sequential explanatory strategy, typically priority is given to quantitative data that guides the

project and the qualitative results assist in interpreting the findings (pp. 215-216). Hence, the interviews provided the context (intermediate factors) and they also helped to interpret and understand the results of the quantitative part of the research (Cowger & Menon, 2001; Gerring, 2007).

In order to collect data the primary quantitative research method used a survey in the form of a questionnaire. The questionnaire was a self-designed instrument for the purpose of the study. The secondary research method used open-ended, semi-structured interviews with a few respondents, the most representative participants from the sample. The interviews provided supportive data and helped gaining deeper understanding of the issue under study (Fowler, 1986 p.14).

### **Sampling method**

According to the 2007 census (INE, 2007) the population of Marera, which is made up of five areas: Muconde, Chicanga, Mugagea, e Kanhyeza, e Muconje counted 18,727 inhabitants. However, in the study the researcher was only interested in the peasant farmers who had fruit orchards and sold fruit for their subsistence and who were in the age range 30 to 59. The choice was dictated by the fact that Marera is renowned for its fruit production and it is a major cash crop of the region.

The researcher's choice of this particular age range was dictated by their experience in growing fruit and trade. He used a non-probabilistic sampling method called the snowball sampling method. It helped to focus on the target population, that is, on peasant farmers who complied with the previously established prerequisites. The advantage of snowball sampling is explained by Berg who states that it is the best way to locate subjects with certain attributes or characteristics necessary in the study (Berg, 2001, p.

33). Furthermore, Denscombe (2007) underlines that it is also an effective way to build up a reasonably sized sample (p. 17).

During the process of “snowballing”, that is going from one to another respondent, who nominated two or three others with the similar characteristics, the researcher arrived at a sample of 90 peasant farmers, approximately 20 from each of the five areas of Marera.

### **Analysis of data**

The researcher tested the following directional hypotheses:

Peasant farmers who have investment capital, knowledge, access to better markets and grow fruit in quantity benefit from trade liberalization.

The researcher distinguished various independent variables, among which  $x_1$ - investment capital,  $x_2$  - access to markets,  $x_3$ - knowledge,  $x_4$ - number of fruit trees, and a dependent variable  $y$  - benefits from trade liberalization (income level or satisfaction level).

The researcher used inferential statistics and determined the level of correlation or its strength between the dependent (benefits from trade in terms of income) and the independent variables (farm size, number of trees and knowledge). Additionally, due to the fact that it was difficult to assess peasants' knowledge in the field of fruit production, the researcher created a new compound index of know-how. It was done by summing the scores of a number of questions related to knowledge, such as: experience, education, productivity, use of pesticides, contact with the extension worker, place of marketing, knowledge about markets, knowledge about loan application process, use of bank account, and the self-assessment of know-how in the field of fruit production. The researcher created a new compound

index of know-how. The scores on this variable varied between: 13 - the lowest and 26 - the highest. The compound index of know-how was then divided according to the scores of the two groups: peasants with poor knowledge who scored 10 to 18 and peasants with better knowledge who scored 19 to 26.

By using Anova the researcher tested the null hypothesis and the significance of the difference between the means of two groups of peasants in relation to the benefits from trade, the dependent variable. The data was computed with the SPSS programme, one of the most commonly used statistical packages in the social sciences (Greener, 2008, p. 57).

Then, followed a qualitative part. The interviews were transcribed in Portuguese.

First, it was difficult to see through the text, because there was a lot of textual information at hand. It was necessary to cut the text down to manageable proportions (Auerbach & Silverstein, 2003, p. 37). The researcher used Weft QDA software and followed the questions from the interviews to cut the text into smaller units. Then, major themes (a simple sentence with a subject and a predicate) and concepts (words grouped together into conceptual clusters) were identified and they provided supplementary insights into the impact of trade liberalization on the livelihood assets of peasant farmers (Berg, 2001, pp. 246-258; Auerbach & Silverstein, 2003, pp. 37-38). Some of the themes which emerged from the interviews were: life has improved, education is relevant, dissatisfaction with the price, lack of support in trading and a sense of helplessness.

In the next step in coding was to elaborate theoretical constructs. In that stage the themes were joined into clusters, and the data started to be appeared as a theory.

Finally, the researcher organized theoretical constructs into a theoretical narrative, which summarized what was discovered and learned about the topic of the impact of trade liberalization on peasants' livelihoods (Auerbach & Silverstein, 2003, pp. 38-41).

### **Findings and discussion**

The researcher performed two correlation tests and tested the significance of the relationship between independent variables ( $x_1$ ) farm size and ( $x_2$ ) number of fruit trees in relation to the dependent variable ( $y$ ) - income per annum. As shown in Tables 1 and 2, the Pearson coefficient for the relationship between size of a farm and income was 0.596 and the Pearson coefficient for the relationship between the numbers of fruit trees was 0.482. Both coefficients are positive, which means that as farm size or number of trees increase, income per year increases, too. However, the relationship between farm size and income at 0.596 is stronger than the relationship between number of trees and income at 0.482. At the same time both results are half as large as possible (perfect correlation is 1), which means that other factors influence income.

**Table 1:** Correlation of farm size and income

		Income per year in MTN	Size of a farm in ha
Income per year in MTN	Pearson Correlation	1	.596**
	Sig. (2-tailed)		.000
	N	90	90
Size of a farm in ha	Pearson Correlation	.596**	1
	Sig. (2-tailed)	.000	
	N	90	90

\*\* . Correlation is significant at the 0.01 alpha level (2-tailed). (  $r s = .59, p < .001$  )

**Table 2:** Correlation of the number of fruit trees and income

		Income per year in MTN	Number of fruit trees
Income per year in MTN	Pearson Correlation	1	.482**
	Sig. (2-tailed)		.000
	N	90	90
Number of fruit trees	Pearson Correlation	.482**	1
	Sig. (2-tailed)	.000	
	N	90	90

\*\* . Correlation is significant at the 0.01 alpha level (2-tailed). (  $r s = .48, p < .001$  )

The probability value is .000, which is below the threshold of  $p < .01$ . Thus, the alternative hypothesis is supported. There is a positive relationship between the size of the farm and income and the number of fruit trees and income and the results can be generalized to the population ( $p < .01$ ).

### Access to knowledge and its impact on income

The researcher tried to assess the relationship between the knowledge and the income level by summing the scores of a number of question items. These questions items were related to: experience, education, productivity, contact with the extension worker, place of marketing, knowledge about markets, knowledge about loan application process, use of bank account,

and the self-assessment of know-how in the field of fruit production (Table 3). In this way the researcher created a new compound index of know-how. The scores on this variable varied between 13 - the lowest and 26 - the highest.

**Table 3:** Background data to create a compound index of know-how

<b>Years of experience</b>	<b>Frequency</b>	<b>Percent</b>
Less than 20 years	38	42.2
20-24 years	31	34.4
25 + years	21	23.4
<b>Qualification</b>		
None	1	1.1
Primary school	75	83.3
Secondary school	13	14.4
Other	1	1.1
<b>Production Increase</b>		
Yes	78	86.7
Production is the same	9	10.0
<b>Hold a bank account</b>		
Yes	22	24.4
No	68	75.6
<b>Perception of loan procedures</b>		
Easy	3	3.3
Do not know	52	57.8
Difficult	35	38.9
<b>Place of fruit marketing</b>		
Locally	60	66.7
In Chimoio	26	28.9
Other	4	4.4
Total	90	100.0
<b>Place of better price</b>		
Locally	39	43.3
Chimoio	40	44.5
<b>Other</b>	<b>11</b>	<b>12.2</b>
<b>Self assessed knowledge</b>		
Do not have any knowledge	2	2.2
Do not have a lot of knowledge	34	37.8
Have some knowledge	48	53.3
Have a lot of knowledge	6	6.7
<b>A visit from an extension practitioner</b>		
Never	71	78.9
A few times	16	17.8
Many times	3	3.3
Total	90	100.0

Spearman's rho is designed to analyse variables that are not normally distributed, or which are not parametric as is the case of the variable know-how. The researcher used SPSS to calculate both the Pearson's correlation

coefficient and the Spearman's rho and found some divergence. Table 4 shows that the Spearman's rho which was significant at .381

**Table 4:** Spearman's correlation of the sum of know-how and income

		<b>Income per year in MTN</b>	<b>Sum of know-how</b>
Spearman's rho Income per year in MTN	Correlation Coefficient	1.000	.381**
	Sig. (2-tailed)	.	.000
	N	90	90
Sum of know-how	Correlation Coefficient	.381**	1.000
	Sig. (2-tailed)	.000	.
	N	90	90

**\*\*.** Correlation is significant at the 0.01 level (2-tailed). ( r s = .38, p < .001)

However, taking into account that the perfect correlation is 1, this is a weak correlation, implying that other factors play a role. The test is also significant; the probability value is at .000 which is below the threshold of  $p < .01$ .

The Spearman's rho correlation test indicates that knowledge or know-how is indeed important in order to achieve good results but it is not the only factor. As it was already demonstrated the size of a farm and the number of trees are also important and correlate positively with income level.

The question arose as to whether or not the peasants with better know-how benefit from it. To answer this question, the scores of the variable sum of know-how were divided into two categories: peasant farmers with poor knowledge who scored 13 - 18 and peasant farmers with better knowledge who scored 19 - 25.

In Table 5 the means between the scores are compared. It was found that the peasant farmers with better knowledge have a better mean income per

year of 46,174.07 MZM and the peasant farmers with poor knowledge had much a lower income of 24,121.43 MZM.

The difference in mean annual income is quite significant, thus better knowledge has a positive impact on income levels among peasant farmers in Marera. At the same time, it was noted that the number of cases in both groups is not equally distributed. There are 63 peasant farmers with poor knowledge as compared to 27 with better knowledge.

**Table 5:** Mean annual income by score for two categories of know-how scores

<b>know-how Group</b>	<b>Score</b>	<b>Mean Annual Income</b>	<b>N</b>	<b>Std. Deviation</b>	<b>Minimum</b>
13-18(Poor knowledge)		24121.43	63	17869.583	3000
19-25(Better knowledge)		46174.07	27	24350.088	9500
Total		30737.22	90	22336.923	3000

To test if the observed differences are significant in terms of hypothesis testing, the researcher performed a univariate analysis of variance test (ANOVA). ANOVA is considered a robust test accepting various abnormalities in the data (Moore, 2000, pp. 511-512). As shown in Table 6, the F-ratio is 22.97 at a significance level below 5% ( $p < .001$ ). This indicates that there is a statistically meaningful difference between the mean annual income of peasant farmers with poor and better knowledge. Thus, knowledge has a significant effect on income.

**Table 6:** ANOVA for two groups: differences in income per year in MZM

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9191432382.275	1	9191432382.275	22.969	.000
Within Groups	35214060423.280	88	400159777.537		
Total	44405492805.556	89			

**F(1.88)=22.97  $p < .001$**

As regards to the qualitative part of the research, ten peasant farmers were interviewed to gather and, in particular, deepen and validate information on peasants' life satisfaction, their productive activities, the price of fruit and the process of selling their harvest. The researcher was interested in understanding how the peasant farmers perceived their lives. Responses reported that over the years they have experienced positive changes in their asset accumulation. These changes were principally attributed to their fruit production. They mentioned 16 times that their lives either have changed, or that they experience an improvement comparing life now and before. Most of the reported changes were experienced in two areas: household assets and fruit production.

### **The issue of household assets**

Peasant farmers narrated with pride how they improved their houses and, especially, how they roofed them with corrugated iron sheets. It was also the most important element reoccurring in six interviews. The researcher sensed in their voices achievement while they were reporting how they were able to, thanks to fruit production, purchase unattainable before items such as: a motorbike, a TV or a water pump. Twelve times in the course of the interviews peasant farmers used the phrase "I already have".

In addition to this, peasant farmers identified two other major achievements which are the schooling of their children and being able to pay their school fees and upkeep. Interviewed farmers unanimously agreed and said: "I have managed to send my children to school". Therefore, they positively relate education and knowledge to their children's possible future life success.

### **The issue of production**

Peasant farmers were very concerned about the manner of fruit production. They spoke 25 times about various important elements of fruit production.

a) The most important was weeding around the trees and keeping the plants free from high grass. The plantation cleanness was seen as a positive strategy to guarantee good fruit quality and it was also seen as a strategy which prevents pests from taking control over plants. Nevertheless, weeding was also seen as the most expensive and the most laborious part of fruit production. Peasant farmers perform all the productive tasks manually and depend solely on their physical strength. Additionally, during the rainy season they need to hire a paid workforce to help with weeding. Therefore, peasant farmers implicitly point to the importance of mechanization, the element which is crucial in order to improve productivity (UNACTAD, 1998; FAO, 2006).

b) During the interviews they spoke about their lack of capacity to fight pests due to high costs and poor availability of pesticides. They were aware that they lose a substantial part of their production due to a fruit fly pest which affects tangerines and oranges in the process of ripening and causes the fruits to prematurely drop from trees.

d) The achievements or benefits of fruit production, although tangible, are of limited scope. The farmers used the term “a little” 21 times in relation to their work and their benefits. A common expression was “a vida está melhorando pouco aos poucos”. The literal translation is “life is improving little by little”.

### **The issue of the price of fruit**

The interviews showed that the issue of the price was, to some extent, the crux of the matter. The issue of the price was an emotional subject. Farmers

for instance, said that, “the price harms us, the price doesn’t benefit us, the price does not bring us any profit, the price is a big problem, it is not possible to benefit with such a low price, the price does not cover the inputs”.

Farmers’ complaints of the lack of negotiating freedom is due to the fact that the low price was determined by the local council administration. It was being reported that a banana bunch was set to cost 40 - 60 MZM and a box of tangerines and oranges 75 - 100 MZM. According to the local authorities these prices had been set to protect the rights of the producers. However, peasant farmers complained that despite this, they always have to negotiate the price with the buyers and they never get a good one. Farmers repeatedly stated that, “The buyers decide the price”. Others disappointedly reiterated that it is better to sell at a low price than risk losing the crop at the road side. Thereby two facts transpire from what has been discussed. Firstly, by setting the gate price for fruit the local authorities not only act against the spirit of trade liberalization but also restrict peasant farmers from a possibility of obtaining better deals. Secondly, peasant farmers are often exploited by traders who own the means of transport to market. It would therefore seem that on the one hand the market is liberalized but on the other the government still intervenes when it deems necessary.

In fact, the high-profile case of cashew industry in Mozambique shows that liberalization can be a double-edged sword demonstrated by Hilmar Hilmarsson’s contentious report which advised liberalization of the cashew industry and then led to the loss of 10,000 local jobs and a dramatic decline in cashew production (Hanlon, 2000, pp. 29-34). In the case of this study of

Marera fruit farmers, the local authorities set the gate price for fruit to safeguard the rights of producers but by doing this they also limit their bargaining power. Being so, the issue of price fixing by the local authorities; be it to protect the farmers from traders' demands to sell at a discount price or be it in order to normalise the fruit market needs further crosschecking to establish its effect on true liberalization and it is a significant area for future research.

Another concern reported by peasant farmers was the high transport cost to Chimoio, a distance of 20-30 kilometres. For instance, a 50-60 kg bag of tangerines (about 500 tangerines) is sold locally in Marera for 150 MZM and it is frequently transported to Chimoio for 25 MZM, which is 25% of its gate value. Four interviewees reported additionally, that the risk of transporting the harvest to Chimoio may not be met with the fulfilled expectation of a higher profit because peasants lack up-to-date information about the Chimoio market demand.

### **The issue of the importance of knowledge**

In relation to their own knowledge of production techniques, all interviewed peasant farmers were quite optimistic; they believed that they have sufficient knowledge, for instance, in the areas of weeding, grafting or setting up the nurseries. They demonstrated awareness of pests but at the same time expressed complaints about the lack of capacity to control them. Some peasant farmers were aware of the need to improve their own managerial skills so that they are able to administer profits more efficiently.

### **Conclusions**

Although the majority of peasant farmers interviewed, 57.8%, have more than 20 years' experience in the field of fruit production and on average

they work on 4.25 ha of land, which is considerably more than the national average (1-2 ha) reported by the MPD (Mozambique, 2010), their gains are limited.

The correlations showed positive results although the strongest correlation exists between the size of a farm and income. It is interesting to note that the correlation between the number of trees and income and know-how and income is weaker (Tables 2 and 3). This would indicate that peasant farmers do not manage to take advantage of having many trees. This indicates that either there is a problem with productivity or marketing. Furthermore, the weak correlation between know-how and income confirms that the majority of peasant farmers have a very poor educational background.

The ANOVA results showed that there is a statistically significant difference in the incomes for poor and average knowledge groups of peasant farmers (Table 5). The researcher interpreted this indicating that knowledge is a crucial factor in increasing peasant farmers' benefits. However, it also points to the fact that it is indeed necessary to improve many aspects of peasants' know-how in order to be successful.

The interesting finding is that a mean average income of a peasant farmer per month is roughly 2,561.41 MZM and it varies according to his/her knowledge. Interestingly, this is below the current minimum wage in the sector of agriculture in 2017 - 3,642.00 MZM (Mozambique, 2017). Thus, fruit production in its current form is scarcely profitable.

The qualitative part of the research confirmed and validated the findings. Moreover, it helped to understand a number of issues.

The researcher verified that the peasant farmers in Marera have the potential to increase production and improve fruit quality. However, at the moment they are facing difficulties which most find hard to overcome. The three most predominant obstacles are: the lack of alternative marketing opportunities, the shortage of investment capital, and the price restrictions imposed by council authorities. According to the findings of the study, in order for farmers to benefit more from free trade, it is necessary to create more conducive conditions, such as a multi aspect type of training which would aid in improving productivity, fruit quality and the management of farming. There is also a need to increase access to finance and market information and to create commercialization facilities backed by conducive policies.

The study showed that knowledge in its broader sense is vital to improve profit and hence financial assets and livelihood. The researcher could see that the low literacy level is a significant impediment to taking advantage of the emerging possibilities.

The research verified that peasant farmers, although able, to some extent, to improve their livelihoods are not able at the moment and under present conditions to substantially increase their benefits (financial assets from fruit trade) and thus they remain marginalized from the potential positive impact of trade liberalization. Furthermore, the Government's policies to remove agricultural subsidies and limit overall spending on agriculture reduces peasants' possibility to improve their farming practices. Finally, the study points out that the relative gains from fruit production are not big enough to offer more comfortable and decent living conditions as advocated by the proponents of free trade.

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