Trade and Traders. The Making of the Cattle Market in Benin
Quarles van Ufford, P.E.J.

Citation for published version (APA):

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Accumulation paths of cattle traders: on success and failure

Several authors have published extensively on the determinants of success and failure for West African traders in different sectors of the economy. In particular, attention has been paid to the crucial function of trade networks (Grégoire & Labazée 1993), family connections and membership of a commercial community (Warms 1994, 97). Nevertheless, neither success nor failure can be explained away by exclusively referring to the mode of trade organisation. Hence, emphasis has equally been placed on individual qualities such as hard work and the ability to make good judgements, factors such as (bad) luck (ibid.) as well as structural factors related to the general macroeconomic setting of a specific trade sector, such as fluctuating currency exchange rates, trade barriers and tax policies (Brégand 1998; Grégoire 1986; Baier 1980, 174).

This chapter considers the role of personal characteristics and structural factors in the success and failure of cattle traders in Benin. As in the previous chapter the focus of the analysis is on the individual cattle trader. More specifically, it addresses their accumulation paths which represent the often erratic patterns of success and failure in their trade careers. The notion of accumulation is made operational by using the term 'wealth' which captures the relative value of a trader's accumulated economic, social and symbolic capital at a given moment. The significance of using a multidimensional approach to the concept of wealth was demonstrated in Chapter 1 and various forms of capital were incorporated in the conceptual scheme.

The 'wealth position' of each trader with whom interviews were held was measured at the time of fieldwork. From that point, the accumulation paths were traced backwards in order to examine the determinants of upward and downward mobility. The differentiation of determinants at the individual level versus determinants at a structural level fits with our research objective which aimed to analyse the interplay between structure and actor in the cattle trade. Finally, the findings presented here will serve as input for Chapter 8 since they allow an assessment of the decisions and strategies of cattle traders in the perspective of differentiated wealth positions.

The chapter is organised around two sections which consecutively address the notion of wealth, its dimensions and the classification of cattle traders (7.1) as well as the determinants of their upward and downward mobility, i.e. of success and failure (7.2).
7.1 Wealth

The objective of every individual cattle trader is to become 'successful' or 'wealthy'. In order to measure the differentiation of traders according to their degree of wealth, the concept has to be made operational. Hence, three wealth dimensions will be distinguished and the aggregate score of each individual cattle trader will facilitate a subsequent categorisation (wealth ranking) of traders according to their actual (i.e. 1996-1997) wealth position. A special methodology was designed to incorporate the perceptions of wealth of the cattle traders themselves as well as that of various key informants.

Dimensions of wealth

Several dimensions to assess the level of wealth of traders were dealt with in Chapter 2. It appeared that in a historical West African trade setting, wealth or success have never had an exclusively monetary connotation. In addition to the monetary component, i.e. the conventional economic capital, social and cultural values have to be considered as equally important components of the definition of wealth. Hence, in an attempt to integrate these components, wealth was roughly defined as the aggregate of economic, social (or human) and symbolic capital at a specific time.

A number of specific dimensions can be derived from this definition when it is applied to the livestock trade in general and cattle trade in particular. The first dimension is economic capital which is composed of the aggregate amount of a trader's working capital and material possessions. The amount of working capital is usually expressed in the number of cattle a trader is able to purchase. In other words, it refers to his purchasing power. A crucial threshold for traders is the capacity to buy a whole truckload of animals (a so-called chargement) at once. This truckload generally corresponds to around 30 animals, which is the capacity of an ordinary 30-ton truck. Having reached a truckload purchasing capacity, a trader symbolically achieves an 'independent' status. Although he might already have traded on his own account for years, surpassing the '30' level means that he will be considered by other traders as being capable of independently running his own business. For El Hadj Belko for instance, it meant breaking his relationship with El Hadj Medagui who he had followed for five years. During this period, Belko had been able to increase his

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1 The dimensions put forward here have been derived partly from the literature (dimensions such as trade networks and symbolic capital) and partly from discussions held with traders and key informants. For a few dimensions that were mentioned by traders there appeared to be no consensus, i.e. they were brought up by few traders only or were disagreed upon. Among others, these referred to certain of a wealthy trader's responsibilities such as displaying solidarity with 'stranger traders' (i.e. introducing and assisting them at your 'home market'), which was mentioned by only a few traders. Also, while some traders indicated that possessing a trade license (patente) is an essential requirement for being a 'big trader', others considered it to be of secondary importance only.

2 This does not, however, mean that traders will always fully use their purchasing capacity. Risk-evading behaviour in general make traders purchase limited numbers of animals at any one time. For instance, when cattle are walked across the border towards Nigerian markets, herds do not usually exceed 20-25 animals in order to be easily manageable and in case of difficulties with customs.
The second component of economic capital is represented by the material possessions of a trader. As will be explained in more detail later, cattle traders in Benin prefer to invest in areas such as livestock, means of transport, real estate and cropland. These investments can be expressed in monetary terms and measured as such. A cattle trader's main priority is investments in the cattle herd. Cattle are a relatively secure investment and typically appreciate in value over the years. Moreover, many traders claim that their cattle herd is the basis of their trade; in times of loss they can draw from it to maintain a certain number of trade animals. Also, the sale of a number of animals from the herd serves to finance occasional large investments such as the purchase of a truck. Finally, the investment patterns of individual traders reveal responses to location-specific opportunities. For instance, some Malanville-based traders have invested in activities for which the Malanville market has gained an international reputation, such as the trade in cloth or canned tomatoes or foreign currency exchange. The traders around Kandi and Banikoara, on the other hand, have been more inclined to invest in the expansion of cotton production or in small trucks which are predominantly used to move harvested cotton. In her research among truck owners in Parakou, Brégand noted an increased preference for investing in cropland (1998, 210-211). This was considered the most secure means of investing profits in the light of the general economic crisis that started in the 1980s.

The second dimension of wealth encompasses a trader's social capital. Social capital is a notion which is difficult to make operational. The term trade network is therefore preferred. A trade network typically involves all the labour and business relations a trader has established over time. These relations can be directly or indirectly called on to serve his business. The literature study revealed that within a large variety of traditional West African trade sectors including the cattle trade, the wealthiest traders rely on an extensive network of dependants who can be mobilised for the purpose of the trader's business. In the present study, the organisation, creation and maintenance of labour and business networks of cattle traders in Benin will be discussed in Section 8.1. However, the relative extent of a trader's network compared to others will be included here as a dimension for wealth ranking.

The third dimension of wealth is symbolic capital. The notion of symbolic capital was found to revolve principally around the status of a trader. Status refers to the degree of respect and prestige community members attribute to traders and traders attribute to their professional colleagues (Scoones 1995, 76). It is therefore part of the identity of a trader in the sense that it mainly exists in the perception of others. Status used to figure prominently among the wealth dimensions mentioned by traders themselves. As El Hadj Sani argued, someone is a wealthy trader '... quand la société le reconnaît comme tel ...' (when society recognises him as such). However, not only wealthy traders enjoy a particular status. The terminology of the trading community makes a distinction between traders and brokers (revendeurs) even though both are concerned with the purchase and sale of cattle. The 

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3 Today, few cattle traders have a purchasing capacity of over 30 animals. To give an impression of the upper range, the working capital of El Hadj Narou who is among the three wealthiest cattle traders in our sample, approximates 10,000,000 CFA francs. This would allow him to purchase around 60 average-sized bulls at a time and puts him in an exceptional position. The majority of big full-time traders have a purchasing capacity of around 10 animals which corresponds to around 800,000 to 1,000,000 CFA francs. Among smaller traders a purchasing capacity of 1-3 cattle is common (150,000 – 150,000 CFA francs). In both cases, the reference animal is a full-grown bull (cf. Section 5.2).

4 Warmes referred to the perception aspect of status as '.. to be seen by [other] merchants as identifying with the symbols of the community .. ' (1990, 57).
separate term revendeur explicitly refers to traders of a somewhat lower status because of the small number of animals they handle, their tendency to be exclusively involved in local trade and to specialise in particular types of transactions (cf. Section 8.2). Another crucial component of the symbolic capital or status of a trader is his investment in religion. Some authors have therefore defined this as religious capital (Grégoire & Labazée 1993). Investments in religious capital have a status-enhancing function for the trader. The accomplishment of a pilgrimage to Mecca is the most meaningful exponent of this type of investment. Upon their return from Mecca, the pilgrims acquire the title of El Hadj. In fact, a trader who is entitled El Hadj is usually successful. It should be mentioned that it is not per se the trader himself who goes to Mecca. Considerable status is also obtained when someone finances the pilgrimage of a relative, in most cases that of a father, brother(s) or wife(s). Some traders have even been to Mecca several times. In addition to the Hadj, religious capital encompasses investments in mosques or Koranic schools as well as occasional gifts to local marabouts and other religious authorities.

The discussion of status as one of the dimensions of wealth reveals that to some extent status is equally determined by the trader's working capital, material investments and social capital. However, it is still possible that someone who would qualify as a very wealthy trader according to dimensions 1 and 2 would not be classified as such by fellow members of the trading community in his region or village. Behaviour within the local community is of great importance to a trader's status. For instance, readiness to assist in resolving a conflict, to satisfy the requests of kinship members or villagers, to attend marriages or other ceremonies, and to be a devoted Moslem all contribute to the formation and maintenance of status. It appeared that creating and maintaining a position of status requires additional investments, as well as performance in the cattle trade. In this respect, the role of religious investments has already been mentioned. Furthermore, investments in the family were frequently mentioned by traders themselves. They considered the status of a trader to be partly linked to his capability and willingness to tackle various (financial) problems within his family, relating to illness, food and travel expenses. Typically, upon success in trade, the number of 'dependants' a trader has to take care of increases considerably. For some traders who have known adverse trade situations, it has been difficult to continue to support a large number of people. Still, examples are recounted of traders who could maintain their status despite the loss of economic capital due to unexpected financial setbacks. This was illustrated by one of the traders who claimed that '... aujourd'hui, les commerçants ont plus le titre que le bénéfice...' (today a trader makes a title instead of a profit), referring to the observation that big traders make significantly less profit than they used to but they still maintain their reputations.

It will be argued in the next chapter that symbolic or status capital not only reflects a trader's wealth position but constitutes a vital trade instrument as well, notably in the area of relationship management.

To make the above-mentioned dimensions operational for the purpose of the present study, the wealth position of traders was discussed with themselves (individually) as well as with key informants. Subsequently, a so-called wealth ranking was established for the traders who were included in the survey. Before presenting the classification that resulted from this ranking, a few methodological remarks need to be made.

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5 For an impression of the magnitude of this investment: in 1996, a full board trip to Mecca cost approximately 850,000 CFA francs.
Wealth ranking of cattle traders

According to the dimensions mentioned above, a number of criteria were established in order to assess the wealth position of individual cattle traders. A 'preliminary' wealth ranking was made by the researcher on the basis of a selection of criteria for which material was available from the interviews. Subsequently, the scores of individual traders were discussed with key informants as well as with research assistants. For both 'exercises', it was difficult to obtain 'hard' quantitative scores for each criterion (for instance, the number of cattle or exact purchasing capacity). Therefore, several ordinal indicators such as 'many', 'few', 'high' and 'low' were employed. These indicators appeared applicable, notably when consistent comparison with other traders was made to determine relative positions. The researcher's preliminary wealth ranking, based primarily on network, investment and purchasing capacity criteria, was compared to the ranking that resulted from discussions with key informants and research assistants. The differences appeared to be small, and consensus was most easily reached at the top and bottom ends of the wealth scale. Still, an attempt was made to extend the number of categories from two ('high vs. low') to four mainly because a middle group of traders remained who could clearly not be assigned to the highest and lowest wealth groups and but were too diverse to be classified as one group. This classification generated somewhat more difficult and detailed discussions, since situations sometimes arose in which some criteria justified classification in group 2 whereas others indicated a position in group 3. It was therefore decided to attach more weight to the economic capital criterion in situations of uncertainty about a trader's scores on social and symbolic capital. Agreement could then be reached more easily on each trader's classification. The results of the wealth ranking are presented in Scheme 7.1.

The purpose of classifying traders in four 'wealth groups' is to facilitate a detailed analysis of wealth determinants. In addition, the classification in two groups (bottom half versus top half) will serve to explain the differentiation found in the strategies of cattle traders. This is the subject of the next chapter. The wealth ranking presented in Scheme 7.1 represents a cross-section of the various wealth levels among full-time cattle traders in Benin. It was emphasised in the methodology section of Chapter 1 that the sample of traders was partly designed to represent the ethnic composition of the trader community in northern Benin, hence, the dominance of Fulani (17) and Bariba (14) cattle traders. The sample was deliberately stratified to include traders of various sizes on the basis of key informants' preliminary assessments of wealth. Accordingly, the ranking is not representative for the relative size of each of the wealth categories within the total population of cattle traders in Benin. In reality, the number of cattle traders in the bottom half of the wealth scale clearly outweighs the number of traders in the top half. Notwithstanding this, the relatively high number of Fulani traders in the bottom half of the sample (13 traders versus 4 non-Fulani traders) does reflect the actual situation.
How can the different wealth categories be characterised? The lower end of the scale (third and fourth categories) represents the 'least wealthy' segment of the sample. The principal features of the traders who were classified in this range include a low purchasing capacity, few investments and a very compact network composed of a few business relationships. Moreover, their geographical range of operation is often restricted to the local or regional level. For instance, the group comprises four Fulani traders specialising in an exchange/barter system at the regional level (cf. Section 8.3). Their trade system is typically based on turning over low numbers of cattle. Still, 8 out of 17 (bottom half) traders do visit distant international destinations albeit very often in the wake of a wealthy trader, a phenomenon which was discussed in the previous chapter. Finally, four of the traders belonging to this group used to be wealthy traders (from the middle high group in particular) whose businesses have deteriorated. To a large extent, they have been unlucky, having been severely hit by losses due to the risks involved in the cattle trade. However, their cases are not exceptional as involuntary descent down the 'wealth ladder' is a common occurrence. The phenomenon of downward mobility will be dealt with later.

In addition to differences in purchasing power, the separation between the 'middle low' and 'low' groups reflects distinct perceptions. The traders classified in the 'low' range are commonly perceived by other community members as *revendeurs* (brokers). This perception embraces two features, i.e. a predominantly local and occasionally regional basis of trade, and limited financial resources. The majority of occasional traders not included in this sample are equally identified as *revendeurs*. The broker perception makes them qualify for the fourth and lowest wealth segment, leaving the remaining traders in the 'middle low' category.

The wealthier cattle traders (high and middle high groups) possess substantial amounts of working capital for the purchase of cattle (15+) and their trade activities are orientated towards major (international) consumer markets. Furthermore, they all direct investments into their cattle herds and most invest heavily in transport and construction as well. Most have been involved in the cattle trade for a long time and have acquired considerable skills and knowledge about trading practices. At the top end of the wealth scale, the group of traders classified within the 'high wealth' segment definitely stand out. In the perception of traders as well as others they are the *grands commerçants de bétail* (the big cattle traders), a term which is consistently used to indicate this group and its status. They clearly score highest on each of the criteria. For instance, all *grands commerçants de bétail* have been to Mecca at least once and thus obtained the *El Hadj* title. Several among them have financed the pilgrimage for one or more family members. In addition to their trade expertise and financial
position, most big cattle traders have extensive trade networks composed of both labour and business relations. These networks are the result of a successful trader career and also facilitate further accumulation of wealth. The 'middle high' wealth category consists of traders who generally score lower on the material criteria (purchasing capacity, investments etc.). Some of them will have experienced a deterioration of affairs and, although still perceived of as big cattle traders, are not able to operate any more at the same level of activity as their colleagues in the highest wealth group. Others can be qualified as up-and-coming young men. They are looked upon and respected as important cattle traders and will probably move into the highest group in the near future.

The description of the general features of members of the 'middle high' wealth category already hinted at the phenomenon of upward and downward mobility. The striking presence of this phenomenon in Benin's cattle trade compels consideration of the wealth categorisation as a picture at a given moment. The notion of accumulation path was therefore adopted to present a more dynamic picture of increasing and decreasing wealth over time. Following a short elaboration on the significance of altering up- and downward mobility and its manifestations, Section 7.2 investigates the determinants of success (upward mobility) and failure (downward mobility) in the cattle trade.

Upward and downward mobility

In view of our discussion on the dimensions of wealth, upward mobility is defined as the accumulation of economic, social and symbolic capital. Of course, downward mobility represents the opposite. With regard to up- and downward mobility in the cattle trade, it is clear that very few traders follow a pattern of gradual accumulation, increasing wealth and upward mobility. This is a crucial remark because the alternation of success and failure has to be considered one of the most prominent features of the cattle trade. If the accumulation of wealth among cattle traders is far from a unidirectional process, it is equally true that for some traders the accumulation of wealth is spread over a period of several years while others are able to evolve more rapidly. Moving up the wealth ladder is a process of trial and error which many traders have qualified as 'on chute, on monte', (we go up and down). This up-and-down movement is illustrated by the observation that while most traders are periodically confronted with financial losses and subsequent reductions in their purchasing capacity, it is almost equally likely that a situation will occur in which these losses are recovered by an exceptionally profitable transaction. The sheer number of risks involved in cattle trading is a major determinant of recurrent reductions in working capital. In spite of this, the ability of a trader to capitalise on favourable market conditions can bring about considerable financial advantages and improvement in his purchasing capacity as well. This saw-toothed pattern of accumulation (success) and loss (failure) is highly characteristic of the careers or accumulation paths of the majority of cattle traders in Benin.

The extent to which a cattle trader is capable of recovering from a loss depends significantly on his financial and relational options. Reserves in the form of capital, cattle or personal relationships through which credit can be obtained are important in this respect. Traders in the lower echelons of the wealth scale are much more vulnerable to incidental losses. Their limited working capital and network relations are likely to hamper a quick and smooth recovery. Instead, they could be temporarily confined to the reserves' bench as they usually call it, i.e. forced to leave the cattle trade for an unspecified period. In order to rejoin it, these traders are compelled to cover at least some of the entry paths
which were described in Section 6.2 for a second time. Some traders succeed in moving upwards or in making a new start despite occasional setbacks but others are forced to resign. The image of small cattle traders constantly moving in and out of the cattle trade sector is highly characteristic of the situation at the bottom end of the wealth scale. This was also acknowledged by Baier (1980, 174) in his study on cattle traders in Niger. He noted that only a thin line separated success and failure and that ‘... a few mistakes caused by bad judgement or unfavourable fluctuations [ ] could be sufficient to put traders out of action ..’ (ibid.). In order to substantiate these remarks, we will examine the range of determinants which occasion the saw-toothed pattern of upward and downward mobility.

7.2 Determinants of success and failure

This section addresses the impact of various factors on the wealth position and wealth mobility of cattle traders. It starts with an assessment of the relationship between the mode of entry and the wealth position. Following this, the impact of individual factors, contingency factors and period-specific structural factors will be dealt with respectively.

In the previous chapter a distinction was made between three different modes of entry into the cattle trade: the kinship mode, the apprenticeship mode and the self-made traders. It was demonstrated that not all traders follow one specific mode exclusively but that they tend to combine aspects of distinctive modes. With regard to the relationship between entry mode and wealth position, we would expect traders who enter the cattle trade via a network of kinship relations to be able to make a head start compared to others who had to 'force' an entry independently or through an apprenticeship. As such, the assistance of kinship relations at the start of a trader's accumulation path would have a long-term impact and positively contribute to his actual wealth position.

Within our group of 39 traders, 25 in some way benefited from kinship relations to enter the trade in cattle. When the actual wealth position of these 25 traders is taken into account, it appears that 15 traders are classified at the top end and 10 traders at the bottom end of the wealth scale. At first sight, this justifies the conclusion that no significant relationship exists between the entry mode to trade and the actual wealth position of traders. Nevertheless, it was argued before that the contribution of kinship relations 'at entry' occurred under various manifestations. These ranged from incidental gifts or the pre-inheritance of cattle to outright inheritance of a working capital, material possessions, knowledge of trade practices and a network of relations. Taking into account this differentiation, it appears that those traders who operated within a family enterprise and inherited the business from their fathers had a head start compared to other traders, and most of them were able to maintain and expand their position at the top end of the wealth scale. Within the group of 25 traders for whom kinship relations have played a role, 8 traders were classified at the top end of the wealth scale. Although kinship relations contributed to the entry of the remaining 17 traders, this appeared to have had no straightforward impact on their actual wealth position and indicates the existence of wealth determinants other than the entry mode. A comparably rapid and sustained accumulation was found among those traders who had already earned considerable capital in agriculture before entering the cattle trade (cf. the case study of El Hadj Sambu in Section 6.2). Right from the start, these traders were able to purchase substantial numbers of cattle and embark upon a rapid accumulation process. These predominantly self-made traders with a strong background in agriculture, totalling 7 in number, are also at the top end of the wealth scale.
In short, those traders who had head start in the initial stages of their careers could more easily expand their wealth position and immediately engage in the lucrative long-distance trade of large numbers of cattle. In contrast, the traders who lacked similar opportunities generally started to operate at the local level, dealing with a few animals at a time. For them, it appeared much more difficult to accumulate wealth and their success or failure depended on a variety of factors. In this respect, the 'on-and-off image' which pertains to the lower half of the wealth scale is illustrative of the difficulties of surpassing the threshold level of dealing with more than about 5 animals which might secure continuity in business. The following paragraphs will show that surpassing this level could, among other things, depend on the business intuition of an individual trader.

Hard work, (bad) luck and business intuition

In an attempt to distinguish the factors that might determine the alternation of success and failure among individual cattle traders, we need to consider such difficult to assess personal qualities such as business intuition and the aptitude or willingness to endure hardship and to work hard.

In general, most cattle traders appeared certain that success can never be commanded or influenced. They interpreted success as well as failure to be determined by the will of Allah. Of course, this perception is related to the fact that almost all cattle traders are devout Moslems. However, as discussions continued they would additionally refer to precisely those factors which are the subject of the present section. A successful cattle trader is 'serious', 'honest' and 'works hard'. Successful traders would usually employ popular expressions such as '... Dieu nous a donné le commerce..' (God has given us trade), to explain why they had been more successful than their colleagues or '... il ne faut pas oublier Dieu dans tout ça..' (don't forget God in all this). To the western researcher 'from outside', it would appear that some traders are more talented than others, but it is difficult to define the concept of business intuition. It is even more complex to assess the relative extent to which intuition and talent have contributed to the eventual success of traders. However, it has become clear from the analysis of individual accumulation paths that 10 out of 15 traders who were classified in the highest wealth category (cf. Scheme 7.1) revealed a clear competence in making substantial profits on transactions during the initial stages of their career as a cattle trader. The realisation of profitable transactions consistently revealed a certain skill in purchasing and selling the right animals, at the right place, and at the most appropriate moment. Thus, the traders were able to rapidly increase their purchasing capacity and build up reserves which made them less vulnerable to eventual losses. The role

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9 There is, however, not always a straightforward relationship between upward mobility and geographical scale of operation. Collaboration enables small traders to visit long-distance destinations in the wake of a bigger trader (cf. Section 6.2). On the other hand, even though their focus is primarily on long-distance trade, big traders will not hesitate to engage in transactions at a local level.

10 This belief was observed to be especially strong on some occasions. Cases of non-repayment of debts by butchers, or apprentices who lost money or animals entrusted to them, were sometimes taken with an astonishing (to the outsider) attitude of acquiescence. Traders would consider it inappropriate to take action to rectify a situation that was 'inflicted upon them' or 'happened to them' by the will of Allah.

11 Sindzingre (1998, 81) refers to this as flair, attraction to risk, and 'entrepreneurship'.

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of business intuition in determining success in trade also refers to the pioneering role of certain cattle traders who were competent enough to create new opportunities, outlets or strategies. The role of pioneering traders is further elaborated upon in Chapter 8, but no straightforward relationship was detected between classification as a pioneering trader and actual wealth position.

The ability to deal with physical hardship and to endure adversity are other individual qualities which can help determine a trader's success in business. In fact, they were frequently mentioned by the traders themselves as crucial conditions for even being involved in trade. Travelling to distant markets, walking considerable distances, going round cattle camps, spending a great deal of time away from home and constantly looking after the health of one's animals are inherent to the trade in cattle but might sometimes discourage traders from continuing. Moreover, in spite of the fact that cattle are usually trekked by specialised herders, the traders will visit the herd at specific points along the trekking itinerary which usually requires lengthy travel to isolated areas by taxi but more often by motor bike, bicycle or on foot. Physical hardship has certainly been a reason for some cattle traders to quit the sector and divert their activities to agriculture, pastoralism or other trade sectors. Although it is impossible to provide quantitative figures, the discouraging effect of physical hardship in a sector characterised by an increasing number of participants and pressure on profit margins will have contributed to the resignation of some traders. The latter remark indicates that individual factors have to be interpreted in their period-specific macroeconomic context. Before dealing with period-specific structural influences on success and failure, we will elaborate upon one of the most essential factors having an impact on success and failure, namely risk. In the cattle trade, individualised determinants such as luck or bad luck are intimately related to risk. Those (few) traders who have not (or only once or twice) been struck by one of the recurring risks encountered in the cattle trade can be considered 'lucky'.

Risk

Risk is a highly unpredictable element which can make the difference between success or failure. Here, we will highlight a number of risks which can be attributed to the structure and the functioning of the cattle trade. Cattle trading incurs specific risks because of the value of cattle, their vulnerability, the practice of transporting them live, of smuggling them across borders, of circumventing banking services and of selling them on credit to butchers at coastal markets. These features of the cattle trade increase risks and thus the likelihood of losses. The cattle traders themselves acknowledge this with a popular proverb which states that 'le commerce du bétail n'a pas d'assurance' (the cattle trade has no insurance). The types of risk to which traders are exposed are numerous and apply to all, irrespective of the wealth of a trader, the scale and geographical scope of his activities, his experience or membership of a particular ethnic group. Of course, the loss of an animal will particularly hurt small traders with a low purchasing capacity. Risks occur at all stages of the marketing channel, from the purchase and collection stage via the transport of cattle to their final sale at a terminal market. The following paragraphs attempt to provide an overview of the variety of risks.

In general, the risks involved in trading cattle increase towards the end of the marketing channel, i.e. the terminal markets in the case of long-distance trade. The risk of losing cattle during the collection stage (when the animals are being pastured while
awaiting transportation) is significant since they have been taken out of their usual herds which makes them feel uncomfortable. Moreover, the risk of the cattle catching diseases while they are being trekked over long distances is high. The treatment of sick animals with drugs of suspicious quality often aggravates the situation. Although considerably cheaper than their European equivalents, the imported Nigerian-made drugs which are for sale in veterinary shops or on prescription from veterinary officers are of notoriously bad quality. Specific risks are involved in the transportation of cattle both 'on the hoof' and by truck. The illegal cross-border trekking of cattle, for instance, involves possible encounters with customs officers. Even though they can be bribed, cases are known of traders who had complete herds confiscated. In addition, since illegal border crossings entail trekking cattle at night, animals may be lost and difficult to trace. Further southwards, the trekking of cattle is officially prohibited in most countries because the coastal forest zones are densely populated and scattered with fields or plantations. Nevertheless, some cattle traders continue to trek their herds all the way down to the coastal markets, notably to Lomé (cf. Section 5.6). This is a very risky venture and in Togo, herders and cattle have been shot at occasionally by local farmers angry at damage to their fields. Although transporting cattle by truck is significantly less risky, the poor and frequently overloaded conditions of cattle trailers can cause asphyxiation. Weight loss or mortality is equally liable to occur if trucks are delayed for several hours in the hot sun at roadblocks. Upon arrival at coastal markets, the problem of pasturing and watering cattle causes difficulties given the location of cattle markets in highly urbanised areas. Damage to nearby urban horticulture zones, accidents as a result of crossing busy roads and nocturnal cattle thefts have been experienced by a large number of cattle traders. Cattle thefts also take place on trekking itineraries as well as during the collection stage. Several traders suspected that their cattle herders or apprentices had sold one or more of their animals while pretending that the animal had died or had been stolen. This emphasises the importance of establishing a relationship of trust with herders and apprentices given the sensitivity of their responsibilities (cf. Section 8.1). In addition to the theft of cattle, robbery constitutes another severe risk. Throughout West Africa, the terminal markets of Ibadan, Lagos and Abidjan are notorious for armed robberies on traders or their landlords who usually perform the 'deposit function' up until a trader's departure. When a robbery occurs, the loss for an individual trader in monetary terms can be considerable. The following example illustrates the consequences of the coinciding effects of risk and bad luck.

In 1997, a well-known wealthy cattle trader from Malanville sold 15 animals at the Ibadan market in southern Nigeria. As usual, he shared a taxi with other cattle traders for the return trip to Kamba in northern Nigeria. Unfortunately, armed robbers (apparently well aware of their travel schedule) forced the taxi to stop some 100 kilometres north of Ibadan and all the traders were robbed of their money and valuables. The loss for the Malanville-based cattle trader amounted to around 1,500,000 CFA francs. In order to

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12 Holtzman & Kulibaba (1992, A3-12) calculated weight losses for different means of transport and found the highest losses occur with railway transport (9 per cent), followed by truck transport (7 per cent) and trekking (approximately 3 per cent).

13 The pasturing and watering of animals is the responsibility of a trader up until the moment of sale.

14 Some traders who frequently visit the cattle markets of Ibadan and Lagos have started to wear special boubous (clothes) during their trips. These specially designed boubous have multiple pockets in unexpected places (shoulders, knees etc.) and a trader divides his money over these pockets in an attempt to spread the risk of theft if he is attacked.
recover from this loss, he decided to purchase some animals with his remaining working capital, to add some mature animals from his personal herd and to sell them all at the Bohicon market in southern Benin. However, another five of his animals were stolen at night from the pasture where they were being held near Bohicon.

In spite of the importance of the types of risk mentioned above, the risk which has the most severe consequences for numerous long-distance cattle traders concerns the problems related to sales on credit and the unpaid debts of butchers at coastal consumer markets.

Credit sales and indebted butchers

Cattle are sold to butchers on credit at the majority of West African coastal markets, except in Nigeria. Sales on credit constitute perhaps the most significant risk for long-distance cattle traders. The following paragraphs will focus on the situation at the market of Cotonou.

According to the cattle traders, the practice of credit transactions had always existed in Cotonou but became much more widespread at the end of the 1970s and in the early 1980s. Although there is confusion about the origins of this practice, it seems likely that a proliferation of butchers with insufficient working capital to make cash purchases is its basis. The most prominent landlord-middleman at that time gradually allowed this type of transaction. Nowadays, without exception, all butchers operating at the Cotonou market are indebted. Some butchers have long-term outstanding debts, sometimes owing traders money for up to 15 years. In fact, most butchers are caught in a vicious circle, making new debts in order to repay old ones. Several factors contribute to the persistence of the credit problem. They include the lack of a legal prosecution basis and legal protection for creditors, a lack of organisation among traders, and the inexperience as well as purchasing strategies of butchers. The lack of a legal prosecution basis is first of all related to the absence of contracts. If a trader or his landlord-middleman and a butcher agree upon a repayment term and the latter defaults, there is no legal recourse for the traders. In addition, most traders complain about alleged bias in the legal system, referring to the fact that most butchers as well as the representatives of the legal system are 'from the south', whereas most cattle traders are 'from the north'. Traders therefore hesitate to file a complaint, all the more so because of the complexity of the administrative procedures. However, cases are known of butchers with serious debt problems who were prosecuted by the local authorities and were forced to sell many of their belongings including real estate in order to pay off their debts. Another contributing factor to the debt problem is that the cattle traders are poorly organised (cf. Section 5.6). Proposals to stop the sale of cattle on credit have always been circumvented by other traders who were happy with the present situation. On the other hand, traders claim that credit sales are their only option when they need to dispose of their cattle as quickly as possible because of the costly and risky nature.

15 At the cattle market in Cotonou, the butchers are poorly organised as well. Access to the market is not regulated at all. Up until the 1970s, the Haoussa butchers had a powerful stronghold at the Cotonou market. This situation changed when the last Haoussa butchers' chief went broke in 1977 (Josserand & Sullivan 1979, 57). Nowadays, the ethnic composition has become fairly heterogeneous with the presence of Fon, Nago and Yoruba butchers but they have a weak organisation. In contrast, Haoussa butchers continue to dominate the markets in Togo and Nigeria and their organisation is stronger.
of continuing to take care of pasturing and watering their cattle in an urban context. In fact, cattle traders prefer to sell their animals on credit within 2 or 3 days of arrival. They habitually sell to several butchers. The subsequent repayment delay of the butchers' debts can take up to a month or more. This delay usually results in additional problems because the debts are only partially repaid, if at all. Moreover, cases are known of butchers who suddenly disappeared or 'died'. Another related difficulty concerns the non-repayment of debts in the case of the unexpected death of an animal before slaughtering or rejection of the animal's meat by veterinary inspectors.

Traditionally, it was the landlord-middleman who was responsible for the identification of creditworthy butchers and for the recovery of debts on behalf of the trader. Although they continue to administer all the sales and the outstanding debts, their authority regarding indebted butchers has apparently diminished. Nowadays, all butchers are indebted and most circumvent the landlord to make price proposals directly to a trader, knowing that he will be more inclined to sell so as to be free of responsibility for the animals. Some butchers were even observed to bribe the landlords in an attempt to be recommended among the clients of the latter.

A final element is related to the observation that some butchers are inclined to offer unrealistically high prices to traders, who are frequently tempted to accept them. Two reasons can be put forward to explain this behaviour among butchers. First, some of them simply do not care about being able to repay the price agreed upon. They know that after a few weeks some traders will be inclined to accept the reimbursement of a smaller amount in order to be able to return to the north. Second, some butchers propose very high purchase prices out of inexperience and lack of knowledge about prevailing price-weight ratios. In this light, Holtzman & Kulibaba reckon that '... the large number of inadequately trained and incompetent butchers is the principal source of payment defaults to suppliers of live animals...' (1992, 31). Experienced butchers are usually well aware of what they call '.. le poids de la viande ..' (the weight of meat), i.e. the potential slaughter yield of a particular animal and its concomitant price. The bidding of disproportionately high prices is encouraged by the absence of price standardisation and the system of 'eye judgement sales'. In fact, the lack of standardisation in the price-setting mechanism constitutes a risk in itself given the difficulty for a trader to estimate a purchase price while at the same time ignoring the price level at the sales market, which is a function of highly fluctuating supply conditions (cf. Section 5.6). Together, all the elements mentioned add to the significant risk factor involved in the sale of cattle on credit. Huge outstanding debts have forced several traders out of business, or at least temporarily reduced their purchasing capacity to a considerable extent.

In 1996, some butchers disappeared from the Cotonou market but continued to purchase and slaughter animals in Bohicon. The carcasses were then transported to Cotonou for sale at the retail market. The butchers thus avoided repayments to traders in Cotonou.

Butchers commonly calculate as follows: all cost factors (price of the animal, lada, meat transport, meat conservation and employees) must be covered by the sale of the carcass meat (70 per cent bone-in and 30 per cent boneless). The slaughter tax is covered by the sale of the hide of the animal and the profit is found in the sale of the tail, the legs, the head etc.
The impact of changes in the trade structure

The structural level of trade constituted the focus of Chapters 4 and 5. While Chapter 4 discussed relevant developments in agriculture, pastoralism and government policy, Chapter 5 was concerned with the functioning of the cattle trade itself in terms of demand, supply, prices, trade flows and transaction costs. At this stage, we will examine the impact of changes in the trade structure on the wealth position of cattle traders.

With respect to wealth-determining factors, the research findings have revealed the existence of opportunities as well as constraints for individual cattle traders. To a significant extent, these opportunities and constraints appear to be the product of a particular period. The oil boom of the early 1970s and early 1980s, for instance, had a stimulating effect on urban incomes in Nigeria and, as a result, enhanced the demand for meat. The restoration of political stability in Lomé from around 1992 also provided new opportunities for the export of cattle. Within Benin, booming cotton production and the subsequent economic development of the Borgou region from the 1980s onwards opened up a new market niche which would rapidly develop into a mature market segment for draught animals. On the other hand, the economic crisis which hit both Nigeria and Benin from around the mid-1980s was mirrored in a reduced demand for slaughter animals. Parallel to these macroeconomic fluctuations in trade, the gradual long-term trend which consisted of a broadening spectrum of ethnic groups being involved in trade coupled with an overall increase in the number of cattle traders has made the sector increasingly more 'crowded'. As a result, pressure was put on the profit margins of long-distance trade during the 1980s and 1990s in particular.

In view of periodic fluctuations and structural changes, the hypothesis can be formulated that the actual wealth position of an individual cattle trader depends on the period(s) during which he has been fully operational. For instance, those traders able to capitalise on the opportunities provided by the oil boom in Nigeria would have been expected to become successful and wealthy cattle traders. Cattle traders who could benefit from the opportunities of the 1970s and early 1980s, i.e. the strong Nigerian demand and the still sparsely populated trade sector, will have manoeuvred into a better wealth position compared to traders who had to cope with structural adversities such as the economic crisis from the mid-1980s onwards. Table 7.1 shows the extent to which membership of a particular wealth category is related to the year of entry into the cattle trade.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>high (n=15)</td>
<td>47% (7)</td>
<td>31% (4)</td>
<td>31% (4)</td>
<td>-</td>
</tr>
<tr>
<td>middle high (n=7)</td>
<td>14% (1)</td>
<td>43% (3)</td>
<td>14% (1)</td>
<td>29% (2)</td>
</tr>
<tr>
<td>middle low (n=13)</td>
<td>15% (2)</td>
<td>31% (4)</td>
<td>23% (3)</td>
<td>31% (4)</td>
</tr>
<tr>
<td>low (n=4)</td>
<td>25% (1)</td>
<td>25% (1)</td>
<td>-</td>
<td>50% (2)</td>
</tr>
</tbody>
</table>

Source: Fieldwork
About half of the traders in the highest wealth category started their careers before 1965. Moreover, when the high and middle high categories are compared with the low and middle low levels of the wealth scale, it appears that almost 70 per cent of the former embarked upon cattle trading before 1975 and 55 per cent of the latter did so after 1975. At first sight, the findings suggest a "life-cycle explanation for wealth differences..." (Fafchamps 1998, 4). In other words, there is a gradual evolutionary accumulation of wealth over the years. However, earlier findings indicate the likelihood of explanations for wealth differences to be related to factors other than time. In fact, it appears not so much to be the number of years of trade involvement that counts but rather the specific period in which traders are active. In this respect, the results of Table 7.1 can be interpreted as confirmation of our earlier assessment that the cattle trade has become less lucrative for individual traders over the decades (cf. Section 5.7). It has frequently been claimed by traders themselves that, despite recent opportunities such as demand for draught animals, the sector has become more and more crowded with traders who are not only attracted by the opportunities available but pushed into trade as well due to deteriorating circumstances in other sectors. Subsequently, the room to manoeuvre and to accumulate wealth has decreased for individual actors, a phenomenon which was further strengthened by the economic crisis of the 1980s that specifically hit the long-distance cattle trade to coastal meat markets. Consequently, Table 7.1 supports our hypothesis of the significance of the periodicity of structural factors to impact on wealth. It will be useful to examine in more detail the characteristics of the traders who make up the various wealth categories. This will help to complete the explanation of the relationship between the year of entry into trade and the actual wealth position of cattle traders. As a first step, Table 7.2 presents the ethnic composition of the wealth categories.

Table 7.2 Breakdown of traders according to wealth category and ethnicity (n=39)

<table>
<thead>
<tr>
<th>WEALTH CATEGORY</th>
<th>ETHNICITY</th>
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<tbody>
<tr>
<td></td>
<td>Bariba</td>
<td>Fulani</td>
<td>Others</td>
</tr>
<tr>
<td>high (n=15)</td>
<td>47% (7)</td>
<td>31% (4)</td>
<td>31% (4)</td>
</tr>
<tr>
<td>middle high (n=7)</td>
<td>71% (5)</td>
<td>-</td>
<td>29% (2)</td>
</tr>
<tr>
<td>middle low (n=13)</td>
<td>15% (2)</td>
<td>77% (10)</td>
<td>8% (1)</td>
</tr>
<tr>
<td>low (n=4)</td>
<td>-</td>
<td>75% (3)</td>
<td>25% (1)</td>
</tr>
</tbody>
</table>

Note: The category 'others' is made up of Gando (3), Djerma (2), Haoussa (1), Dendi (1) and Yoruba (1) traders.

Source: Fieldwork

The table reveals a relationship between membership of an ethnic group and actual wealth position, with the Bariba traders dominating the wealthier segments compared to their Fulani counterparts. In fact, when the Bariba and Fulani are compared, it appears that the former account for 75 per cent of the traders at the top end of the wealth scale. In contrast, the Fulani dominate the lower end of the wealth scale where they account for 86 per cent of the traders. However, is wealth a straightforward function of ethnicity? Few indications...
exist to confirm this. The apparently causal relationship has to be dealt with in its right perspective by referring back to Table 7.1 which put forward the importance of the year of entry as determining chances of success. In doing so, Table 7.3 unravels the relationship between wealth position on the one hand and the year of entry and ethnicity on the other.

Table 7.3 Breakdown of traders according to ethnicity and year of entry into the cattle trade (n=39)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ETHNICITY</td>
<td>B</td>
<td>F</td>
<td>O</td>
<td>B</td>
<td>F</td>
</tr>
<tr>
<td>high (n=15)</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>middle high (n=7)</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>middle low (n=13)</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>low (n=4)</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL (100%)</td>
<td>11 (28%)</td>
<td>12 (30%)</td>
<td>8 (21%)</td>
<td>8 (21%)</td>
<td></td>
</tr>
</tbody>
</table>

Note: (B) Bariba; (F) Fulani; (O) Other

Source: Fieldwork

Even though the organisation of Table 7.3 in terms of the number of observations per cell only allows for a qualitative interpretation, the findings presented reveal the relationship between the wealth position of traders on the one hand and the interrelated determinants of year of entry and ethnicity on the other. The year of entry remains important in terms of actual wealth position. Yet, the observation that a higher number of Bariba traders is found in the top half of the wealth scale is not so much related to the fact of 'being a Bariba' but rather to the fact that, in general, the Bariba started to participate in the cattle trade at an earlier stage and were thus able to benefit from favourable macroeconomic circumstances and a trade structure that allowed lucrative profits. Nevertheless, it is equally demonstrated by Table 7.3 that exceptions to this general trend do exist which indicates the impact of wealth determinants at other levels.

The sequence of tables is important in that it highlights the shift which has occurred in the ethnic composition of the trader community in Benin. Whereas most Bariba traders started their careers in the 1950s and 1960s, the majority of Fulani did so at a much later stage. From the mid-1970s onwards, the number of Fulani traders entering the cattle trade increased significantly as a result of changes in pastoral society as well as opportunities in trade. However, even though some were able to capitalise on the cotton-related trade opportunities in the southern Borgou region, the extent of wealth accumulation was clearly less in comparison with preceding decades when relatively low numbers of traders shared the profits of a much less transparent and accessible market. Nowadays, the increasing possibilities to trade in small numbers, at a local level and on- as well as off-market, has opened up the cattle trade for a larger number of participants. It will be argued in the next chapter that, as a result of these developments, Fulani traders in particular were able to enter the cattle trade in larger numbers and at the lower end of the wealth scale. The trade sector has consequently become more 'crowded' which has increased the likelihood of traders remaining at a low level of trade capacity, in particular those traders who are not able to make a head start and rapidly surpass a certain threshold above which the chance of 'going on and off' is reduced substantially.
Our conclusions on the role of structural changes in trade are illustrated by the case of two Bariba traders. Saadou and Zanussi are brothers who belong to the large Medagui family, the members of which have been involved in cattle trading for a long time (cf. Section 8.1 for a detailed analysis of their trade network). Saadou started trading in the 1970s when conditions at the Cotonou market were sufficiently favourable to provide the opportunity for a rapid accumulation of capital. Although some of his trade activities constituted 'family business', Saadou saw his personal capital increase quickly as well. He invested his profits in a cattle herd and in two small trucks which he used to transport cotton. His younger brother Zanussi, however, only entered the family business in 1984 at a time when his father was confronted with serious difficulties regarding butchers in Cotonou who owed him several million CFA francs. As a result, Zanussi has not been able to 'mature' in the trade to the same extent as his brother who built up a 'reserve' which enabled him to alleviate the effects of the economic crisis.

### 7.3 Concluding remarks

The previous two chapters have focused on the accumulation paths of individuals and groups of cattle traders. The discussion of various entry modes showed how traders enter the cattle trade by fulfilling, in different ways, the individual requirements summarised at the outset of the chapter. The wealth ranking showed their wealth position at the time of fieldwork. Following this, an attempt was made to explain the differences in wealth between individuals as well as ethnic groups of traders. First, reference was made to individual and contingent factors such as the entry mode into the trade, business intuition and the role of risk. Second, the impact of the trade setting was put forward, with particular reference to structural opportunities and constraints which fluctuate according to different periods. The differences in wealth found between Bariba and Fulani traders were partly attributed to the period in which these respective ethnic groups entered the trade in cattle. Although it is very difficult to present clear straightforward patterns, the impact of the trade structure on the wealth position of traders is likely to have been compounded or attenuated according to specific individual features at the level of traders, such as business intuition or bad luck. In concrete terms, this means that an individual who inherited a family business, who started to trade independently before 1970, was lucky enough not to be struck by severe misfortune, was clever enough to spread his risks and could forge a web of trust relations which will have had a stronger chance of ultimately belonging to the category of wealthy cattle traders. On the contrary, someone who had to accumulate a starting capital himself, entered the cattle trade in the 1980s, made some bad judgements and had 2 of his 3 animals stolen will probably be at the very bottom end of the wealth scale, if he is still in business at all.

Although the paragraphs above have provided useful insight into the potential determinants of wealth at the individual level as well as at the structural level of the trade setting, they have equally raised questions with respect to the role of trading strategies. These questions specifically relate to the mode of trade organisation and strategies at the level of individual traders as well as at the level of ethnic or wealth groups. In fact, the term 'determinant' typically refers to structural factors and tends to neglect the outcome of individually or group-induced strategies. It is of interest therefore to consider in detail the actual behaviour of traders, individually or in groups, so as to assess the extent to which,
and how, they respond to particular changes in the trade structure and how they contribute to structural change or create new patterns as well. Several indicators have been put forward to explain that risk is a prominent feature of cattle trading and as such affects the accumulation paths of individual traders, albeit to an unpredictable extent. What, then, have been the strategies that traders have employed to reduce these risks? We concluded that the wealth position of traders was affected by opportunities which occurred in clearly defined periods. This poses the question of what strategies they envisaged to capitalise on these chances and what personal features and assets impacted on their very nature.