TRUST - A CORNERSTONE IN TRADE THE ECONOMIC UNIVERSE OF THE IGANGA MAIZE TRADERS IN UGANDA[1]

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> "A good trader must be very honest in business because you get many friends and therefore widens your trading network ... Never cheat customers, especially the illiterate village people by adjusting the weighing scale to take wrong measurement and never take advantage of their illiteracy by paying them less for their produce. If you establish yourself as honest they tend to recommend their friends to come to this honest store. Be very courteous to customers, wel-come them as they are visitors to your home and not to your business. Treat them as your bosses, they are the ones from whom you get your income" (An Iganga maize trader).

The present study deals with commercialized maize in Iganga town in the Eastern part of Uganda with focus on a group of small-scale traders and their economic performance in the fractural surface between two transactional orders, a peasant and a market sphere of exchange. Thus, each of these economic spheres comprises its own morality; the peasant sphere is based on the axiom of amity and the obligation to share within the kinship group, and the market sphere is based on the axiom of individualism and profit maximisation. To handle this intrinsic conflict between individual achievement and the common interest of the kinship group and the local community, the traders follow advanced economic strategies in which they manipulate and negotiate the principles of both the peasant and the market spheres through the creation of trust-based and tested trading partnerships. Thus, due to the general lack of both institutional and personal trust in the Ugandan society, the issue of locating reliable trading partners cannot just be taken for granted, but has to be worked on. From this derives the crucial role of trust for these traders and what could be called a development from the "pre-modern" ascribed trust to the contemporary earned trust, and from focus on kinship to focus on friendship.

The contemporary food (or produce) trade has historically roots back to the Indian control of marketing and processing of produce from the beginning of this century and until the establishment of the Cooperative Movement, more specifically the Produce Marketing Board, in 1968. From this point the Indians gradually lost control of the sector until they in 1972 finally were expelled by the Amin regime. The local Ugandans who had taken over the produce sector after the Indians were not successful with the former export marketing, and produce marketing became directed towards an exclusively domestic market. However, the collapse of the state marketing of traditional cash crops during the economic crisis and the civil war in the 1970s and 1980s created a new room for manoeuvre for the Ugandan food traders. New markets for crops such as rice, maize, beans, soyabeans, and sesame seeds developed within the country and/or in neighbouring countries, and the agricultural production became directed towards these markets. The former income-earning strategy based on sale of cash crops such as cotton and coffee was replaced by an income-earning strategy based on sale of commercialised food crops. Yet, for the peasant farmer the income generating strategy remained based on a combined home-consumption and a cash crop production although the sales crops changed from traditional cash crops to commercialised food crops.

Within this new peasant- and trader created market place, maize was primarily marketed at a domestic market as well as smuggled to Kenya. However, the liberalization process embarked by the introduction of Structural Adjustment Programmes formalized the previous informal marketing of maize allowing new players to enter the market arena. From the beginning of the 1990s various relief organizations who were sending food aid to distressed neighbouring countries began to operate at the Ugandan food market. During the same period the Kenyan market was liberalized, and the border became officially open for import of maize from Uganda. At the time of the fieldwork of the present study three markets for maize existed, the Kenyan market, the relief market, and the domestic market. The relief market is dominated by the World Food Programme, but it also includes relief agencies such as the International

Committee of Red Cross, The International Federation of Red Cross, and lately also EU joined the market. Apart from the major players also smaller NGO's (for example the Lutheran World Federation) are purchasing food at the Ugandan market. The relief agencies invite for tenders and smaller export companies, the so-called "briefcase" companies[2], bid for the tenders, supplying the tenders by purchasing the maize from smaller traders, for example the Iganga maize traders. Yet, since the "briefcase" companies only have a limited period of time to fulfil their tenders, they prefer traders who can supply larger amounts of maize thereby excluding the major part of the small-scale traders in Iganga. However, at the Kenyan market (which has a structural deficit of maize) the small-scale traders from Iganga have found a niche where they are more competitive than the Kampala-based "briefcase" companies. Thus, the Iganga traders' transport costs to the Kenyan border are lower, and small-scale traders often have lower production costs as storage and cleaning of the maize often are done in a casual manner (and the quality requirements are less demanding than at the relief market). The trade takes place as both formal trade and informal trade, mainly

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2. The export companies have been nicknamed the "briefcase" companies because they generally have made little if any investment in the food sector and therefore easily can switch to another sector if this proves to be more profitable. At the time of the fieldwork (1994-95) more than 40 "briefcase" companies were bidding for tenders of the relief agencies.

from the border points Busia and Malaba, but also from less developed border points such as for example Sironko and Lwakhakha. The formal trade includes the sale of maize to the Kenyan parastatal, the National Cereals and Produce Board, NCPB (through Kenyan middlemen), whereas the informal border trade embraces smuggling across the border at places with no or less developed border points. The domestic market includes the sale of maize to both private urban consumers and governmental institutions, and is marketed through wholesale and retail shops in Iganga and nearby towns as well as big retail markets in Kampala.

Methodology

The study is based on seven and a half months of fieldwork during the period 1994-95. The major part of the fieldwork (six months) was spent studying the economic performance of the group of small-scale traders in Iganga town. The main methodology used in this part of the fieldwork was semi-structured interviews, "collection" of life stories, and participant observation. The total number of traders interviewed in Iganga was 46; moreover 5 traders cooperatives/associations were interviewed. In many cases the traders were interviewed several times; and their trading activities in relation to the changes at the market were followed closely. Moreover, interviews were conducted with relevant officials in local ministerial departments, the Revenue Authorities, the

Town Council, etc. From Iganga town shorter trips were made in order to follow the market chain from production to consumption level. Hence, in company with the traders trips were made to villages in the different counties of the district as well as to the Kenyan border. In these towns interviews bearing on the operation of the Kenyan market were conducted with the Ugandan and Kenyan traders as well as with government and revenue officials.

The remaining period (one and a half month) was spent in Kampala collecting literature and conducting interviews with relevant persons in marketing parastatals, ministries, relief organizations, briefcase companies, the Cooperative Movement, bodies conducting research on marketing of maize, and at the central domestic markets. The general aim of this part of the fieldwork was to collect data on the national construction of a market, including the liberalization process, the privatization of the marketing parastatals, and the deregulation process. Moreover, data on the three markets, i.e. the Kenyan market, the relief market and the domestic market, were acquired.

Identifying and classifying the traders

Within Iganga town, the first step was to identify *the* maize traders. However, this proved to be relatively difficult since a large part of the inhabitants in Iganga had earlier been or were currently involved in food trading and or processing activities. Moreover, various forms of trading activities existed, and not all of them were visible. It was thus necessary to seek to structure the heterogeneity of the economic universe of Iganga by classifying the traders according to the form of their economic activity. Five categories of traders were found: Storekeepers, millowners, mobile traders, "Kadongo Kamu", and "deal chasers". In short, the five categories of traders can be described in the following way.

The storekeepers run/own stores from which they purchase maize (and other crops such as beans, millet, and coffee) from village stores/rural traders, and sell the crops to larger traders/companies who resell to the three markets, the relief, the Kenyan and the domestic markets. The stores are run either by individual persons or by cooperative organisations/various forms of private associations.

The millowners are individuals who own mills which either function as service mills (grinding flour against payment) and/or commercial mills (purchasing maize from farmers/small scale traders, grinding the flour and selling it to large-scale traders/companies who resell the flour at the domestic market or to the relief market).

The mobile traders are defined as traders operating without a permanent base operation, being mobile in the sense that they link up between Iganga town and the rural areas as well as the bigger towns.

"Kadongo Kamu" is the Lusoga[3] name for petty traders hanging about the mills. In Lusoga, "Kadongo Kamu" means "one bag" referring to the rather modest volume of the business of this category of traders. The "Kadongo Kamu" purchase a few bags of maize corn from farmers or rural traders or from wholesale shops in Iganga town, finance the grinding of it and sell the maize flour to larger traders coming to the mills or to retail/wholesale shops in the town.

"Deal chasers" (a term used by the other traders) act as middlemen between farmers who appear in the town in order to sell their maize. The "deal chasers" typically tell the farmers that they can get a certain price for the maize, they then sell the maize to a higher price, and rake in the difference.

However, despite the fact that most traders would be classified according to these five categories of economic activities, it was evident that the categories were far from being static. Indeed, the categories were dynamic due to the mobility between the various forms of trading activities; in some cases the traders could be placed in several categories, but in most cases the traders would over a lifetime change between several of the categories. More generally, the categories of traders could be divided into two meta-categories: the stationary or sited categories

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3. *Lusoga is the language of the main ethnic group, Basoga, inhabitating the area, Busoga.*

(storekeepers, millowners) and the mobile or site-less traders (mobile traders, "Kadongo Kamu", and "deal chasers"). The meta-categories refer to the nature of the activities (i.e. whether the activity is sited or not), but it also indicates whether the activity is a relatively permanent activity or an activity which people jump to and from. Over a lifetime, there was a tendency for the traders (at least for the more successful ones) to move from the mobile to the stationary categories as the latter were both more prestigious and less strenuous. There was, however, no sign of the traders in the first meta-category being more economically successful than those in the second meta-category. Thus each of the five categories included an economic differentiation; some were doing relatively well, while others were operating on a day-to-day survival level.

Several factors appeared to be important elements in a so-called "trader's career" or rather to be important for the mobility between the different categories. Thus, the majority of the traders started off from what could be defined as "odd jobs" with frequent shift between different income-generating activities outside the organized labour market; some traders afterwards obtained what could be described as "client status" in relation to a patron, i.e. a prominent and prosperous trader operating on a larger scale. The clients would usually start by doing "donkey" work (i.e. hard manual work) for this trader, and gradually the client trader would benefit from the connections of the patron trader. Despite the benefits of being related to a larger trader, this role also had certain limitations due to the dependency of the patron, and most traders would attempt to move away from this role. From here two factors appeared to be especially important in relation to becoming successful in trade, namely political connections (especially in relation to the relief market) and capital. The issue of gaining access to capital was in many cases decisive as there was a general capital-shortage within the local society. Moreover, very few traders managed to obtain loans and credit from above, i.e. from banks and credit institutions, and the resources were generally meagre at village level, too. Hence, the traders were forced to look for resources within their own lines (i.e. through loans or grants from friends and relatives) or through other income-generating activities. Thus, the traders had to establish and rely on their own self-supplying economic universe.

The majority of the traders belonged to the main ethnic group of the area, namely Basoga, but the group also included traders belonging to the ethnic groups Baganda, Banyankole, Bachicca, Bugishu, Itesot, and Indians. In all groups apart from the "Kadongo Kamu" the majority of the traders were men, and only few women were represented in the group of traders interviewed as well as in the total group of traders. Regarding the "Kadongo Kamu" the group consisted of an equal number of men and women, both in the group of traders interviewed, and in the total group of "Kadongo Kamu". One reason for the relatively high number of women within this category was presumably that the "Kadongo Kamu" business only required a very small start-up capital and relatively easily could be combined with domestic duties as it did not require travelling. As to the women within the other categories of traders, there did not seem to be any special characteristics regarding their economic status; they were either doing fairly well (often due to connections through their husbands) or they were simply operating on a day-to-day level.

An insecure economic universe

The Iganga maize traders generally operate within a highly insecure economic universe with no safety net against misfortunes and accidents. In consequence, the traders become extremely vulnerable which is reflected in ups and downs in their careers. The risks the traders experience can be identified as being of both structural and personal character. The structural insecurity includes for example climatic and environmental instability causing unsteady agricultural production, altering market conditions, change of legislations governing the markets, political and economic turmoil, etc. Insecurity at a personal level encompasses for example theft and cheating, sickness, family problems and other forms of ill fortune which can befall and totally demobilize persons without safety nets.

Thus, for instance, Joseph Mwiri, a store owner, narrated how financial hardship due to family problems had economically knocked him off his feet. Mwiri explained how his brother a few years ago died from AIDS and left him with six children and a wife to take care of. At that time Mwiri already had twelve children of his own. Due to problems of feeding all the eighteen children (aging from 2 to 18 years) Mwiri only managed to purchase very little produce the year in question (1994); moreover, the prices were low due to the flooding of the market. All in all, the year 1994 was not one of the best, and it is doubtful whether Mwiri will be able to turn his luck in the future due to the remaining problem of still having to feed the many children.

The story of a member of a cooperative society in Iganga likewise illuminates the traders' lack of safety nets against calamities. Haji, an elderly Musoga trader, explained how he back in 1985 had delivered coffee on credit to a coffee ginnery. Unfortunately, the coup e'tat by Tito Okello occurred, and the managers of the ginnery ran away without giving him any official papers to claim his money. Haji was out of business ...

Various forms of malfeasance appeared to be one of the major forces causing insecurity and instability in the traders' lives. Three forms of malpractice were identified: the suppositions of "The dishonest trading partner", "Cheating the system" and lastly "Entrappement".

With regard to the first supposition, "The dishonest trading partner", one of the most common events in the traders' lives was being cheated or swindled of money or produce by trading partners. Hence, virtually all the traders could narrate about how they once or several times had been cheated by their fellow partners. The most common way of being cheated was when a new trading partner, who had been trusted with money or produce, disappeared together with the produce/money. One "Kadongo Kamu" narrated:

> "There was a young man who was my trading partner in Bunya. Once I bought cassava and took the young man to deliver it at the mill (the "Kadongo Kamu" was at that time staying in the mill), he milled it and disappeared with the money (Ush. 200,000)[4]. I

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4. In 1994-95 one dollar was worth approximately 900 Ugandan Shilling.

(continued...)

> reported him to the police, but since the young man had the money he bribed the police and they let him free".

The second form of malfeasance, "Cheating the system" refers to Anthony Giddens' notion of trust in expert systems in his epos "Consequences of modernity" (1990). According to Giddens the development of modern social institutions relies on two types of disembedding mechanisms: i.e. the creation of symbolic tokens (media of interchange which can be passed around regardless of the special characteristics of individuals and groups, for example money) and the establishment of expert system (systems of technical or professional expertise organizing large parts of the material and social environment). In relation to expert systems, one can trust it, but one can also be cheated by it, as for example by wrongly adjusted weighing scales. A female mobile trader told us about the different ways she had been cheated as a maize trader (in contrast to her former business of trading in molasses):

> "In maize trade I have been cheated so much. The main cheat is with weighing machines, they are adjusted to record wrong measurements. At times a sub-agent buys less maize than you sent for, promising to fulfil tender some other day, he then never delivers the maize. Sometimes they can even tell you to hire lorry and when you go there is no maize. Some

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4.(...continued)

directly disappear with money and never buy the maize".

The third form of malfeasance, "Entrappement" alludes to a more sophisticated (and less common) way of cheating by setting a trap for a trading partner. One female "Kadongo Kamu" narrated how she had been cheated many times by trading partners; yet, once she was cheated so forcibly that she gave up trusting anybody. She related how she once had a female trading partner:

> "... This woman encouraged me to trade maize in Busia ... She realised that I had made good profit and planned with soldiers to come and rob me of my money. That night she enticed me to sleep at her house and at night soldiers broke in and stole only my money (Ush. 800,000). The soldiers claimed to be revenue authorities who demanded trading documents from me, as I had none, they robbed me".

The prevailing problem of malfeasance among the traders was intensified by the general moral state of the complaint institutions. In Busoga there are various institutions (the police and the Resistance Councils (RC), i.e. the local government institutions) for channelizing complaints; yet, one could never be sure that the authorities would actually work for the benefit of the deceived. Hence, despite reporting to these bodies, in most cases the deceived would gain little, as for example in the case of the "Kadongo Kamu" above (who narrated how the police had been bribed). In general there were no formal sanctions against defaulters. The female mobile trader who had been robbed of Ush.800.000 explained how she had taken the case to court: "I took the case to the court ... RC usually adjourns the case, and responsibility to hunt down the defaulter is left to you. It is not easy to track down the money because of lack of time, transport expenses and fear to provoke deep hatred which might end up dangerous to the creditor".

The anthropologist Paul Alexander has related the central position of trust within many trading relationships with exactly the lack of legal sanctions. He explains it in this way: "One reason why such relationships are often personalised is the lack of formal legal sanctions against non-completion of contracts; trust becomes a substitute for the law" (Alexander 1992:80-81).

Another scholar, the anthropologist Jan Kees van Donge has a more controversial view on the question of the insecure economic universe of traders with reference to a study of Waluguru traders in Dar es Salaam (1995). According to Van Donge the insecure economic universe is primarily a social construction and it could be counteracted if the traders could stop cheating and get organized. Van Donge suggests various ways the traders would organize themselves and the market in order to decrease the insecurity: i.e. provide information on market supply and demand, establish a mutual insurance against bankruptcy, pool resources in order to provide credit facilities, etc. According to Van Donge, the main reason for the Waluguru traders' insecurity problem is the unstable social relations presumably caused by the traders' desire to be independent of lasting social bonds and their inability to nurture these. For this group of traders the only lasting social bond established is the marriage bond. To emphasize this point, Van Donge presents narratives of a few exceptionally successful traders whose businesses were characterized by the establishment of relatively strong and enduring trading partnerships.

Van Donge might be right in pointing to the general unstable and fragmented character of the social relations among traders, and he might also be right that this is one of the major reasons for the prevailing lack of success among the traders. Yet, Donge seems to overstate the point by maintaining that this insecurity is solely constructed through the traders' lack of networking, i.e. not giving it a thought that insecurity might simply be *the* social reality of the traders. Hence, the lack of trust should not only be explained at the human agency level, but is presumably also embodied in the structuring living conditions of the traders.

The importance of trust for the Iganga maize traders' strategizing and networking is presumably related to the serious absence of trust at both an institutional and an interpersonal level. Thus, as earlier mentioned, the traders frequently experienced defraud in both their business and in their private life, and the various complaint institutions did not offer much assistance to the deceived traders. According to various studies dealing with the subject trust, the loss of trust in interpersonal relations in everyday life is often caused by a generalized loss of trust in the monetary system, in the legitimacy of the political system, and in the educational and religious institutions (Lewis and Weigert 1985, Giddens 1990). The process of loss of trust in crucial societal institutions often takes place in societies under severe strain and under the verge of fundamental changes like in Uganda during the civil war and the economic crisis in the 1970s and 1980s. Hence, this period of political disorder and economic decline had serious implications for the performance of modern institutions and resulted in a deep mistrust of the governmental provision of service. In general, in Uganda (and many other 3.world countries) the absence of trust in institutions and interpersonal relations seems to be the rule rather than the exception. From this derives the general importance of personal connections within the society. Thus, for example, very few (wise) Ugandans would move into an Ugandan hospital without having made sure that they knew somebody at the hospital thereby assuring a better treatment. The Ugandan anthropologist Harriet Birungi (1994) has in a recent study of the use of injections in Busoga documented the present lack of trust in governmental health care and the local population's new ways of dealing with health care. According to Birungi, Uganda once had an excellent health system based on the monopoly of expert knowledge, but decades of political and economical disorder have resulted in the breakdown of the functioning of these modern institutions and consequently there is a widespread distrust of these institutions. However, trust is still important, but it happens to be trust embedded in social relations rather than in expert knowledge. Generally, since trust at a personal level is the crucial issue, many people pursue the provision of health service in non-governmental settings, i.e. private clinics which to a high degree are based on the personal attachment between health providers and users. Analogous to the study at hand, Birungi has found it valuable to make use of Giddens' conceptionalization of trust in her description of the lack of trust in expert systems:

> "... the faith that people had or would like to have in expert systems has diminished and people are questioning whether medical experts are doing their jobs for personal gain or other reasons. While symbolic tokens (medicines) circulate freely, the mechanisms supporting faceless commitment have been undermined and the demoralized health workers

> make little effort at the face work that might instil confidence in their patients. It now appears that trust is sustained through localized social relations, and the reembedding in the contexts of interaction almost involves their restructuring." (ibid: 102-103)

Trust: the cornerstone of trade

For the Iganga maize traders, operating within a highly insecure economic universe with no formal sanctions against defaulters, trustworthy trading partnerships become the crucial tool in their business. Let us look into how the traders established and contested these trustworthy trading alliances. One young trader, the director of the association Mukasa Import and Export Company, related how he found the other members of the association:

> "I met with the other people by chance as they brought their produce here. As we progressively cooperated I thought they were trustworthy and decided to do some research on the people in the villages they came from. I contacted people I knew in the specific villages and asked in informal ways about these persons. Sometimes people may say malicious things about other people, so I would ask around five people and if all say the same it must be true that the person is bad. I would for instance ask, 'I gave X some money to buy for me 1000 kilo of maize from your village. What do you think: will he faithfully deliver it or do you think I made a mistake? You know I just met him at the store and I know so little about him'. After finding information about a person

> from the store, I may also ask some old people to comment on his character. Choose old people because they are more likely to be well-informed about a person's background".

The trader in question left no stone unturned in his attempt to find trustworthy trading partners. So far his work bore fruit as there had been no cheating or stealing within the company. A male mobile trader complied by and large to the above description of how to choose trustworthy partners. He explained the procedure:

> "Study his background from local people and as you continue dealing with him you know how far to go. Inquiries about someone must be done very wisely and in a subtle way. First find out secretly about the right person to ask for, make friends with locals and be as informal as possible in your inquiries".

The construction of a locality membership thus becomes an index for the trustworthiness of the trader. The underlying purpose of this background checking is the question of a person's membership of a community and the implicit conclusion of an exercised social control of the person in question. In his publication "Trust and Power" (1979) the sociologist Niklas Luhmann has dealt with the importance of seeking information prior to trusting a person. According to Luhmann, the truster seeks in his subjective image of the world some objective clues on whether or not trust can be justified. Yet, these clues do not eliminate the risk, only reduce it, and as stated by Luhmann: "They (the clues) simply serve as a springboard for the leap into uncertainty, although bounded and structured" (Luhmann 1979:33). Luhmann moreover relates the process of formating and consolidating personal trust to the dimension of time by stating that forming trust relationships must be solved gradually, step by step (ibid:41).

This "principle of gradualness" was also found in relation to the formation of trust relationships among Iganga maize trading alliances. Hence, apart from acquiring information about a potential trading partner, another common procedure was for the traders to "test" their trading partners by making use of what an elderly store owner referred to as the "trust chain". He explained the procedure:

> "I am the first one to start the trust chain, for instance when someone buys coffee from me, say 5 tonnes, I suggest to the buyer to lend him some extra kilos, say 200 kilos. If the buyer pays back next time, I may be able to leave him some money to buy coffee for. If I come and find that he has bought the coffee, I start trusting him."

The trader explained that this system only functions if the trader comes to buy frequently, and that he does not develop any relationship with chance customers. In these cases the agreement is strictly on cash terms. One young male "Kadongo Kamu" explained it in this way:

> "Trusting a friend is done progressively, you may for instance trust a friend with a little money to buy maize. If he's faithful with it, you keep on to widen your trust with him."

Another *Kadongo Kamu* phrased it this way: "As the bible says, he who is faithful in a little is faithful in much". Or as expressed by a member of a cooperative society: "Trust with trading partners is a matter of trial and error, but the longer you stay with a person the more you are able to trust him". Another way of testing a trading partner was also mentioned: "Sometimes you may know that a friend owes you a little balance and you may pretend not to know to see whether he returns it on his own".

There appeared to be little variation between the various categories of traders and between men and (the few) women regarding the importance and ways of testing trust. However, there was a slight difference between the trust-testing measures adopted by for instance traders in cooperatives or mobile traders who were seeking long-term partnerships and the measures adopted by for instance "Kadongo Kamu" where the partnerships were of a less formal character and not necessarily long-lasting. In the first case the traders would adopt extensive measures as for example checking a person's background, whereas in the case of for instance *Kadongo Kamu* the measures adopted would be confined to making use of the so-called trust-chain. The prevailing difference between various groups of traders can be related to Giddens' thesis about the intertwinement of trust and risk. Hence, according to Giddens, the notion of risk will always be seriously calculated, although of course what is seen as an "acceptable risk" varies in different contexts (Giddens 1990:35). An expected long-lasting and extensive trading alliance will obviously require an extended testing procedure, as for example the background-checking procedure among the Iganga maize traders. Generally, the risk is calculated against the effort used on contesting the potential trading partner.

The time perspective was often mentioned in relation to the creation of reliable partnerships, the longer the relation, the less risk of being cheated. To the question of whether he was ever cheated, a member of a cooperative society laconically answered: "It has happened, but not with friends of 10 years or above". However, the timespan mentioned for developing reliable trading partnerships was generally shorter than ten years, i.e. between a few months to a few years, depending on the scale and art of the relationship.

On a more general level, Niklas Luhmann has labelled the notion of trust "a supererogatory performance" which he defines in this way: "One may call supererogatory a performance which does not flow from some previously assumed duty but manifests itself as meritorious, and attracts respect" (ibid:43). Hence, trust causes norms to emerge. On the other hand, once established trust relations can still be breached resulting in their destruction. Luhmann phrases it in this way: "... it transforms conditions for emergence into conditions for persistence" (ibid:44).

The importance of maintaining trustworthy trading alliances was also recognized by the Iganga maize traders. One “Kadongo Kamu” explained how he preserved a reliable trading partnership which had been established on the basis of the trust-chain: "After you trusted somebody, tested somebody after the method I just described, it's not easy to cheat me. If someone cheats me I will keep on demanding that the friend replaces the money with flour, that might not be so hard as replacing the money". Another trader, a male mobile trader who had been in the business for a few years, elaborated on how he had managed to keep free of cheating:

> "I'm so strict on buying and selling on cash terms. Of course selling on credit sometimes wins you friends but it is also good at causing conflicts. If any of my customers ask for credit I discourage them politely

> claiming that someone else is paying me cash on the spot. Now they believe I have so many customers I can't sell them on credit. In fact they never realise how much I depend on them. They think they are the ones who need me more".

However, by having managed to avoid being cheated this trader was an exception from the rule. The importance of trustworthy trading partners is obviously a result of the fact that trust cannot be taken for granted or as phrased by Luhmann: "trust (is) ... a gamble, a risky investment" (Luhmann 1979:24).

Disembedding and embedding - a three-step strategy

We have now discussed the importance of trustworthy trading partnerships, showing their crucial role in the trading universe. The obvious question which follows is: what is the first criteria for choosing the people to be put through the "trial and error" process? Are they relatives, tribes mates, village mates, or just anybody who happens to be on the right spot at the right time? That is, what is the basis of establishing trading alliances?

It appeared that the traders very consciously sought to avoid any biased premises on which to choose their partners. A trading partner could be anybody, which also the much used term "friend" denotes. A mobile trader declared: "Trust will be developed over a period of time and on one major ground: faithful handling of money. Tribe or blood relationship doesn't matter". This was how the traders spoke about their trading network and it also appeared to be the way they practised their networking. The most pronounced avoidance of any criteria for selecting partners was that of relatives. Hence, a large number of the traders would disapprove of cooperation with relatives, mostly with reference to jealousy and the fact that relatives often expect traders to share whatever little money they have accumulated. One mobile trader expressed it in this way: "Trading with relatives is bad because they know you so well that jealousy rates are high. There is also too much expectations from business - no reasonable room for saving". An elderly store owner expressed his opinion in this way: "It's better to trade with outsiders (i.e. non-relatives) because relatives tend to take the business for granted. For example if they mishandle money, there is no way you can discipline them. Secondly, relatives tend to despise each other, so it's difficult to administer them". The store owner mentioned a problem which many traders referred to: the problems of taking a relative to the police or the Resistance Council. A "Kadongo Kamu" likewise had this very negative view of doing business with relatives: "It's not good to trade with relatives; they don't put respect in the business, (they) neglect the work, (they) don't respect the work. They have the vision of getting a share from the work".

However, some traders dealt with relatives in their business, for instance by sharing a store and had no problem in working with relatives. A trader, who had been working together with his cousins in a cooperative store since 1981, explained it this way: "It seem unpopular for relatives to trade and many people are surprised that we can cooperate. But it would be profitable if relatives would trade together because they save a lot of money into their own families. It would be unprofitable for brothers to waste money renting different stores and paying separate tax". A female trader had chosen a strategy of disembedding her trading relationship with relatives. She explained how she had earlier cooperated with her brothers and sisters: "I had no problem with them because I made sure that we traded separately, almost as strangers".

Likewise, neither ethnicity or religion appeared to be of importance for the choice of trading partners. Most traders stated that the most important issue was whether somebody was trustworthy, and in relation to this tribe and religion had nothing to say. One trader phrased it this way: "Money favours no religion". In fact many traders would talk about Iganga maize traders in very rancid phrases, although few could indicate that they would choose not to cooperate with these if possible as the following "Kadongo Kamu" did: "Ha, Basoga are very untrue, I would rather trade with Baganda or with the Bagisu, Iteso, etc. The Basoga can even go behind your back in business and they are very malicious".

In general a large group of the traders appeared to have developed conscious strategies of abstaining from combining familiarity and business, or as expressed by one trader: "It seems better to make friends (i.e. business friends/partners) with strangers because they are less mindful about your gains and less likely to develop jealousy". In relation to their business the traders seem not to be interested in being a part of these environments of trust as they too well know that this adds expectations of sharing whatever little they have earned. Consequently, the traders, with their non-family networking strategies, try to adapt to the modern market economy where the only way forward is accumulation of capital. However, in relation to making business with strangers, contestation of trust becomes necessary due to the absence in time and space of the strangers the traders (consciously) are looking for. Hence, the trading partners' activities are not continually visible and the traders consequently have to implement strategies of checking people's background as well as testing their behaviour in practice through the use of the trust-chain. On the other hand, with regard to the Busoga case, the "stranger" should not be so much of a stranger that he could not be traced. A male "Kadongo Kainu" explained it in this way: "It's good to trade with people when you know where they come from (i.e. from Busoga). If you trust a person from Buganda or Soroti, they might disappear and you don't know where to find them. You have to trust a person when you know where he comes from". In this way the Iganga maize traders try to prevent the worst consequences of the time-space distanciation and of doing business with "strangers".

The Iganga maize traders' strategizing and networking seems to bear resemblance to Thomas Menkhoff's study of the Chinese traders in Singapore who consciously use a strategy of disembedding economic relations. Hence, Menkhoff explains how this group of traders have established long-term standing trading relations on the basis of trust in order to prevent risk; moreover, the traders avoid doing business with close relatives. After having abstained from cooperating with their biological relatives the Chinese traders create fictive categories of relatives for their "strategic" business friends (Menkhoff 1994).

In a similar way the Iganga maize traders can be described as following a three-step strategy of networking. Firstly, the traders seek to avoid establishing trading alliances with anybody who would confront them with moral obligations, mainly relatives. The dependence of kinship exist in both good and bad times; in a period of success the relatives are in their good right to demand a share of the affluence; yet, in bad times the trader might have to depend solely on the relatives due to the general insecure economic life of these traders. The traders thus have to invent ways of dealing with their relatives which can diminish their demands during good times without violating or destroying the security these give during bad times. This leads to the second step, looking for "strangers" within the local society since doing business with these can be done without harming the crucial kinship relations. Thirdly, having found these people, the traders start to familiarize this disembedded relationship by making use of the trust-chain. Thus, due to the lack of both institutional and personal trust within the Ugandan context a disembedded relationship is simply too risky. However, it is a crucial factor that the familiarization of the disembedded relationship is done within another economic sphere than the one of the peasant distributive society, namely within a sphere attempting to adopt the principles of a market economy. This means that the boundaries of the moral expectations of the personalizing of the depersonalized relationship are defined in advance in order not to reach the, for the market economy, so devastating expectations of a distributive solidarity. By avoiding trading with relatives, thereby avoiding the "inescapable" moral obligations and by constructing trust-proved "friendships" the Iganga maize traders have solved the problem of how to manoeuvre within two economic spheres. They are not violating the morality of the peasant sphere while at the same time they manage to cope with the demands of the market economy in the precarious Ugandan context.

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