Facilitators of informal trade and social relations:

Rural-urban migrant networks in Benin

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Migrant, an ordinary state among Beninese

In Benin, nearly everybody is a migrant or has been a migrant or will soon be a migrant. Many people are on the move and most urban people still are migrants of the first generation (40% of the inhabitants in Cotonou, 20% in Cotonou since less than 10 years).

Figure 1: Urbanisation trends between 1960 and 2020 in West Africa

The West African Long Term Perspectives study (WALPTS) on long term trends pictured out how recent urbanisation in West Africa is and how rash it is proceeding. 1960 there were only 600 towns (17 with more than 100,000 inhabitants), and 6000 are expected in 2020 (300 with more than 100,000 inhabitants)

Source: Snerch (1994)
Rural to rural migrations are most common in areas endowed with little resources and opportunities. They may take different forms: within farming families, seasonal migrations as labourers in cotton producing areas are most common; sometimes these seasonal migrations create opportunities for some of the labourers to ask for land to clear at the forest frontier or to settle down on already used farmland. Such temporary migrations then turn into successful longer term ones. In the remote Northern West for example, 50% of the male farmers and 30% of the women farmers had migrated at least once in other rural areas or still do, most of them in Nigeria (Table 1) according to a recent survey (Floquet et Mongbo, 2009).

Table 1: Migration experiences within farming communities in the Northern West of Benin

<table>
<thead>
<tr>
<th>Gender Experience of migration</th>
<th>% surveyed</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Both</td>
<td>Female</td>
</tr>
<tr>
<td>Rural within the district</td>
<td>10,5</td>
<td>10,6</td>
<td>10,5</td>
<td>5,5</td>
</tr>
<tr>
<td>Rural within the country</td>
<td>5,5</td>
<td>10,0</td>
<td>7,7</td>
<td>10,0</td>
</tr>
<tr>
<td>Rural within the region</td>
<td>14,7</td>
<td>30,4</td>
<td>22,2</td>
<td></td>
</tr>
<tr>
<td>Urban within the district</td>
<td>3,1</td>
<td>3,2</td>
<td>3,2</td>
<td>8,7</td>
</tr>
<tr>
<td>Urban within the country</td>
<td>12,1</td>
<td>10,0</td>
<td>11,1</td>
<td></td>
</tr>
<tr>
<td>Urban abroad</td>
<td>0,3</td>
<td>0,3</td>
<td>0,3</td>
<td></td>
</tr>
<tr>
<td>No experience</td>
<td>45,1</td>
<td>24,4</td>
<td>35,2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100,0</td>
<td>100,0</td>
<td>100,0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Floquet et Mongbo, 2009

1 Several ways of migrating can be found. Elder migrants may regularly fetch or at least host younger migrants from their area of origin and help them to find what they are looking for. Seasonal or temporary migrants after several trips may overtake the function of a broker. They organise the journeys of their younger “brother’s” and bring them to their bosses, in most cases in Nigeria. They charge the migrants for the service. In both cases, flows of migrants are directed towards specific locations and it becomes a self enforcing process as long as land and jobs are available and the perspective for the younger ones to become themselves a broker remains open. Some of adventurous youth also leave the issue of the journey to chance and opportunity.
Rural to urban migrations concern different types of people. People with school background and people in search of a job will move to expanding cities and may stay there until they retire. They first settle by a relative or by somebody of the same origin until they can go on their own. Young girls are sent into town as servants or helps of traders and young boys as apprentice. Girls will be brought back for marriage in their village of origin. These processes set their print on the demographic profile of many villages, where age groups of 10-20 years old girls are depleted.

Urban to rural return migrations concern parts of the migrants’ households when the size of the family expands as well as the expenses. Households may then split with one wife taking over the children back in the village of origin or children may be sent to the grandparents. In times of crisis (sickness or loss of the job of the household head), the whole household may go back to the village. 24% of the famers –both men and women– in the already quoted Northern West had migration 

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2 Cotonou and Lome are juxtaposition of areas, each of which host people of a specific origin. New migrants will get help in their search of job by “their” people –those who have the same origin as they have (Aholou, 2006).

3 In our survey in the Northern West, half of the women who had migrated had been working as servants in households and a third as helps by traders.
experiences in urban areas. Rural and urban migrations had an average duration of 4 years, with large variations around the mean.

Urban to urban migrations are also common. Some cities, especially the largest ones are not growing in size anymore but large in and out movements of population occur towards the outskirts as well as towards mid-sized cities.

Figure 3: Intermediaries, flows of information and migrants

Destinations and types of labour depend on the channels which migrants and their families have access to. These channels are controlled by brokers, who may either be potential “hosts” in the urban area of destination (patronizing relationships), former or elder migrants who convey new ones and in most cases get some retributions for the service, local brokers pre-financing and even lending money to the migrant and his or her family and bringing them into dependence, or into the worst forms of labour and slavery. A few young men do not enter such channels and choose real “adventure” relying on chance in order to find out some opportunities at any place they may cross. Families with higher social capital may rely on social networks of reciprocity (or patronizing relationship) while poor people may quickly fall into forms of dependency, which also bring children on the labour markets at the cost of their education.
Migration and relations with the origin

In case of seasonal migrations or migrations as non autonomous youth, the ties between migrants and their people in the village remain strong. Young people may move on behalf of the household head and most of their earnings will be managed by him for food and repayment of a debt, for a specific investment or for the dowry of the young migrant. Other ones may move in spite of the household head in order to take profit of their own working capacity and come back with a motorbike, a radio, a phone or a generator. But their search for autonomy does not mean that they want to become outcasts.

Even if people move for long to towns, most of them won’t cut their ties with their origins. The energy put into the care of such ties may be weak when they are still young and poor, but it will grow as their position in the domestic cycle evolves and as they overtake responsibilities within the family and sometimes political responsibilities in the area. Few people would neglect their family up to the point of compromising their own burial according to the ancestors’ rituals.

On the contrary, such rituals\(^4\) throw every week-end on the roads thousands and thousands of people who have to assist afflicted families or to host friends and relatives who travelled to support their own afflicted family. The magnitude of such movements and the expenses they cause are large. Because urban people are mostly first generation migrants, many of these movements concern their areas of origin. Movements strengthen the social ties with those who stayed put and also bring some wealth back. Ceremonies do not only mean food, beverages and huge quantities of cotton cloth people will wear to show whom they mourn. In order to host their visitors, wealthy urban migrants may repair a family house or build a new one. An area with well-rooted traditions like the Abomey Plateau, former kingdom of Danhomey, develops a range of economic activities in relation to these ceremonies: renting of plastic chairs, dishes, brass bands, large tents, generators, loudspeakers and DGs are the modern adds-up to traditional weaving, drums and dancing. Such patterns can be observed in many other places in Africa (Gugler, 2002).

People invest in their social networks at home, but what about service provision in their locality of origin? At the onset of the democratisation process in the nineties, many natives from a locality organised themselves in “development associations”. At that time, the State was unable to fulfil most of the basic needs of the local population who was supposed to “self help”. Development

\(^4\) Rituals are not restricted to burials. Initiation ceremonies, celebrations of people around the same watercourse, birth ceremonies may also bring migrants back to their villages, depending on their cultural and social background.
associations were forums for political debates but also brought significant contributions to some main economic and social problems. The State was reformed and decentralised. “Communes” are now the natural areas for political debates and ambitions and attract many of the active members of the development associations. Whereas the State at national and local levels invests more in service provision, few development associations still see the need of contributing to (co)financing infrastructure or of developing philanthropic activities. Philanthropy is again mainly focussed on family members and friends, who are taken in charge when sick and sent to school by benevolent uncles and aunts. Urban migrants are considered by local people as brokers rather than donators: the latter still expect that “their” people sitting in key positions will channel infrastructure and development projects to their home place. Access to development resources is then turned into assets for the political ambitions of some of the migrants.

**Private investments from urban migrants in their area of origin**

What about private investment of urban migrants in their area of origin? Pensions are very low or non existent and some wealthier people prepare for a new activity after they will have retired from civil service. They may set up oil palm, citrus, mango or teak plantations or may contract Peuhl herders to look after their livestock. Two opposite strategies can be observed. Some urban migrants develop the new business as far as possible from the origin and rely on land purchase, on labourers coming from foreign countries in order to escape claims from neighbours akin. It is a common strategy in periurban area, where the local youth has high expectations and a low propensity to work and where conflicts within the lineage for a piece of land may be explosive. Other migrants develop their business in the village of origin or nearby, take profit of their share of lineage land and at least partly employ relatives and friends, as it is the case where land is abundant, jobs scarce and local people happy of opportunities. Some other businesses such as a mill, a taxi-motorbike, a small shop may also be created for a jobless nephew or a sister in the need of income generating activity.

If the household has split and the man has a job in town, remittances to a shrewd and enterprising wife may allow her to develop a solid small business relying on farming for food and capital, processing and petty trade, as soon as she lives in a not too remote region with reasonable prospects of selling the products. Such a step by step accumulation process is successful for a while but not enough to resist major crisis (illnesses, loss of job of the husband or charge of another wife and new children) if these happen before the own children are old enough to take over the burden. In remote and impoverished regions, remittances will hardly help the dependants in the village in buying food for surviving during the hungry gap. In all our village surveys during the last decade, we hardly met
village “big men” or “first ladies” with an urban background: Successful urban people remain in town and perform their rural activities from their urban place.

Little is done to capture savings from urban and rural migrants and use them for financing income generating activities in the location of origin. Trust in credit and saving cooperative groups is low among migrants and if they prefer converting their savings into tangible assets, such as mentioned above.

**Transfers from rural migrants in their periurban or rural area of origin**

Many farmers from the overpopulated southern part of the country and from the remote and depleted northern West settle down in better endowed regions. The latter may send some food back in the village of origin when they come back to visit their parents or for ceremonies.

A better endowment in fertile and abundant land also often means remoteness and lack of social services: migrants are tolerated or invited to crop on remote and less accessible parts of the village area. Migrants use the opportunity of a location of origin nearby vibrant food markets (i.e. Bohicon, Azovè) to sell their food products in the region of origin. A strategy is to send the elder wife back with all the schoolchildren and to let her market the grains and nuts produced on the farm in a well known environment, while she also takes care of the family house where the elderly migrants will retire. For example, farmers from the depleted Abomey plateau who had moved 200km north in search of fertile land to clear, kept a foot in their initial village and bypassed the regional Glazoué market located near their fields but where the wives probably had no entry; they sold their products in the Bohicon transit market near their places of origin.

**Urban-rural ties and food trade - a little explored topic**

Food trade is a decentralised activity, where thousands of actors are engaged. Temporary actors enter trade at harvest time and then disengage and most of the traders are low capital - low return petty retailers but all surveys recognized that the number of permanent traders has been growing over the last decades in times of structural adjustment and city growth.

Cities have been continuously supplied in times of plenty as in times of crisis, so that as a whole, trade arrangements may be seen as functional. Yet marketing remains a major constraint for many farmers in remote areas during the rainy seasons.
In Benin a few research and studies have been conducted, among which the IFPRI-LARES study in 1999-2000, where 660 traders operating on 21 markets had been surveyed on their trading practices (Gabre-Mahdin et al., 2001). Lutz (1994) and Adegbidi et al. (2003) have assessed the maize market performances twice in a decade and Adanguidi (2001) focussed on trade networks operating in yam marketing in the nineties. Quarles van Ufford studied the cattle trade (de Haan et Quarles van Ufford, 2001). In periurban areas, we could rely on our own research results in the ECOCITE program, which concerned mid-sized cities in Benin and Senegal from 2003 to 2007 (Floquet et Mongbo, 2003).

The specificity of trading in an environment such as Benin is going to be analysed and it will explain why trading often means reliance on social ties with the place of origin.

Trade networks as a junction between rural and urban areas

Box 1: Actors within a marketing chain – definitions

| Wholesalers are defined as traders who either purchase or sell in wholesale quantities. Those who cannot perform this activity with a similar size will be qualified as petty-wholesaler |
| Retailers are traders who sell in small quantities, generally to consumers. |
| Assemblers are (generally rural-based) traders who buy in small quantities and sell in a large quantity |
| Brokers are traders who do not purchase or sell products on their own account but rather who match sellers and buyers, in exchange for a commission. |
| Consignment agents receive the goods from sellers and keep them in their warehouse until the sales transaction is completed. |
| Coxers (“racoleurs”) try to persuade producers to sell to the trader who is paying them (respectively consumers to buy from the trader) |

There are of course many different types of chains and actors involved in food trade linking rural production to urban consumption areas.

Farmers around mid-sized cities have opportunities to channel their products through direct or short chains. It concerns mainly fresh products (vegetables, milk and fish, fermented maize food) and bulky ones, which urban women prefer to buy at home (yam, firewood, charcoal). Women from farming communities who carry firewood, yam or milk on their head and walk into town in order to sell them
from door to door perform their tasks as long as production areas are not pushed too far away by an expanding city. Direct sale then has to be replaced by sale to traders who can support transport costs or the activity has to disappear (i.e. milk is processed into cheese). Short chains seldom constitute the sole source of supplying towns. In mid-sized cities such as Bohicon and Parakou (ca 100,000 inhabitants), perishable products such as tomatoes may come at time from the nearby production areas (urban or periurban) but may also come from as far as Burkina Faso (Floquet et al., 2004; Edja, 2004).

Trade is an urban profession. Wholesalers can be found in towns located either in production areas, in consumption areas or nearby major transit markets.

Map 1: Some of the main market towns in Benin
People may move into town and then develop trading activities. The number of retailers has been increasing tremendously during the last decades of urbanisation due to the lack of opportunities in the formal sector. In the IFPRI survey, 51% of the traders surveyed were retailers and the survey probably missed many of the itinerant petty retailers in conducting the census at the market places. Biographies also show how people move from a smaller town to a larger city as their business is expanding or how they leave a market town at the border with Nigeria for another urban market when opportunities change.

Many women coming to town have already performed some kind of trade in rural areas before moving, because of the traditional division of labour in some parts of Benin, where the man farms and the woman processes food products or develops a petty trade. According to the capital they dispose of, they may develop some food processing activities in order to accumulate step by step or work as retailers and then try to engage in wholesale.

Yam and grain trade

Wholesale requires much more financial and social capital than retail. A maize wholesaler may sell 10 tons maize per market and will use a lorry to transport the stocks he purchased to this marketplace. Some even engage in transport as well. Petty-wholesaler may sell one ton maize per market.

Table 2: Typology of the maize traders on the regional transit market in Bohicon

<table>
<thead>
<tr>
<th>Trader type</th>
<th>Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailers</td>
<td>No stores and no capacity to travel in order to buy maize at farmgate.</td>
</tr>
<tr>
<td></td>
<td>Buy one or two grain bags by a wholesaler on a market day and sell it in</td>
</tr>
<tr>
<td></td>
<td>small quantities up to the next market day.</td>
</tr>
<tr>
<td></td>
<td>Sometimes rely on credit by the seller for these purchases</td>
</tr>
<tr>
<td>Petty wholesalers</td>
<td>Buy at farmgate but not too far and rent a car jointly with other traders for</td>
</tr>
<tr>
<td></td>
<td>transporting the goods; use jointly a store.</td>
</tr>
<tr>
<td></td>
<td>Sell to retailers and large users and sell as retailers as well</td>
</tr>
<tr>
<td>Wholesalers</td>
<td>Buy at farmgate, send intermediaries after harvest in order to secure supply</td>
</tr>
<tr>
<td></td>
<td>Rent a car or a lorry, buy up to 650 bags and store them</td>
</tr>
<tr>
<td></td>
<td>Sell to retailers and large users and seldom as retailers</td>
</tr>
</tbody>
</table>

Source: Sarreiter, 2005
Actually, winning shares of the market at the expense of already well installed wholesalers as well as obtaining a stand within a consumer market for retail seem to be difficult. On the Bohicon and Abomey markets, a survey conducted in 2004 revealed that only 34% of the maize traders had less than 15 years of experience and 53% had inherited their business from their parents (Tossou et al., 2007). Stands on the market are also inherited. Newcomers have to obtain substantial financial support and help from other traders in order to slip in, or they join the large group of itinerant - large efforts, low return- petty traders.

**Relationships with producers in a specific area – a decisive asset for trade**

It is natural that wholesale traders look for products to buy in their region of origin where they already know people, especially for products that are best bought at farmgate. In the IFPRI survey, 90% of the suppliers and 87% of the clients have the same origin as the trader (but do not necessarily belong to the same ethnic group).

Farmers can sell products on nearby markets or directly to wholesalers. Actually, some quantities may be sold on local markets in order to get cash but most of the products seem to by-pass local markets. Bulky products such as yam may be directly sold to the wholesaler at harvest; grain stores are sold as a whole to wholesalers or petty-wholesalers. According to the farmers IFPRI survey in 1998 (Minot et al. 2001), many farmers market their maize in two or three operations a year, as soon as good opportunities appear.

Wholesalers use a range of strategies in order to secure their supply as well their sales (figure 3). First they try to win the loyalty of suppliers and clients (6.5 regular suppliers and 7 regular clients account for 50% of the business performed). Second, they have to use intermediaries located in rural areas to negotiate and secure this supply as well as intermediaries near the retailers and consumers for sale. On the supply side, two thirds of the wholesalers surveyed by IFPRI use intermediaries such as buying agents, assemblers or less often brokers. On the sale side, they may rely on consignment agents (if they have no storage and market place in the location where the product has to be sold, as it is the case for traders located in the production market areas). They also use intermediaries to secure the rapid sale of the products, especially if these products are perishable, as well as the recovery of the debts if the products have been sold on a credit base, which also a common strategy for a rapid turnover. Family members may also be in the retail business and take over the sale of the products. In the end, a wholesaler mostly operates with a few actors whom he can rely on and who are either directly engaged in trade at other nodes within the chain or acting as brokers.
Adanguidi’s anthropological study let us know how such an intermediation works (2001 & 2006). He studies the ties between actors in the three main regional yam chains in Benin. The first one is organised for marketing yam from the central part of Benin and is dominated by wholesalers who began their activities in a production area near Abomey\textsuperscript{5}. In order to find out yam to purchase, they develop a net of intermediaries who can discuss with the farmers on possible terms of contract. Some wholesalers rely on low-cost credit before harvest for the producers in order to secure the transaction and on commission for the buying agents. They then have to keep control on these agents who might well cheat them on the real transaction prices or begin a trade on their own. Other wholesalers build on more personalised relationships. Yam is mainly cultivated in scattered hamlets, where land has been newly cleared and is still fertile. Hamlet chiefs act as (informal) administrators of the land and control the settlement of new migrants interested in the profitable crop. Some hamlet chiefs are mobilised to ensure that yam will be sold to their related wholesalers. No commission is necessary as the relationship belongs more to the economy of affection and relies on gifts attesting recognition as well as on assistance in bad times. Some hamlet heads even make it a

\textsuperscript{5} The production area moved north because yam is a demanding crop following the forest clearing frontier, and the traders moved to larger transit market towns
condition to their new migrants. As soon as sufficient quantities are secured and farmers are ready to sell, the wholesaler organises transportation.

In order to get the perishable product quickly sold, yam wholesalers also have to use intermediaries\(^6\). Members of the already quoted southern yam network tend to mobilise agents, who all have a range of potential clients (retailers, large street food processors). The product is sold, in most cases on a credit base, and the agent has to visit the indebted regularly in order to get it paid back as soon as the buyer has sold it. They also rely on retailers within the family: their own children but also “apprentices”, who may be distant relatives from the village. In the Northern yam network, wholesalers mainly live in northern cities and cannot speak any southern languages. Therefore some of them rather engage in trade with the northern border town Malanville, but the other ones find some intermediaries from their own regional origin in Cotonou, who act as a consignment agent. The agent takes delivery of the yam sent by train or by road, stores it and sells it to retailers.

Because of the specificity of yam in term of varieties, retailers and consumers interested also are from the same region as the traders. Such a regionalisation may be not so strong for grain where varieties do not differ so strongly.

\(^6\) Precise studies on intermediaries and relationship among suppliers, traders and clients reveal a vast range of arrangements (Porter Lyon and the Nigeria, 2005). In Northern Nigeria, for example, every producer coming into the market is put in relation with a commission agent (“dillali”) but the market organisation and the agent is in charge to sell for him. Over time, trust develops and the seller does not even need to be present for the transactions. Dillalis even provide fertilizers on credit and get the payment when the harvest is sold (Benjamin et Rikko, 2005).
In the grain trade, it is common for wholesalers to rely on “assemblers” who buy grain from producers on behalf of wholesalers at farmgate, on local markets or on the way to the markets before the seller even enters the market area (figure 4). They also buy from petty-wholesalers who dispose only of a limited capital and have to quickly sell in order to buy again. According to Adegbidi et al. (2003), wholesalers tend to rely more and more on professional assemblers and not only on apprentices or family members, because of the growing competition among traders. 77% of the wholesalers surveyed by these authors relied at least partly on assemblers for their supply while 80% also supplied themselves directly by producers (only 13% relying only on direct purchase). The study did not enter into the details of the transactions among actors.

As a successful trader develops over time, he does not only accumulate more financial resources, he also develops more social capital specific to trading relationships. IFPRI surveyed wholesalers declared to have entered business with 8.8 suppliers (and 11 clients) and to have three times more of both at the survey time. In an insecure institutional environment as in Benin, every actor in the chain has to develop strategies in order not to be cheated7 and at the same time to go on running his business. Wholesalers might not be delivered the goods and clients might not pay back. Most of conflicts with suppliers concern the non respect of the informal engagement to deliver the product;

7 Farmers also have to organise in order not to be cheated especially through quantity measurements, price fixation etc.
conflicts with clients are caused by delayed payment or no payment of the goods. Disrespect of an engagement to deliver products means a loss of earnings but also higher charges on the remaining quantities, especially transport costs, which already account for 45% of all marketing and transaction costs.

This explains the important role of intermediation and the importance of a loyal network of suppliers, which are easier to build in the area of origin of the trader. According to Lutz’s second survey in the late nineties, 58% of the maize wholesalers buy more than two thirds of their supply by regular and loyal suppliers and 50% sell their product to regular clients. Clientelism types of relationships develop together with the commercial ones within the network, as described by Adanguidi in yam networks.

Collaboration within traders’ households is also developed. Trade as a permanent activity is a set of family businesses where one enters as a youth helping parents. 51% of the IFPRI traders had a mother already engaged in trade\(^8\). In average, every business employs more than one family member: daughter, son or nephew (table 2). Spouses may run the same business (the woman “helping” her husband – 28% of the businesses) or separate and complementary ones (32% of the businesses). Adanguidi relates how a wife became a “first lady” in the yam chain, after her husband had retired. Many relatives also run their separate business (mothers, sisters, etc.) in related sectors. In the yam chain, family members of a wholesaler work as retailers, which is a complementary business. Internal family networks are a factor of success and sustainability in business and social capital can be inherited as well as some financial start support.

**Table 3: Traders’ social capital (family)**

<table>
<thead>
<tr>
<th></th>
<th>Family size</th>
<th>In trader’s business</th>
<th>In another trading business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live father</td>
<td>0,46</td>
<td>0,04</td>
<td>0,07</td>
</tr>
<tr>
<td>Live mother</td>
<td>0,66</td>
<td>0,05</td>
<td>0,27</td>
</tr>
<tr>
<td>Spouse</td>
<td>1,08</td>
<td>0,28</td>
<td>0,32</td>
</tr>
<tr>
<td>Son over 15</td>
<td>1,35</td>
<td>0,19</td>
<td>0,13</td>
</tr>
<tr>
<td>Daughter over 15</td>
<td>1,31</td>
<td>0,28</td>
<td>0,32</td>
</tr>
<tr>
<td>Brother over 15</td>
<td>2,77</td>
<td>0,41</td>
<td>0,42</td>
</tr>
</tbody>
</table>

\(^8\) It may constitute a barrier to entry of newcomers (among whom urban migrants) on the marketplace where stands are “inherited” from mother to daughter.
### Sister over 15

<table>
<thead>
<tr>
<th></th>
<th>2.62</th>
<th>0.20</th>
<th>1.37</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other relatives</td>
<td>0.34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: adapted from Gabbre-Mahdin et al., 2001

**Cattle trade and fresh food trade as further networks arrangements**

Quarles van Ufford et Zaal (2004) also give insight on another type of vertical networks linking traders to buyers in long distance cattle trade in Benin (and other coastal countries). This trade had been monopolised for a long time by a few merchants from specific ethnical groups –Haoussa, Djoula- who posted members in all locations where cattle in transit would have to station until they reach main consumer cities at the coast. Nowadays, the demand for meat and the volumes of the cattle trade flows increased to a point where many newcomers from other ethnical groups have entered the trade (Peuhl, Bariba) but the main types of institutions remain. A local landlord hosts the herders travelling with their livestock in transit, provides meals and helps them in all their transactions on the market. He knows the local butchers who also know him and trust him for his ability to help in solving disputes. In many cases, cattle traders relate to landlords of the same origin who had migrated and settled down in the city they have to go through. Therefore relationships become fairly stable. The principle of a common origin already partly used for building trust between yam or grain trade protagonists (producers, trader, and intermediaries) is applied in cattle trade with a much higher intensity. Trade protagonists, in spite of a sometimes ancient immigration period in towns, behave as a diaspora in the cities, live in separate quarters (Zongo) and do not mix more than necessary outside. This behaviour is a condition for a strong feeling of solidarity within the network of the cattle trade.

In the opposite to such long distance trade networks, we studied how processed maize products from the Abomey area are marketed, especially *lio*, a fermented and ready to eat product, which is specific to the area and can only be stored for a few days (Wagner, 2004). A large share of the production is directly marketed by the women engaged in processing in the same area, but consumers originated from the same area and living in the large coastal cities are fond of such a food as well, as part of their cultural identity. New forms of linkages develop over time in order to satisfy this growing demand. Petty traders with very low capital try to catch travellers on the main south-north tarmac road. A survey conducted in 2005 revealed that 54% of the production was sold through “race – sales” where petty-traders along the road race in order to be the first to reach a car and to offer their products to passengers (Floquet et al., 2005). A few wholesalers also develop their activities and women who have relatives engaged in trade in large cities rely on them. They regularly...
send loads of products through transporters and get the money back in the same way. Here again, trade is built on restricted and highly reliable nets of relationships. The buyer may be confident in the quality and the origin of the product, which are essential attributes for keeping their own customers’ trust.

Networks and transaction costs

Interestingly, conclusions drawn by researchers out of this same empirical background differ strongly. De Haan and Quarles van Ufford (2001) quote Putnam and point out the organised solidarity embodied in trader guilds and associations as platforms for collaboration and innovation and therefore as ferment for successful economic development. Many authors referring to new institutional economics are interested in the functions of networks as trust builders and transaction costs minimisers. Fafchamps (2002) as well as Lutz et al. (2003) both think that interpersonal networks may reduce transaction costs as trust builders and flow enhancers.

On the contrary, some of the IFPRI study researchers made a plea for less personalised relations in trade and the possibility to build trust in transactions in a less costly way as by nurturing a network and travelling for controlling a range of persons involved in a transaction. Business networks are seen as a palliative caused by transaction risks, and risks are due to rudimentary transaction practices. Researchers assumed that reducing transactions costs would be possible by more standardised quality, easier access to market information, organisation in trader associations and existence of formal institutions for conflict resolutions. How such rules and regulations would be enforced remained unaddressed. Their propositions were partly put into practice during the last decade.

Efforts have been put in promoting horizontal cooperation among food traders who had only been organised at a small scale in solidarity groups and rotating funds. Larger regional associations were encouraged. They are supposed to help in designing a common code of conduct, in sharing information and facilitating access to resources such as credit. Lutz’s second survey reveals that some of their local member associations at market level seem to have used this channel to protect their members from competition by preventing non members to buy directly from farmers in the area. Wholesalers from other areas had to get their supply on the markets (Pobè, Kétou, Nikki). We doubt

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about the transaction costs minimisation effects of such attempts to create clubs with barriers to entry.

At the same time, as already quoted, stable networks were reinforced among traders, their suppliers, intermediaries and clients but these informal vertical networks remained unacknowledged. Interventions rather focus on virtual trading platforms and modern technologies channelling information on prices and possible quantities for sale.

**Traders are main investors in rural areas, but what about change and innovation**

Traders can be seen as major investors in rural areas. Such investments consist in infrastructure and equipment at a low level (a few stores) and mainly in social capital.

Most of the research works on trade in Benin focussed on analysing trade through the structure-conduct-performance framework, especially on price comparisons between markets and possible undue profits of some traders managing to escape concurrence. Other relevant questions remain unanswered.

We still know very little about trajectories of evolution among traders, producers and intermediaries engaged in stable networks compared to those who are not. We can formulate the hypothesis that stable networks secure flows of goods and may constitute an incentive for famers to invest more in their activities and produce higher surpluses, and that on the other hand, a stable and trustworthy network might nowadays allow traders to obtain information and take decision without travelling (using telephone for example, but it remains a hypothesis). The state of the art about areas where many traders mainly operate on such networks base, compared to areas where they hardly go through networks, is even poorer.

Yet some farmers still quote the lack of market opportunities as a major constraint. There are areas where selling products is a constraint, and not only because of their physical remoteness. Remoteness might be social as well.

Lack of loyal trading relationship also means restricted access to information and innovations for remote producers, so that they won’t adjust to market changes and consumers needs. In the eighties we had already observed that village traders were important in introducing new varieties they had found on the markets where they were selling the products and contributed to changes in practices.
among their farming communities (Floquet, 1994). Recently, the manager of a small processing unit preparing infant food was explaining how she asked for better drying and sorting procedures from her few grain suppliers. Stable regional networks might be an asset for an improvement of standards and a condition for traceability, giving better chance to producers for entering (at least) regional markets.

Traders’ responsiveness to changes is unequal. Large development projects were successful in diffusing innovations on tuber cultivation and processing, quickly followed by disadoption because of a so-called lack of market opportunities. Numerous examples can be found on informal innovations developed in processing, which spread rapidly and soon decreased again because sales stagnated (cf. example with cassava processed high quality gari in Fournier, 2002). Fairly stable trade networks may be a factor of inertia and become a constraint to change if traders do not see the necessity of looking for new clients or if the traders who are able to prospect new markets suffer from a restricted access to suppliers.

Reforms have been thought at a high scale, such as promoting a formal interprofession as a way of promoting vertical integration in trade. From our points of view, informal interprofessional relationships in the real life would deserve much more attention first, before rules regulating such arrangements can be elaborated.

Conclusions

Obviously food trade relies on relationships between rural and urban areas and impacts on rural economic development but it has been little explored under these aspects. There has been research and theoretical reflexion on how towns – mid sized towns, market towns, large towns etc. – affect growth and development in rural areas. Von Thünen demonstrated in the early 18th century how a market induces a spatial reallocation of agricultural activities, with bulky and perishable goods requiring high transport costs being produced nearby or within the city. Virtuous circles were predicted from the vicinity of a market town: higher consumption would induce a higher income in farms which would ask for services and goods, and in return urban producers of such services and goods would increase the demand for agricultural products\(^\text{10}\). Urban or periurban producers would

\(^{10}\) Tacoli (1998) observes that examples of such a virtuous circle are more often the exception than the rule. It may happen when farmers produce high value crops while the nearby town businesses do not compete with other towns’. Conditions for farmers to grasp opportunities offered by new markets (access to land, labour, inputs) may not be always fulfilled, land may get scarce and expensive as the city expands, and farmers may not be the one who take the higher benefits from selling high value products on the urban markets.
get more and more specialised and clustering effects appear. Krugman and many others pointed out how firms then benefit from agglomeration externalities and how clusters may build the ground for local economic development.

In comparison, there were not so many research works on actors involved in marketing (and further processing) arrangements and why they shape urban-rural relationships the way we find them. Food trade is often the main cause of relationships between a town and its hinterland (aside commuters working in towns and living in their village) but many products by pass such nearby markets for further regional bulking markets or for transit and redistribution ones. Most studies on trade and markets did not consider the spatial and network dimensions of the phenomena\textsuperscript{11}. That is why we re-examined some of the economic and anthropological studies conducted on markets and trade, keeping in mind this time the question of the relationships between urban and rural actors and of their consequences on the flows of goods and on the maintenance of social capital.

The maintenance of social relationships with locations of origin implies flows of limited but not insignificant goods and services. Elder migrants will host new ones at their arrival in town and help at their insertion; they will channel information about prospect of jobs towards the village. People might even do some brokerage in both locations especially when distant labour places are concerned. Former migrants in rural areas or actual migrants in the new cities may organize the coming of young people when needed, also for young girls. Effects on poverty alleviation have not been systematically assessed. Insertion help should have a positive impact but when migration happens at the cost of schooling, effects on poverty are negative in the long run. Effects on poverty also depends on the importance of patronizing relationships versus safety nets within such networks.

More important flows of goods are related to the economic activities of trading enterprises where urban wholesalers play a very significant function as bridges channelling cash, information and credit to rural producers. Traders are better prepared to protect themselves against opportunistic behaviour than individual migrants, who invest in an enterprise in their village of origin. And they play a key function in the rural economy. Efforts have been put in formalising horizontal relationships among traders within associations but little efforts have been put in understanding vertical relationships and how to make them less risky for all members.

\textsuperscript{11} An exception concerns cross border trade and the role of large traders where significant research has been conducted by Gregoire E. et P. Labazée as well as later on by J. Egg, J. Igué et al.
Both types of insertion and trade networks remain in the shadow of informality. Now that home place associations have less political functions, migrants’ networks in urban settings are hardly a topic. They would deserve more attention. In both case, this should be a plea for more research on how both types of networks shape development trajectories of both rural and urban people (accumulation or dis-accumulation of different types of capital).

**Recommendations for action**

Some of the potential flows of cash between rural and urban areas are constrained by the lack of trustworthy financial institutions. Both rural to rural and rural to urban migrants could be interested in putting parts of their savings in financial institutions of their place of origin and would be ready to contribute to local development. But they won’t put their savings at risk. Developing safe and rapid forms of transfers is also an important issue for all types of migrants and for traders especially.

Some economic activities could be enhanced, which partly rely on the relationships people would like to keep with their region of origin. It has already been assessed that urban people keep some of their food habits as a part of their identity and even adopt new “cultural” foods which modernise traditional labour demanding habits. Revivals, ecotourism and cultural tourism are also ways of “refreshing” ties with the origins.

Labour migrations are patterned by different types of brokers and intermediates, which may channel job seekers towards exploitative labour relationships or may get a high price for their intermediation. More has to be known in order to take actions that both sustain labour migrations with positive outcomes and prevent worst forms of labour.
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