

# From Producer-Sellers to Middlemen: Changes in Melanesian Marketplaces



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IN BRIEF 2014/39

Marketplaces are ubiquitous throughout Melanesia, central to the lives and livelihoods of both rural and urban people. From large, permanent urban fixtures to small clusters of sellers periodically occupying a roadside corner or village clearing, the dynamics of Melanesian marketplaces have changed considerably since their colonial introduction. The most significant has been the change from dominance by producer-sellers — people selling to the consumer produce they themselves have grown — to increasing prominence of intermediaries or ‘middlemen’ (gender inclusive). This *In Brief* focuses on growing intermediary participation in marketplaces in Papua New Guinea (PNG); however, this dynamic is also observable elsewhere in Melanesia.

Marketplaces are a significant source of income, particularly for women, and an important connection between rural and urban areas. This is evident in PNG, where the great majority of rural households sell fresh food and/or betel nut — an activity that contributes as much to rural incomes as the sale of export cash crops (Allen et al. 2009: 286, 300–305).

As marketplaces emerged during the colonial period, they came to be characterised by the ‘striking absence of any wholesale transactions; practically all vendors sell what they themselves produce to buyers who are the ultimate consumers’ (Epstein 1982,12; see Brookfield 1969). The image of marketplaces was one of rural, female, non-specialist vendors selling small amounts of subsistence surplus. Producer-selling is even prevalent in long-distance trading, where, for instance, a highland producer of sweet potato will harvest and bag their sweet potato tubers, travel with them to Lae, put the bags on a ship to Port Moresby, fly to the capital, collect their bags from the ship, and market the tubers to the consumer in a Port Moresby marketplace (Benediktsson 2002). The pervasiveness of this practice is explained by rural people’s desire to visit town, a general distrust of intermediaries (including kin), and a reluctance by growers to see others profit from *their* produce. Reselling is also perceived with some illegitimacy, often attracting scorn.

Since the 1970s, intermediary involvement has increased, and entangled with it has been an increase in higher volume and longer distance trading, greater specialisation, and the development of more competitive trading practices (Bourke 1986). These developments have been most prominent in the betel nut trade — especially the long-distance and large-volume trade into the central highlands and into urban centres (Sharp 2012). From producer to consumer, betel nut may be sold-on as many as five times and rarely fewer than three times, in a network involving wholesale traders, marketplace vendors (low-volume wholesale) and street sellers (retail) — they buy, then resell at different locations, at different times and at different scales. They do so in their own right, but the most notable expansion has been by those acting as agents, buying and selling on behalf of others.

Middlemen have emerged to a lesser degree in the trade of other long-distance commodities — notably coconuts and peanuts traded into the highlands, and temperate climate vegetables traded from the highlands to lowland marketplaces. Intermediaries are most evident in the largest urban centres, where a distinct proliferation has occurred over the past decade. In Port Moresby, intermediaries, it appears, have now surpassed producer-sellers in terms of numbers of sellers and volumes traded. In two recent marketplace surveys, just over half of the vendors surveyed said they were intermediaries and, more significantly, of these, more than half had obtained their produce from other intermediaries (FPDA 2009; Wang 2014). A similar trend is evident in Mount Hagen’s fresh food marketplace, where, in 2007, resellers were an estimated 40 per cent of vendors, but had increased to around 80 per cent by 2012 (UniQuest 2013). These studies indicate growing organisational complexity in informal marketing networks, and greater structural distance between producer and consumer, although, in the fresh food trade, agents are less visible than in the betel nut trade.

What explains the rise of middlemen? The continued rapid growth of urban populations, particularly in the largest centres, has been important. Urban unemployment has driven a search for alternative livelihoods, and demand for fresh food and

betel nut by the growing population has seen trade routes lengthen. The expense of long-distance trading has necessitated trade in larger volumes to create economies of scale, and larger scale trading makes it beneficial to either employ agents or to sell to middlemen. Reselling also emerges as an important livelihood strategy for those with limited access to land for production, including internal migrants (urban and rural). The need for specialised knowledge about distant marketplaces and buying locations has also created spaces in market networks for intermediaries.

The importance placed upon social relationships in trade has also been central. The wholesale betel nut trade is a high-risk activity, where people prefer to buy from those they know, or at least recognise, and to trade in familiar places where they feel secure. This creates a niche for intermediaries who possess the requisite social connections in particular marketplaces. Market niches are also created and captured by intimidation and violence. Marketplaces frequently exhibit a high degree of territoriality. Rather than public spaces, marketplaces are becoming spaces in which some people belong and others do not. Newcomers are often nervous that they will be chased away, tricked, or robbed — intermediaries thrive on this insecurity. In some marketplaces, urban-resident resellers have reduced the space available to producer-sellers by permanently occupying bench spaces (UniQuest 2013), and have resisted encroachment by outsiders on their livelihoods. This may be associated with a growing sense of place amongst an increasingly permanent, rather than transitory, urban population that is becoming less welcoming to rural visitors.

These changes have important implications for the growing number of development interventions targeting marketplaces in the region. Producer-sellers should remain central to thinking about the marketplaces of smaller centres and the rural roadside, where they still dominate, but, for the larger urban marketplaces, the role of intermediaries needs to be considered. Nevertheless, rural people need to be kept in the development frame, as producers, and people for whom marketplaces remain a major income source. If marketplace vending is an increasingly important livelihood activity for urban dwellers, one from which rural people are excluded, how

will this reshape rural production? How will it alter the redistribution of wealth from urban centres to rural locales, an area where marketplaces have been central? There may be efficiency gains from a shift from producer-sellers — who spend long periods of time marketing small amounts of food when they could be producing — to intermediaries, but the success of any marketplace intervention will hinge on understanding the different influences (including 'non-economic') on production, and marketplace access and participation among diverse actors. Central here is recognising the uneven power relations (including gender relations) that pervade the interactions between rural producers and the intermediaries who buy and resell their produce.

### Author Notes


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We acknowledge the Australian Government's support for the production of *In Brief*.

