About Trade and Trust. The question of livelihood and social capital in rural-urban interactions.

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1.1 Introduction

In this paper, rural-urban interactions are considered as linkages across space reflected in the flows of people, goods, services, finance, and information between urban and rural areas. We will draw mainly upon findings of research in West Africa, although our argument has a much wider purport. We do not attempt to exactly define the 'urban' and the 'rural', since every such attempt is controversial. 'Rural' activities like agricultural and livestock breeding occur in cities, and an activity usually classified as 'urban' (such as manufacturing) may turn up in the countryside. Moreover, in Africa a settlement of 5,000 people is typically 'urban' in morphology and functions, while in India such a settlement is classified as 'rural'.

Over the last decades, rural-urban interactions in developing countries have expanded. For instance, in the Club du Sahel's famous West Africa Long-Term Perspective Study, Cour and Snrech (1998: 34-62) found that (1) population growth, (2) changes in the natural environment, and (3) brutal exposure to world markets occasioned a rapid increase in rural-urban interactions. Cities expand and extend their influence on the countryside, which in its turn modernizes many aspects of social and economic life. Export crops and food production for urban markets have made agriculture gradually more market-oriented. Urban markets influence rural settlement patterns and agricultural production, in the sense that rural population densities have increased along the same geographical lines as urban markets have developed. However, while rural areas now quickly respond to urban demand for food, the flow of urban goods and services to rural areas generally lags behind. This can be explained by, firstly, the increased diversification of rural production, which directly meets rural demand for particular goods and services. The non-farm share of African rural household income is estimated at 25%-30%, while it amounts to almost 40% in the Sahel (Cour and Snrech, 1998: 55). Secondly, it can be explained by the failure of urban areas to produce sufficient (both in quantitative and qualitative terms) goods and services for the rural areas. This is still considered to be the weak link, which has to be improved if full complementarity between urban and rural areas is to be achieved. Thirdly, rural-urban interactions may comprise clear-cut competition. For instance, the land market in the rural-urban contact zone is troubled by speculation and conflicts between modern and traditional law over property rights.

The three above-mentioned driving forces not only altered production and the flows of goods, services and finance, but also resulted in a significant increase in people's mobility. Today, the physical distance between urban and rural areas forms less and less of a constraint on social relations. Migration from the countryside to the towns is rapidly increasing, and migration trajectories are becoming more complex. In West Africa, urban areas have absorbed two-thirds of the region's population growth. The proportion of town dwellers rose from 13% in 1960 to 40% in 1990 (Cour and Snrech, 1998: 45-47). Soon, a clear-cut majority of the region's population will live in urban areas. The regional urban network takes the shape of a relatively normal rank/size distribution.

This being the general picture of rural-urban interactions in West-Africa, the question arises how these interactions are being shaped by the people concerned. We have already defined rural-urban interactions as linkages across space of flows of people, goods, services, finance, and information. We take these interactions to be reciprocal – i.e., to the possible benefit of both parties – rather than exploitative, i.e., to the detriment of one of them, generally the countryside.

Moreover, rural-urban interactions can only be properly understood if analyzed as a manifestation of people's livelihood strategies. Therefore, we will first elaborate on the concept of livelihood. Next, we will use this concept to improve our understanding of rural-urban interactions, grounding it with research findings in West Africa. We will show that social capital is a key concept in understanding these interactions, and will use case studies of agricultural marketing networks to underpin our argument.

1.2 Livelihood

As one of us has already pointed out (De Haan, 2000a: 343), people in developing countries – and poor people in particular – undertake manifold activities which yield them food, housing, and a monetary income. 'The most common of these are the production of crops, livestock, clothing and housing for home consumption; the production of crops and livestock for sale; trade; handicrafts such as basket weaving, pottery, carpentry; seasonal or permanent wage labor, which includes children; remittances by kin who have emigrated; loans, alms, gifts and sometimes corruption.' Thus, a person's livelihood is not necessarily the same as that person having a job. Moreover, although obtaining a monetary income is important, it is not the only aspect that matters in livelihood. It is quite conceivable for somebody with a low monetary income to be better off than someone with a higher monetary income.

Nowadays, livelihood – even in the remotest corners of the world – is subject to a multitude of influences from a broader national and international economic, social and political context. According to De Haan (2000a: 344), to achieve a livelihood people make use of various assets and resources, which are called capitals. People apply various blends of these capitals, which represent various strategies that result in different livelihoods. Thus, although the actual mixture may change per livelihood, the capitals involved are: Human capital (not only labor, but also skills, experience, creativity, and inventiveness); natural capital (land, water, forests, pastures, minerals, etc.); physical capital (food stocks, livestock, jewelry, equipment, tools, machinery, etc.); financial capital (money in a savings account at the bank or in an old sock, a loan or credit, etc.); and social capital (i.e., the quality of relations between people).

The discussion on such concepts as entitlement (Sen, 1981), claims (Chambers and Conway, 1992), and access (Blaikie *et al.*, 1994) has made it clear that the various forms of capital do not necessarily have to be held as private property. All these concepts refer to the general ability of actors to use the capital at reasonable (i.e., unimpeded) costs when needed and wanted. Land can be rented; water and forests can be communally owned; a plough can be borrowed or hired; food can be bestowed. What matters is one's access to the capital. According to Blaikie *et al.* (1994), every social group, every household, and every member of it has a particular access profile to capitals, which depends on rights by tradition or by law and the way these are exercised. They differ per individual, per household, and per group, and may change over time. Actors like social groups, households, and individuals decide on a choice of livelihood strategies on the basis of their access profile.

We consider livelihood as sustainable when the outcome of the processing of different types of capital is meaningful in terms of human well-being, and viable in terms of securing people against shocks and stresses. 'Shocks are violent and come unexpectedly; stress is less violent, but can last longer. Both have their impact on one or more of the vital 'capitals'. An environmental shock like a flood or an earthquake has its impact on natural, human and physical capital. Drought is an example of a high-level environmental stress; seasonality is a well-known example of low-level environmental stress' (De Haan, 2000a: 347). In West Africa, the droughts of 1967-1975 and 1984-1986were a major driving force behind the change in rural-urban interactions They not only forced agriculture southward, but also induced the flight of ecological refugees to towns in search of food and employment. Many of them stayed, and switched from rural to urban livelihoods. Many of those who remained in the countryside nowadays supplement their rural livelihoods with a temporary job in town; other rural households are supported by remittances from migrants in cities.

Another source of shocks and stresses is the economy. 'After independence, the new West African states were plunged into the world markets and into a level of economic competition for which they were poorly prepared' (Cour and Snrech, 1998: 35). They continued to depend on the export of low-priced commodities. Investments aimed at increasing productivity and diversifying the economy failed. Loans to cover increasingly expensive import bills after the 1973 oil crisis resulted in a debt crisis in the 1980s. Price policies, aimed at keeping food prices in the cities low, chronically frustrated the income generation of food producers in rural areas. Subsequent programs of structural adjustment undercut social services and only reinforced the integration in low-priced raw material markets. All the time, these countries remained heavily dependent on international donor transfers. At the same time, increased market integration became the second driving force behind the expansion of rural-urban interactions, notably because increased market integration stimulated the flow of goods, services, and finance between rural and urban areas.

The impact of these environmental and economic shocks and stresses was aggravated by the third driving force: Rapid population growth. Although sustainable development and population growth do not exclude each other by definition (see for an extensive argumentation, De Haan, 2000b), the average 2.7% annual population growth rate after 1960 made the shocks and stresses more dramatic.

Sen (1981; Drèze and Sen, 1989) has shown that livelihood depends not only on direct access to capitals, but also on how the use of capitals is embedded in a wider social, economic, political, and natural context. He observed that droughts result in famine only under certain conditions. First of all, people can run out of food, but if they find employment and thus earn money to buy food, there will be no famine. Sen noted that food is sometimes exported from famine areas, precisely because of a lack of purchasing power. Second, where food scarcity leads to increasing food prices, markets would normally attract enough food from elsewhere, unless they are malfunctioning. Thus, according to Sen, various contextual factors like market organization, the labor market, and price policy contribute to or even cause the stress in livelihood.

In short, the concept of livelihood refers not only to access to, and the subsequent processing of, capitals, but also to the particular interaction of social groups, households, and individuals with their wider context. Livelihood is dynamic because people do not process capitals automatically, but with an eye to opportunities offered by the wider context, as they are sometimes forced by the same context to resort to particular strategies. Thus, people are neither powerless objects nor free agents who can become whatever they choose (De Haan, 2000a: 350).

The increased exposure to world markets, continued population growth, and drastic events in the natural environment finally resulted in an adapted livelihood. It is this adapted livelihood that gave way to and shaped the intensification of rural-urban interactions.

However, we do not think that some kind of an equilibrium has been reached in West Africa, represented by a stabilized adapted livelihood. In the present epoch of globalization, equilibrium and stability are far away. ‘Globalisation places a premium on flexibility and adaptability, and those least able to respond to change are likely to be those adversely affected’ (Ellis and Seeley, 2001: 1). Thus, livelihood in West Africa is continuously undergoing change. In particular, it is becoming increasingly multi-local, i.e., using capitals that are found in different locations, countryside, and city alike. Besides, livelihood is becoming multiple or multidimensional, i.e., social groups, households, and individuals are combining various livelihood strategies. Nowadays, agricultural production is generally combined with rural or urban off-farm employment and trade. The general picture of livelihood in West Africa is therefore one of continuous rearrangements of strategies using various capitals in different locations. As there is no such thing as *the* West African livelihood, today one often speaks about livelihoods in plural. A proper understanding of rural-urban interaction can only be achieved if this general picture is taken into account.

1.3 Networks: Livelihood and the shaping of rural-urban interactions

As argued in the preceding section, rural-urban flows can be considered as manifestations of livelihoods, and because of the multi-locality and multi-dimensionality of livelihoods, flows of goods, services, people, finance and information, they ‘are not usually limited within the regional boundaries of a town and its hinterland. Migrants can go to a variety of places, including international destinations, and goods and services can be sold and purchased in many different locations. From the perspective of a rural household, the pattern of flows is thus more likely to resemble a *network* [our italics] involving multiple linkages with a number of villages and towns, rather than revolving around a single urban centre’ (Tacoli, 1998: 12). Thus, networks are the way in which livelihoods reveal themselves and shape rural-urban relations.

We consider networks as a set of relations, or ties, between actors. In this case, actors can be understood as organizations, social groups, households, or individuals. Social relations or ties may range from kinship, friendship, and village membership to patron-client relationships, union or political party membership, and ethnic bonds. Social relations are not confined to a local scale. Even kinship becomes increasingly multi-local, with relatives migrating to various urban and rural areas. Any social relation can be mapped as a tie having both a content and a form. It should be noted that social relations can overlap and that people may be part of various networks. Note also that we consider with Granovetter (1985) all economic actions as embedded in social relations, which means that economic behavior can only be understood as part of social behavior. Markets, for example, have to be considered as social institutions as well. This implies considering the supposed non-rational residue factor of an actor’s behavior in economic analysis, as a rational choice.

The content of a tie can include anything from goods, services, friendship or love, to money, information, and advice. The form of a tie concerns the strength of the relation and may range from weak to strong. Relations between family members, friends, and close colleagues are considered to be strong ties. So too are those between people who frequently communicate with each other and with other actors in the same network, and who put a high value on their relations. Weak ties occur between members of different networks, i.e., between people who have less contact and who value their relations less. At first sight, strong ties seem eminent in sustaining a livelihood. In family and friends one has trust, and they are the first to call upon. Agricultural work and food are shared among family and friends in the village. Remittances from migrants in the city are mostly received by kin. Granovetter (1983), however, has pointed out an interesting issue that may also help to shed light on the value of different forms of ties for globalizing livelihoods. He argues that weak ties are important for people looking for a job. Even the modern meaning of ‘networking’ emerged in this context: People looking for a job benefit more from contacts with members of other networks than with the one(s) they are part of. Contacts with members of another network may yield new information about job opportunities or may once more lead to new contacts. This does not mean that complete strangers offer the most valuable information. Granovetter shows that employers in search of personnel prefer to recruit candidates who are vouched for by others. There is only one complication. People usually value information from strong ties as more trustworthy than information from weak ties. This may hinder the recognition of feasible opportunities offered by weak ties. At this point, it is of importance to refer to what has been argued about livelihood in globalization : If globalization places a premium on flexibility and adaptability, leading to continuously changing multi-local and multidimensional livelihoods, then this premium on adaptation is perhaps better realized through weak rather than strong ties.

Finally, Rose (1998: 3) usefully summarizes the relevant distinction between informal and formal networks that actors use in procuring a livelihood, at the same time revealing the overlap with strong and weak ties. Informal networks ‘are face-to-face relationships between a limited number of individuals who know each other and are bound together by kinship, friendship or propinquity. Informal networks are institutions in the sociological sense of having patterned and recurring interaction. Lacking legal recognition, full-time officials, written rules, and their own funds, they are not formal organisations’. Informal networks are therefore more likely to display strong ties. Formal networks ‘are rule-bound bureaucratic, have legal personality and secure revenue from the market or the state. A formal organization can have individuals as its members’, such as a political party, or its members can be organizations such as an urban NGO providing support to village credit cooperatives. ‘Formal organisations are a necessary part of a *modern* [italics in original] society, for it requires impersonal bureaucratic organisations of state and market that can routinely produce complex goods such as automobiles’. There are many links between informal and formal networks, and sometimes the distinction between them is vague. ‘Even if a network has a formal identity, such as a rural cooperative, face-to-face networks tend to be horizontal and diffuse and an individual’s reputation for helpful cooperation is more important than cash payments and bureaucratic regulations’. Formal networks do not preclude strong ties, even though weak ties are more likely to occur than in informal networks. We will return to this matter after the following section.

1.4 Rural-urban interactions: Food trade in Benin

The West African coastal state of Benin stretches roughly 800 km from the sub-humid coastal zone at the Bight of Benin in the south to the semi-arid Sahel zone at the Niger river in the north. Because of the presence of various agro-ecological zones, food production is highly diverse. However, when it comes to rural-urban interactions in the form of food trade, maize, yam, and cattle are prominent on a national scale. The trade in these goods is in the hands of private traders and integrated into larger international West African markets.

1.4.1 Maize trade

Maize is produced in both the south and the north, but only in the south is it a vital subsistence crop for farmers. Yet, the major maize granaries are located in the north.

Maize is traded from rural areas to urban areas (and in periods of shortage, back to rural areas) through informal and formal markets. In the south, the first exchange of maize at harvest time often takes place along the road between the farm and the formal market place.

Difficulties of transport, road conditions or lack of funds to pay formal market taxes are the reasons why farmers accept the risk of selling at a lower price than at the market place itself. Informal market transactions occur mainly in the north when quantities are large or roads are inaccessible to public transport. Subsequently, the maize finds it way through formal markets, starting with the village market where producers sell to consumers as well as to assemblers, retailers, and local wholesalers. Most traders, in turn, sell the maize at the urban regional market, which has strong linkages with the village market. Especially in the north, flows of maize are assembled and channelled to urban consumer markets. The latter are pure distribution markets where maize and other goods are sold by wholesalers and retailers, and bought by retailers and consumers throughout the year (Lutz, 1994: 61-63).

In the period of abundance (June-January), maize is typically traded from the rural areas in the south and center of the country to urban areas in the south, and from the rural areas in the north to urban areas in Niger, and to a lesser extent in Togo (Klaasse Bos and Krogt, 1991). In the lean season (March-June), the reduced supply from the south and center is compensated for by the north.

It was argued in the previous sections that livelihood strategies explain the way rural-urban interactions, such as these maize flows, are shaped. In fact, maize farmers, mostly sell their surplus in relatively small quantities whenever some kind of household expense needs financing. Thus their maize stock represents a liquid type of physical capital. This leads to the frequent selling of small quantities and laborious collection activities at the start of the marketing channel. However, the poor accessibility and high transportation costs also orient their sales strategy towards informal markets at farm gate or roadside. A fine-meshed rural collection pattern of markets is the result. The same applies to the maize distribution in urban areas: As most urban consumers have very limited financial capital at their disposal, they buy in very small quantities.

With respect to the livelihood strategies of other actors, Lutz (1994: 66-71) distinguishes wholesalers and retailers. The former buys from farmers and retailer-assemblers and sells to the latter, who in turn sells to retailers. Wholesalers completely depend on their own financial capital, and the significant dissimilarities among them are linked to this. Wholesalers with limited financial capital cannot invest in credit and storage. Despite their low turnover, these petty wholesalers perform an indispensable function at the first stage of the marketing channel. The number of wholesalers with much financial capital is limited. They buy much larger quantities and are able to invest in buying and selling networks. This means that they are also much more flexible in their choice of markets at which to buy and sell maize. This ability is crucial to understanding food marketing in Benin, because these traders are in fact the only ones capable of directly connecting rural supply and urban demand, which are hundreds of kilometers apart.

Retailers buy maize from wholesalers for sale to consumers at convenient locations and times. Moreover, by re-packing, sorting, and processing they are able to offer maize in the requested forms and quantities. To increase the volume assembled, some retailers have joined forces to set up their own assembling networks.

In addition to wholesalers and retailers, commission agents such as brokers and assemblers are key actors in the marketing channel. Non-resident wholesalers arriving at the large urban markets of Bohicon or Cotonou find it hard, especially in the period of abundance, to sell their maize without much delay to retailers, whom, moreover, they hardly know. To save time, they store their produce in a broker's warehouse. Subsequently, and on a commission basis, the broker sells the maize to retailers on behalf of the wholesaler. The broker knows the retailers well and often sells on credit, which considerably speeds up the sale of the wholesaler's stock. Some wealthy wholesalers do not even wait for their stock to be sold, but return to the production zone for more produce and collect their cash later. Others simply send a truck of maize to their broker without appearing in the city.

Assemblers buy maize on behalf of wholesalers at the farm gate, roadside, or village market. Like brokers, they do not incur a financial risk since their transactions are pre-financed by the wholesaler. Their work is advantageous to both farmers and wholesalers. Farmers save time and transportation costs; wholesalers save time and contract out an activity for which specific skills are required. '… assembly is quite a time-consuming activity: One has to attract farmers willing to sell their surpluses and negotiate a suitable price or measured quantity. Assemblers master the necessary local measuring techniques which consist of procuring the maximum of produce per unit measure, the price being more or less determined by the type of measure used' (Lutz, 1994: 69).

In practice, there is no clear distinction between the groups involved in trading maize from rural to urban areas. Brokers may do wholesaling at their own risk if opportunities are good. Petty wholesalers may turn into assemblers if their financial capital is insufficient to trade for their own account, and may start to wholesale again alongside assembling for a wealthy wholesaler when their financial capital has grown again.

Figure 1 – Benin: Main markets and trading circuits

1.4.2 Yam trade

Yams are produced in central and northern Benin. As well as being locally consumed, they are mainly traded to the south, where the urban market of Cotonou constitutes the main outlet. Adanguidi (2000) distinguishes three separate, ethnically (Fon, Bariba-Tchabe, and Dendi-Taneka) dominated trading circuits through which fresh and processed yams from different production zones are traded to Cotonou.

Yams are purchased predominantly at the farm gate. Wholesalers transport the produce to the city. Various reasons are found for the ethnic specialization in trading circuits. Firstly, yams tend to have specific characteristics in taste and texture according to their production zone. Consequently, the consumers who belong to an ethnic group that originates from a particular production zone, typically prefer to buy yams that are grown there. Secondly, at the Cotonou market, the use of measures to determine weight and quantity differs according to the ethnicity of wholesalers and retailers. For example, Fon wholesalers sell by balance, a technique which has not been mastered by their Bariba or Tchabe colleagues, who prefer to sell by pile or sack. The third reason seems to be the most important, however: When his truckload of yams arrives in Cotonou, it is hard for the wholesaler to sell them all at once. Storage is needed, but storage capacity is scarce and, moreover, it is important to sell as quickly as possible if prices are favorable. Therefore, each wholesaler guarantees his access to the market by cultivating relations with a group of retailers, who typically belong to the same ethnic group. For instance, to ensure sufficient storage capacity for yams or yam flour, Fon wholesalers maintain good relations with the market officials who rent out storage rooms from time to time. In addition, wholesalers mainly sell to retailers belonging to their own ethnic group, since much of the produce is provided on credit. Otherwise, the wholesalers use the services of brokers who store the produce in their warehouse in exchange for a commission and subsequently sell to retailers, again for a commission.

Adanguidi (2000: 119) concludes that there is a strong personal content and a clear regional-ethnic bias in the various relations that constitute the trade organization and, consequently, the type of rural-urban interaction. Although relations are personal, he does not consider them as power-neutral. Mainly because of differences in available financial and social capital, different actors in the trade organization have different powers. Nevertheless, he considers this type of rural-urban interaction as a relation of partnership rather than patron-client.

1.4.3 Cattle trade

Compared to other West African coastal countries, Benin has a large cattle population. Most cattle keeping is concentrated in the north, because the south is infested with the tsetse fly. Some three-quarters of the cattle supply originates from pastoralists; the remainder stems from farmers who mainly sell draught animals.

As in maize marketing, a distinction can be made between informal and formal markets, which are situated along the marketing channel that links rural and urban areas. The informal market is represented by farm-gate transactions between pastoralists, farmers, butchers, and traders, who sell and buy cattle in order to expand herds, to train draught animals, to slaughter, or to make a profit on a subsequent sale, respectively. Usually, three types of formal markets are distinguished. At collection markets, local traders buy from pastoralists and farmers. These markets are considerably less numerous, and consequently more dispersed, than the village maize markets, indicating the importance of informal cattle marketing. Distribution markets are typically second-level markets where local traders sell to long-distance traders, who in turn sell to butchers at the urban markets of Lome (Togo), Cotonou (Benin), Ibadan and Lagos (Nigeria). However, cattle flows between rural and urban areas may provide a more complicated picture (Quarles van Ufford, 1999: 119-151). This is mainly due to the multitude of transactions between formal and informal markets in the north. The expanding cotton economy in particular explains the rise in the number of local transactions for animal traction, cattle breeding or investment purposes.

As with the maize trade, different types of traders are active in the cattle trade. Yet, due to the diverging characteristics of the produce involved, both trades have developed their own specializations and concomitant organization. The maize trade organization, as outlined above, is dominated by a relay type of transaction carried out by independent actors. In relay trade, the commodity is effectively exchanged and ownership is transferred from one actor to another (farmer-trader, trader-consumer). In network trade, no transfer of property occurs; the commodity changes hands between different representatives or employees of a chief trader (farmer-network-butcher-consumer). Both types of trade organization are not mutually exclusive. Assemblers and brokers in the maize trade, for instance, acting on behalf of wealthy traders and retailers sometimes purchase maize through assembling networks. However, maize is much easier to standardize in terms of quality and measure than cattle are. This makes the maize market more transparent and explains its organization around the most ordinary form of consecutive transactions between sellers and buyers. Cattle trade is to a much larger extent vertically integrated and leaves less room for individual maneuver.

What can be said about the archetypal composition of a trade network? Central to the network is the network chief. His position is based on a combination of material wealth, prestige, and an extensive network of personal relations. He decides upon most of the transaction details (such as time schedule, numbers, and destination) and takes care of all financial arrangements.

For the purchase of cattle, the chief may employ various collectors. In relay trade, these would be independent retailer-assemblers. In the cattle trade, however, collectors are part of the chief's network. He advances them a certain amount of money to buy cattle at informal markets or small local collection markets. Usually, the collectors are experienced cattle buyers who typically confine their activities to a specific area. Even at formal market places, the collectors, as well as the traders, use the services of brokers.

Brokers are omnipresent at cattle markets all over West Africa. For a fixed commission from both buyer and seller, they witness the transaction, assure the solvability of the buyer, the origin and state of health of the animal, and guarantee that the animal has not been stolen. Typically, a broker is well acquainted with the cattle market in question and will try to find potential buyers for his clients, who are mostly pastoralists. They entrust the broker with the cattle they have for sale. As such, he performs a crucial service in the negotiation process, alternately informing buyer and seller about the respective bids. Using their prestige and material wealth, traders attempt to win over certain brokers by providing them with the occasional, financial favor. Brokers are prone to providing seller-pastoralists with erroneous information about the maximum traders are willing to pay, or about the alleged absence of other potential buyers. Thus, establishing relations with brokers is clearly to the financial advantage of the traders (Quarles van Ufford, forthcoming).

An itinerant trader may be in charge of transporting the animals to the final destination market. Besides the cattle, a sum to cover various transaction costs is entrusted to him. Upon return, the sales revenue is returned to the chief in cash or in the form of consumer goods which he ordered before departure. Yet, most chiefs prefer to make the final sale at the destination market themselves. In the absence of price standardization, only marketing experience can determine the right price. Still, an experienced herder will take care of trekking the cattle over at least part of the itinerary. The risks involved in this, as well as the considerable value of cattle entrusted to the herder, explain the observation that the chief typically prefers to maintain a network relation with this person who is so crucial to his trading activities.

At the sales markets on the West African coast, a crucial function in the trade network is performed by the landlord-broker who accommodates the itinerant long-distance traders and assists them in selling their cattle. In fact, he can be considered a cross-cultural broker, since the butchers to whom cattle are sold typically belong to a different ethnic group. The landlord is permanently established at the destination market. A chief trader will usually deal with one landlord to whom he may be related by kinship, ethnicity, or common region of origin. To lodge the traders, a landlord operates one or more residences. He provides meals and market information, and accompanies the trader to the market. Because of his acquaintance with the butchers, he is able to identify creditworthy and reliable customers, and is even prepared to run a debt collection service. Until the departure of the trader, he keeps the money and takes care of the administration (Quarles van Ufford, 1999: 47-51).

1.5 Discussion: Reassessing the role of social capital and networks in rural-urban interactions

The strategies of maize, yam, and cattle traders revealed that rural-urban interactions are shaped to a large extent by people's livelihood strategies. It is also clear that although trade is an economic activity, rural-urban interactions are embedded in social relations. This prompts us to reassess the role of social capital in rural-urban interactions and consequently in livelihood and to demonstrate that networks, personal contacts, trust, and prestige are vital determinants of the patterns we observe.

There is no fixed definition of social capital, and the concept is discussed in many contexts other than in relation to livelihood. According to the Social Capital Initiative (World Bank, 1998: 1), social capital 'includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development'. It is 'not simply the sum of institutions which underpin society, but also the glue that holds them together'. Within this overall perspective, three concepts of social capital can be distinguished. The original and most narrow one is associated with Putnam's (1993) analysis of civic traditions, democracy, and regional development in Italy. He explained regional differences in development by corresponding differences in social structures and networks. To him, social capital consists of social networks and associated norms that have an effect on the productivity of the community. He pointed at the tradition of rich networks of organized reciprocity and solidarity, embodied in guilds, religious fraternities, and neighborhood organizations in Italy, that laid the foundations for successful economic development. Trust-fostering norms, coordination of actions, information about trustworthiness of members, and the potential to serve as platforms of collaboration for new types of activity make these networks so interesting to Putnam.

Secondly, Coleman (1988) defined social capital much more broadly, as a variety of different entities which have in common that they consist of some aspect of social structure and facilitate certain actions of actors within the structure. Where Putnam (1993) thinks that vertical relations based on authority have a limited capacity for collective action and economic performance, and horizontal relations based on trust and shared values are more likely to have economic success (Bebbington 1999), Coleman values both horizontal and vertical organizations by arguing that certain forms of social capital may be useful for one action but useless or harmful for another. The key elements to Coleman are trustworthiness, the capability of information provision, and the execution of effective sanctions.

Thirdly, Olsen (1982) and North (1990) include in social capital the most formalized institutional relationships and structures such as government, law, and civil liberties. Clearly, these three concepts of social capital are not mutually exclusive, but overlap and encompass each other.

Although the debate about social capital sometimes takes euphoric dimensions, it is evident that it cannot be a panacea for development. Nor will social capital have positive effects for everyone in all cases. If it has positive effects on one group, it may be to the detriment of others. Nevertheless, social capital clearly has the potential to enhance people's livelihood, and one may expect that it improves the sustainability of that livelihood in terms of coping and adaptation. The role of social capital is particularly interesting with respect to the access it may provide to other capitals and to wider institutions of state, market, and civil society. Especially Bebbington (1999) dwells upon the relationship between social capital and access from both the inside out and the outside in. With respect to 'from the inside out', he points at the mobilization of social relations for accessing capitals, so-called claim-making. Shared cultural identity and strong intra-group communication etc. facilitate group members' access to local capitals. Examples are access to financial capital through rotating saving schemes, or to arable land through a common property regime. Moving up the scale, strong networks with state or civil society actors may facilitate access to health and educational services. In the same vein, networks with other market actors may open up new markets. Finally, on a national scale, strong social capital in the form of regional or national political parties or trade associations may influence trade policies. With respect to 'from the outside in'

Bebbington (1999) notes that little is known about how external institutions, such as state institutions, can reach down to enhance people's access to capitals. He mainly points at synergistic relations in service provision between state institutions and local formal organizations.

From our discussion of the maize, yam, and cattle trade it has become clear that social capital plays an important role in trade organization and in the livelihood of traders, producers, and consumers. Contacts, trust, and information about the trustworthiness of actors and the trustworthiness of market information are prominent issues in this respect.

In the organization of the yam trade, for instance, strong personal ties and a clear regional-ethnic identity were depicted. Yam wholesalers must trust retailers to pay them once the latter have sold the produce to consumers. Equally they must trust brokers for selling their stock at a reasonable price. Since written contracts hardly exist or can hardly be enforced in the absence of collateral, trust on the basis of long-standing personal contacts and endorsed by regional-ethnic bonds is the only alternative.

Also in the maize trade, wholesalers establish relations of trust with their brokers, who store and sell their produce. They also lend assemblers money to buy maize at the farm gate, roadside, or village market. Lutz (1994: 60) believes that retailers provide consumers with credit for social rather than economic reasons. In view of the above, we agree with Granovetter (1985) that economic and social considerations cannot be separated from each other. Providing credit to consumers is as much a socially embedded economic act as a wholesaler's providing a retailer with produce on credit. In the cases Lutz mentions, trust (i.e., social capital) substitutes financial capital, which is scarce. As such, social capital guarantees the maintenance of the clientele and the continuity of the business.

Finally, it appeared that social capital is equally indispensable in the cattle trade. For instance, a trader requires a minimum of contacts with suppliers, herders, brokers or butchers to facilitate his transactions. In the past, his file of potential suppliers – i.e. pastoralists - was even more important given the near absence of formal cattle markets. It is interesting to note in this respect that until recently the relationship with a trader constituted an important asset for a pastoralist as well, notably to get access to 'urban affairs'. A trader could, for instance, assist in contacting local authorities in order to resolve problems concerning tenure, cattle thefts, and the like. Hence, upon establishment in a particular area, pastoralists would seek to contact a local trader in order to build a sustained relationship of 'mutual services'. Nowadays, this particular manifestation of social capital bridging the rural-urban divide has lost some of its importance, since many pastoralists have integrated urban markets in one way or another, and have become acquainted with city life. For traders, however, preferential sales contacts with pastoralists remain of substantial weight in their trading practices.

In the cattle trade as well, social capital and trust are intimately related. Giving large sums of money to a collector to buy cattle demonstrates the confidence of the network chief in his collaborator. Sending 30 head of cattle on the hoof over the Nigerian border to avoid customs controls and to sell at more profitable prices at the Ibadan terminal market, means putting a lot of confidence in herders. In fact, a brief description of the management of trading networks gives us a perfect insight into how social capital can be created, maintained, and expanded, and how trust is obtained.

Generally, there are three types of relations a chief trader maintains with his collaborators. Firstly, there are kinship relations with his children or cousins. This is less obvious than it seems at first sight. Although sons do participate in his network, the working relation with their father may be less close than expected. Given the often large number of sons in view of the polygamous households of many traders, and the danger of dispersal of the inheritance and decline of the enterprise when Islamic heritage laws are applied after his death, a father-trader may select his successor at an early stage and transfer a substantial part of the business to him. Intense work relationships havealso been observed between a trader and his cousins. In general, kinship relations are crucial for starting traders, since they benefit from the experience, prestige and financial capacity of their father or uncle.

A second type of relationship is the matrimonial alliance. In this case, an individual becomes linked to the chief through marriage to one of his daughters or female kin. In fact, this often concerns the revaluation of an employer-employee relation to a kinship relation, and happens to the best performing employees. They will subsequently have many more opportunities to start their own business, while remaining close to the chief-trader.

Thirdly, there is the employer-employee relationship, which usually takes the form of a patron-client relation or an apprenticeship. Here, the apprentice is 'indebted' to the chief because the latter has rendered him one or more specific services – such as the provision of food, lodging or a trade education – or has helped him out with a particular problem. The apprentice reciprocally performs trade activities for the trader. In due time, these trade activities typically become more complicated and involve increasing responsibilities and trust, as in the case of an apprentice selling his patron's cattle at a far away market. His education completed, the apprentice will be symbolically liberated. At that time, he will have accumulated his own working capital and will thus be able to set up his own business as an independent trader, even though he will certainly maintain close economic and social ties with his former chief.

These examples reveal the substance of social capital. In turn, social capital may provide access to other capitals such as information. Through privileged contacts, a trader obtains information on prices, trekking routes, etc., in a market typically characterised by the non transparency of such parameters. Social capital may have a religious underpinning, too. In West Africa, the traditional trade sectors – such as those for food grains and cattle – are generally dominated by Moslem traders. Islam is often referred to as providing traders with a set of elementary trading regulations as well as binding them together into a supra-community. It provides a set of norms and values which have a significant impact on trade organization and the strategies of traders. 'For a long time, the function of landlord-broker has enjoyed considerable prestige. In the Islamic setting of long-distance trade, the fact of receiving multiple visitors certainly contributes to this. "Guests are presents from God" a landlord once said' (Quarles van Ufford, 1999: 22 and 50). The title *El Hadj*, earned by a completing a pilgrimage to Mecca, adds to a trader's prestige and trustworthiness. For that matter, Bebbington (1999) would prefer to call this cultural capital. Note that Islam not only supported the bonds in the West African pre-colonial Haoussa trade networks and diaspora, but protected the minorities in the different trading towns from what Portes and Landolt (1996) call the downside of social capital. Successful entrepreneurs are often besieged by relatives and friends, who expect to receive assistance from the wealthy businessman. This might become such a burden to him that the continuity of the business is threatened. The different religion of the diaspora made its members less vulnerable to claim-making from the host society. We may conclude this discussion on the meaning of social capital for livelihood as follows. Social capital plays a key role in livelihood maintenance. It is defined as the institutions, relationships, attitudes, and values that govern interactions between people and contribute to economic and social development. Social capital can be a value in itself, because it contributes to people's sense of well-being through belonging and identity. What is crucial, however, is that the processing of the other vital capitals in pursuit of a livelihood is mediated through social capital, because social capital gives the actor access to other capitals. Our analysis of the cattle trade convincingly demonstrated that social capital may provide a person with access to other capitals. Both kinship relations and apprenticeships are types of social capital creation through which other vital capitals (information, skill, finance) in cattle marketing become accessible to the starting trader.

However, some traders succeed to make their way into trade relying only partly on kinship relations or apprenticeships. This shows that the role of social capital should not be glorified to the extreme, nor should its importance be neglected. The observation rather partly confirms the analysis of Granovetter (1983) concerning strong and weak ties. To become successful in cattle marketing, newcomers who do not belong to the inner circle of insiders have to create social capital, but they do so by exploring weak ties. Their entry is not facilitated by social capital based on strong ties, but primarily by the possession of other capitals, i.e., skill and finance. Notwithstanding this, comparatively more success is still gained through the kinship and the apprentice modes, which falsifies Granovetter's opinion of strong ties. With respect to the informal and formal kinds of networks identified by Rose (1998), we did not come across any significant formal network in trade organization that contributed to a trader's livelihood. This complies with our general impression that rural-urban interactions in West Africa, also when they concern flows of people, mainly comprise informal networks.

More practically, social capital consists of (1) relationships of trust, reciprocity, and exchange that facilitate cooperation, reduce transaction costs, and provide safety nets amongst actors; (2) networks, either vertical or horizontal, that increase people's trust and ability to cooperate and expand their access to wider institutions; and (3) membership of more formal groups, which often entails adherence to common rules, norms, and sanctions (DFID, 1999).

Through social capital, the quantity and quality of the other forms of capital can be improved. Mutual trust and reciprocity lower the costs of working together. Lower costs improve the efficiency of economic actions, and therefore reinforce financial capital. Rules and sanctions prevent the overexploitation of natural resources and induce its conservation. When people are linked by common norms and sanctions they may more easily form new organizations to pursue interests, including claim-making in the political domain.

Finally, at least two other vital capitals (in addition to human, natural, physical, financial, and social) have been detected in the analysis of rural-urban interaction, i.e., information capital and religious/cultural capital. We feel that there are good arguments to classify religious or cultural capital under social capital, since religion is so closely linked to norms, sanctions, trust, and formalized groups. However, in the case of trading strategies it was appropriate to discuss them separately. With regard to information capital, our analysis showed that information is provided through networks of social relations, and even that information (about the trustworthiness of the members) is one of the prerequisites for a successful network. However, in the case of marketing, information does not necessarily have to be obtained through social networks; soon in fact – if the formalization of markets continues at the present pace – it will not be obtained through such networks at all. Therefore it may be advisable to include information as a vital resource in the livelihood analysis of rural-urban interactions.

1.6 Conclusion

We have oriented our analysis of modern rural-urban interaction toward livelihood strategies that shape the flows of food items from rural to urban areas in West Africa. By paying attention to food trade, we were also able to pay additional attention to other interactions such as flows of people and information. Our approach showed that it pays off to analyze rural-urban interactions such as trade as socially embedded economic activities. Through an analysis of networks and social relations, we have determined the prominent role of social capital in livelihood. The processing of vital capitals in the pursuit of a livelihood is mediated through social capital, precisely because social capital facilitates access to these other forms of capital. We therefore consider social capital as a historical requirement in linking the rural and the urban.

One question that remains to be answered concerns the endurance of our conclusions in the light of increasing globalization. Market structures in West Africa are increasingly formalized. This formalization appears with the emergence of more formal markets, new modes of market organization, and the subsequent decline of such traditional institutions as brokerage. This results in highly personalized informal exchange configurations between buyer and seller, becoming impersonal formal market relations. Informal markets become outshone by formal markets. Brokers on formal markets give way to marketing committees, which officially register transactions. Price information is increasingly distributed through public channels and more rapidly available, reducing the benefits of network information. Yet, this tendency is unevenly developing in different markets. We have already pointed at differences between the maize and the cattle market. Standardization is easier in the maize trade than in the cattle trade, which explains the prevalence of relay relations in maize trade as compared to network relations in cattle trade. Moreover, formalization in market relations is more ahead in more densely populated areas with a certain volume of market production than in sparsely populated, remote areas. We expect that increasing formalization will result in a decline in the significance of social capital in market relations. On the other hand, because globalization places a premium on flexibility and adaptability, we postulate that the premium on adaptation is easier to cash in by maintaining social capital.

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