

# Actors and Operation of African Urban Markets

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**Abstract:- The urban dynamics driven by markets is a powerful factor influencing the development of Africa. However, the literature shows that urban markets very often experience dysfunctioning linked to several factors that hinder the development of African urban markets. This article, which is a theoretical study, aims to better understand the roles of the main actors, the activities, the functioning and the usefulness of markets in African cities. The study shows that several direct and indirect actors operate in the markets of African cities. The main direct players are made up of the administration, producers, transporters, traders and consumers, while non-governmental organizations and banks are also indirect players in these markets. The activities and operation of each market depends on the type of market and whatever the type of operation, these markets are essential for the supply of the city.**

**Keywords:-** Market, actor, functioning, Africa.

## I. INTRODUCTION

Cities are currently home to the bulk of economic activities and nearly half of the population [1]. In 2006, the threshold of 50% of the world's population was reached [2] and [3] adds that the city, through the markets, prints an obvious dynamic of development and contributes significantly to the improvement of the country's level of development.

Concerning the Africa, according to United Nations estimates, 50% of its population will live in cities in 2035 and 58% in 2050 [4] and [5] specifies that the services linked to or offered on African city markets are among the main urban services. These urban markets play an important role in the life of African cities. The urban dynamics that markets entail is a powerful factor that influences development, the economy, social and political relations, and the structuring of space in Africa.

Moreover, [6] points out that the quality of governance and of urban and financial management is the main hallmark and the major determinant of well-functioning markets. According to the author, urban markets are very often dysfunctioning due to several factors that hinder their development. This slows down the dynamic they bring to development.

However, [7] points out that markets are an economic source for cities but represent less than 10% of their income. According to the author, by improving their functioning,

markets could contribute 15 to 20% of the total income of African cities. In the same way, the African Development Bank [1] indicates that urban markets, by their function and role, constitute centers of attraction that attract and concentrate the population and economic activities of African cities. They are places of opportunity; their proper functioning makes it possible to generate growth and multiply the opportunities of the populations.

In this context, this essentially theoretical investigation aims to better understand the roles of the main actors, the activities, the functioning and the usefulness of African urban markets in the development process underway on this continent.

## II. SEVERAL ACTORS INTERVENING IN URBAN MARKETS IN AFRICA

This study identifies the roles of the main direct and indirect actors involved in African markets.

### A. The direct actors of urban markets in Africa

The direct actors of urban markets in Africa are of several orders. These are mainly the administration, producers, transporters, traders and consumers.

#### a) An administration involved in trade, management and operation of markets

The administration of African States intervenes in trade, the management and operation of markets, through their ministry of economy or trade, the customs department, town halls or structures that have been set up for markets [8]. The Ministry of Economy or Trade steers the application of economic or trade measures or policies according to the economic region of the continent. It also assumes price control, competition law and the determination of the nature and rates of taxes and duties applicable to commercial activities. For import or export there is the customs service. They have a strategic function in Africa in that they constitute the significant source of financing for the national budget. The conditions for the payment and collection of customs taxes have a considerable influence on the pace and importance of trade and urban markets [8].

In addition, each country has a structured and dynamic chamber of commerce depending on the country. It generally brings together traders, farmers, craftsmen and industrialists. It brings together and organizes merchants in order to facilitate contacts

between them and possibly their mobilization for the defense of their profession. It is the privileged framework for dialogue with the State for all matters relating to the role of private operators in the national economy. In the future, these Chambers, well structured, should help the State and traders to better plan and provide information and training services ([9], [8]).

At the scale of a city, according to [9] and the [8], we have either a specific service, or the general technical services of the town hall. Each market has its team of administrators who manage it. The administrator and his colleagues participate in the collection of taxes intended for the communal, prefectural and national budgets. They assign places to traders and ensure the cleanliness and safety of the market. The market administration also monitors the climate of understanding between operators. The administrator can be a trader elected by the other traders in the market, but most often he is a man appointed by the municipality or the Ministry of Commerce (or Finance). In Burkina Faso, for example, for the city of Ouagadougou, there is the Autonomous Board of Management and Merchant Equipment (ABMME). According to [10], in Benin for the city of Parakou, there is the Parakou Markets Management Company (PMMC). In the case of ABMME in Burkina Faso according to [8], it is a socio-economic unit of the municipality of Ouagadougou set up by deliberation N°2001-008/MATD/PKAD/CO of May 2, 2001, in accordance with the provisions of decree N°94-313/PRES/MAT of August 2, 1994. The main mission of this structure is to perpetuate commercial equipment by optimizing the collection of various taxes and by maintaining at least the servicing induced by the rehabilitations. In Ivory Coast, according to [11], the public markets of city are managed by the municipalities. However, she adds that the authority of the State also continues to be exercised over municipal taxation. And that only the State is empowered to authorize new taxation and to determine whether it is national or local. It also has full authority to reserve the most lucrative taxes (property taxes) to itself. As single tax collector, it is empowered to assess the share of the tax proceeds collected which goes to the municipalities. A part from administration, producers are also important players in African markets.

- b) Producers, transporters and traders, important actors  
According to [12], producers are the fundamental element because they are at the forefront of the marketing chain. Their absence not only causes a disruption of supply for traders, but also for consumers. There are several categories of producers such as industries that produce finished or semi-finished products and producers of agricultural and livestock products. The producers of finished or semi-finished products that are industries and informal productions, are processors, who, from raw

materials, transform them into finished or semi-finished products. The purpose of their production is sale and the pursuit of profit. They are the source of job creation for both production and distribution. As for producers of agricultural products (agriculture and market gardening) and livestock, they can be subdivided into two types. The first who produces for his own consumption, but, after having stored the part of their production intended for family consumption, these producers go to the markets to sell the surpluses. It is this quantity that will constitute the first food supply intended for the cities. It is at this level of the sector that the food supply of cities with local products begins. The second is mainly aimed at sales. By producing in this case, all the production is intended for sale (agribusiness, farmers, etc.).

Next to the producers there are the transporters. Indeed, according to the work of [9], [13] and [14], transporters have a very important role in transporting products and traders from production areas to consumption areas. Except for importers and a few wholesalers, traders do not have their own means of transport. Each city has one or more stations from which vehicles and trucks depart for the markets. Professional transport organizations (or trade unions) are highly developed in African countries. Their head office is generally based at the station from where they can ensure the proper organization of transport. Carriers can be categorized into two types. On the one hand, these are the carriers of goods who are responsible for transporting them from the storage places to the markets or from the markets to the places of delivery. In this category of carriers there are large carriers, medium carriers and small carriers (motorized or not). Depending on the type of need there is a suitable or adequate type of transport. On the other hand, there are people carriers. This category includes intra-urban public transport that the cities themselves have set up and taxis, and buses, but also inter-urban public transport. They transport certain traders or customers to bring them either from their areas of residence to the markets or vis-à-vis. They also allow multiple intra- or inter-urban travel for certain traders. With particular regard to traders, referring to the work of authors such as [15], [12], [16] and [17], they are a group of actors operating in the same space and who, through the uses of this trading space, interact with other actors. The category of traders is made up of many operators whose roles, well defined in theory, often merge in the field depending on market opportunities. Thus, depending on financial capacity, there are wholesale traders (generally importers or exporters), semi-wholesalers and retailers. In addition, depending on the type of trade, i.e. the type of products, there are general traders, food traders (food, fruits, vegetables, meat, etc.), livestock, clothing, appliances, machinery, etc. Generally speaking, shopkeepers are vectors of social change in cities, within working-class central or peri-central

districts. They constitute a core of the urban dynamic and accompany the process of urbanization. They have a structuring and hierarchical function of urban territories, composed of a city center and secondary poles. They compose and can help recompose urban spaces and their perception by consumers. Traders by their activity are vectors of low-skilled jobs and therefore adapted to the reality of the job market for those without diplomas. These jobs are often organized informally, because the actors themselves in general are in the informal sector. All these actors mentioned above work mainly for consumers who are also stakeholders in urban markets on the African continent.

c) Consumers, beneficiaries of the chain of market players

Consumers are the last players in urban markets. According to [12], it is for them that this chain of stakeholders is set up, from the producer to the retailer. Satisfying their needs is the ultimate goal of the existence of markets and supply and distribution systems. Ordinary customers and households constitute an important link in the markets, because they are the intended purpose and their satisfaction gives the markets life. Thus, their role is therefore important to indicate to the stakeholders who precede them what they want in terms of products, quantities, prices, infrastructure, etc. Constraints felt by consumers must, through their behavior, be felt throughout the supply chain right up to the producer. However, in the city, these consumers are multiplying because the diversity of incomes favors a very diversified demand for products ([9],[18]. In addition to the main direct actors, in the context of this study, it is also important to understand the roles of certain indirect actors because they each intervene in one way or another in urban markets.

*B. Non-governmental organizations and banks, indirect actors in urban markets in Africa*

According to authors such as [9] and [12], Non-Governmental Organizations (NGOs) intervene in the life of urban markets by usually providing technical support. For example, the NGO SWISS CONTACT in Burkina Faso, intervenes by training actors in urban markets and by supporting them in obtaining credit for loans from financial institutions. These trainings also allow traders to understand and use appropriate management tools for proper accounting. Also, NGOs through certain one-off purchases of manufactured products such as supplies within the framework of education programs or food products within the framework of food resilience programs or the fight against malnutrition, allow the development of trade by margins that traders make from it.

Moreover, banks are also indirect players in the markets of African cities. According to the work of [9], [19] and [20], it appears that banks participate in the supply of cities in an indirect way, by ensuring the financing of the activities of the various actors of the urban markets. Their role is, however, quite limited, as most finance or grant

loans only to traders capable of providing the bank with a guarantee (mainly real estate). Thus, in some countries, new forms of credit, based on solidarity and moral surety, have appeared. The distribution of credit to small operators without requiring traditional guarantees is the basis of these new forms of credit. This new form is generally the work of savings and credit funds or mutuals. These funds participate in the growth of the activities of small traders, by allowing them to have access to credits of types adapted to their activities. Nowadays, there is the appearance of e-commerce, which is the design of online stores, and which offers relatively secure payment solutions. This market model is not yet well developed in African cities like European ones. This form of trade competes with that of urban markets.

After presenting the main direct or indirect actors of urban markets in Africa, this study makes it possible to identify the activities and functioning of these markets.

### III. THE ACTIVITIES AND FUNCTIONING OF AFRICAN URBAN MARKETS

Activities vary greatly depending on the market. Indeed, [7] explains that they depend directly on the population served, that is to say on its purchasing power. According to the author, for the city of Dakar in Senegal, in some markets, food trade can represent 35 to 56% of the total workforce, while other markets are home to 27 to 55% of general merchandise sellers. A constant found in most markets in Dakar is the proportion of artisans, which is around 10 to 15%. The author also points out that there are markets that have more crafts and trade in general goods, and where food crops are in the minority; which explains why these markets are intended for a clientele with a high income, which favors luxury products. The trade in food products is above all intended for the lowest incomes, in particular because of the very low prices that can be found on the markets. The markets, with a majority of food products, have a more popular vocation and include sellers of general goods for daily living.

For several years, [7] has shown that in the markets of the city of Dakar there has been a reduction in subsistence activities in favor of those of manufactured products. The food trade in Dakar is mainly carried out by women with very low turnover compared to other traders. Closed facilities, which generally house manufactured products, are increasing, in particular thanks to the obtaining of space by assignment or subletting, and food traders, who do not have the means to oppose this phenomenon, are forced to move elsewhere. Also in recent years, [21] reports the presence of Chinese who are increasingly present in African urban markets. Their activities are generally parallel to markets, through wholesale, shopping centers or through street vendors. The Chinese are very pragmatic. They supply African urban markets with low-quality but affordable products. Their products are generally of the manufacture which is very adapted to the needs of the African populations.

In terms of the functioning of urban markets, [15] indicates that it depends on whether they are formal or informal markets. For an informal market, the installation is anarchic and is done by adding sheds and the traders are not or are poorly organized, and with the absence of administration. For a formal market, there is usually a traders' association and a municipal body that oversee its operation. The merchants' association is the legitimate representative of the merchants, it is generally made up of an executive office and a committee implicitly bringing together the merchants. The activities of the association consist of raising awareness, regulating conflicts between traders themselves or with the administration (State, municipality, customs, etc.). The association is considered as the intermediary between the municipal authorities and the traders, so it is consulted during the actions of the State or the municipality.

Some authors such as [22], [9] and [7] add that after allocation of places in a market, depending on the status, there is the right of place and the cost of doing business in the markets. Although the patent is not defined by law, the doctrine teaches that it is an authorization to exercise a commercial activity in return for the payment of an annual sum of money to the State. There are two methods of payment for occupying a space on the markets. This is on the one hand, the monthly rental and on the other hand, the daily payment. The monthly rental primarily concerns merchants installed in a shop, whether it is a facility built at their expense or not. The rates have a progression more or less correlated with the surface occupied and the geographical position. The daily payment is made against delivery of a ticket. The rates generally practice a difference according to the categories of sellers, the type of installation, the surface and the type of goods, etc.

Moreover, the literature reveals the existence of services parallel to markets. According to [23] and [7], tax collection is done by collectors. In general, every day they cross the markets and collect the daily taxes, especially from the traders installed outside the shops. The collectors are agents of the public treasury receiving a monthly remuneration. As for sanitation, collection and disposal of garbage, they are very important aspects of the life of a market. The most common method is to organize their removal (by the site cleaning staff or by the merchants themselves) to a centralized waste disposal center, generally an enclosed area. A more satisfactory system consists of using skips where the contents of smaller metal containers (garbage cans) are dumped, which are therefore easier to clean. The use of trash cans does not always result in the need for a special dumpster. There are other services, such as the hygiene services and the municipal police, which are also called upon to intervene in the operation of commercial equipment, mainly in that of. From a security point of view, urban markets in Africa in general encounter management problems in terms of the security of goods and people, but also in terms of fire safety. In practice, the safety of persons and the guarding of goods are for built and closed markets ensured by the market manager or the public authorities. On open markets or traders set up in the outer parts of markets, the use of a guard is the rule for traders set up in a shop or

under a hangar, and is even common among vendors with a table. The cost of guarding is very often shared between several sellers. The amount of the remuneration varies according to the value of the goods to be kept and the additional services which may be requested.

Finally, this research on the markets of cities in Africa, after having respectively presented the actors, the activities and the functioning of these so-called markets, highlights in a synthetic way their usefulness.

#### IV. THE USEFULNESS OF MARKETS

The market constitutes for the African city, according to [19], a fundamental link between producers and consumers. It is the focal point of supply and distribution networks for food and manufacturing products, as well as services related to these networks. The relay function is common to all urban markets in the distribution of imported products. The market thus constitutes an outlet for the producers, they can sell their goods directly, thus benefiting from an advantageous margin. The primary usefulness of the markets is linked to the supply of the city, the wholesale and retail markets are at the heart of the exchanges. They play a key role in supplying city dwellers with everyday consumer products, in particular food products and manufactured products. Therefore, in African cities, markets occupy a prominent place among urban infrastructures and are centers of exchange that play an important economic and social role.

Urban markets according to [23], in addition to the economic aspect, play a social role as a place of sociability, information and cultural mixing. Markets are places of supply for all social strata in Africa, and therefore places of strong interactions between different communities and individuals. They constitute means of social integration of the most vulnerable people, through mainly informal jobs, trade or handling. For [19] and [23], this role is all the more important in situations of personal vulnerability (following dismissal, arrival in town for rural dwellers) or political and/or economic instability. The craft, service and catering activities that are developing in and around the markets allow even the less well-off populations to eat and obtain certain desired services. At the urban and political level, urban markets generate their own resources for African cities, through market facilities through the collection of rents or operating royalties. Urban markets also play a driving role in the structuring of urban space.

#### V. CONCLUSION

This research has made it possible to highlight the roles of the main actors, the activities, the functioning and the usefulness of African urban markets in the development process underway on this continent.

The study reveals that several direct and indirect actors operate in the markets of African cities. The direct actors of these markets mainly concern the administration, producers, transporters and traders. These actors work mainly for consumers who are also direct stakeholders in urban markets on the African continent. Satisfying consumer needs is the ultimate goal of the existence of markets and supply and

distribution systems, which involves several direct players but also other indirect players, which are among many others non-governmental organizations and the banks. NGOs more often provide technical support and participate through the purchase of certain products on the markets. As for the banks, despite their limited role, they often participate in financing the activities of certain actors.

In addition, market activities vary greatly depending on the market because they directly depend on the purchasing power of populations from one city to another. In addition, the functioning of each market depends on whether it is formal or informal.

In general, regardless of the type of operation, city markets in Africa have a relay function in the distribution of imported products. The main usefulness of the markets is mainly linked to the supply of the city so that they are at the center of trade on the continent.

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