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***Food processing and retail micro-activities  
and poverty reduction in sub-Saharan Africa***

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## **Abstract**

The increase in the prices of agricultural products on the international markets has serious consequences for food safety in Africa. In particular, it impacts countries which are highly dependent on food imports to feed the population. More than ever, it places the role of commercial food agriculture at the heart of considerations with a view to overcoming the crisis. As we too often forget, this sector is not restricted to farmers. It also concerns the millions of individuals who exercise activities which connect producers and consumer markets: food processing activities (oil extraction, grinding cereals, roots or tubers, fish drying etc.), marketing, distribution, retail and even catering.

It is via this sector that the products are circulated, transported to markets, stored, adapted to consumer demand and distributed to these same consumers, while it is through the intermediary of these activities that market incentives are conveyed to the producers in terms of the required quantity, quality and price. This sector finds itself in a paradox: it plays a crucial role as the driving mechanism of the agricultural sector by developing domestic markets but is accorded little importance in public policies. These are often restricted to considering rural farmers on one side and urban consumers on the other, ignoring this entire sector which links the two, regulating both supply and demand in the process.

This document primarily aims to draw the attention of the decision-makers to the importance of this sector while examining the causes of its political marginalisation. It then shows that not only does this sector play a crucial role in linking agricultural supply to the domestic food market, it also holds considerable potential with regard to food safety and poverty reduction.

The final section suggests a number of possible courses of action and policies to encourage and accompany the development of this sector. Four main public policies are proposed in order to reinforce the role of this sector with regard to food safety and poverty reduction: a) The recognition of the sector in the policies; b) The improvement of the business environment to remove the obstacles to the development of the food processing and commercial micro-activities sector; c) The development of a range of adapted services (training, research, information, credit, etc.); d) The explanation of the contribution of programmes to food safety and the reduction of poverty and inequalities in the definition, the monitoring and the evaluation of these programmes.

## **Introduction**

The increase in the prices of agricultural products on the international markets has serious consequences for food safety in Africa. In particular, it impacts countries which are highly dependent on food imports to feed the population. More than ever, it places the role of commercial food agriculture at the heart of considerations with a view to overcoming the crisis. As we too often forget, this sector is not restricted to farmers. It also concerns the millions of individuals who exercise activities which connect producers and consumer markets: food processing activities (oil extraction, grinding cereals, roots or tubers, fish drying etc.), marketing, distribution, retail and even catering, what we will call here "food micro-activities" (FMA). It is via this sector that the products are circulated, transported to markets, stored, adapted to consumer demand and distributed to these same consumers, while it is through the intermediary of these activities that market incentives are conveyed to the producers in terms of the required quantity, quality and price. This sector finds itself in a paradox: it plays a crucial role as the driving mechanism of the agricultural sector by developing domestic markets but is accorded little importance in public policies. These are often restricted to considering rural farmers on one side and urban consumers on the other, ignoring this entire sector which links the two, regulating both supply and demand in the process.

This document primarily aims to draw the attention of the decision-makers to the importance of this sector while examining the causes of its political marginalisation. It then shows that not only does this sector play a crucial role in linking agricultural supply to the domestic food market, it also holds considerable potential with regard to food safety and poverty reduction. The final section suggests a number of possible courses of action and policies to encourage and accompany the development of this sector.

### **Food micro-activities: the paradox of their political marginalisation**

Food micro-activities refer here to the activities, performed individually or in groups, of processing<sup>1</sup> and marketing agricultural, breeding and fishing products. These include commercial activities involved in preparing meals (catering) and the retail of untreated, processed or ready-to-eat products (street food, small retailers on markets).

In sub-Saharan Africa, the very large majority of these activities are performed by women, who possess technical processing know-how and competencies with regard to qualifying food products. Very often, these activities initially activate domestic cooking know-how and tools. As they become activities which are at first partially then wholly commercial and as they gradually increase in scale, these activities can become veritable business enterprises, introducing innovations in the techniques used (mechanisation), the work organisation (collective mutual

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<sup>1</sup> *Separation, drying, fragmentation, extraction, fermentation, mixing, thermal treatment, packaging, etc.*

help, wages, service providers) and even the products marketed (packaged products or entirely new products). They are not simply subsistence activities, a haven for any woman who does not have access to an activity in the formal sector. Some activities, even if exercised on a very small scale, are considered by the women themselves as actual professions which may evolve to become small firms. In general, this sector is a hotbed for know-how and competencies which, if it is supported, evolves in part towards more large-scale enterprises. Table 1 in the appendix presents a typology of this small-scale food processing sector while table 2 provides various examples identified in sub-Saharan Africa.

Even if we have witnessed the emergence of some small firms over the past twenty years, the vast majority of activities continue to be conducted individually, mobilising millions of women in sub-Saharan Africa. They are involved in almost every commodity chain: cereals, roots and tubers (flour, semolina, pastries and fermented drinks, couscous and other rolled products, etc.); meat and fish (salted, dried, fermented, etc.); oleaginous products (oils); fruit (dried, juice etc.); dairy products, condiments involving picking, etc.

How can we explain why so little political attention is paid to this sector despite its importance? Several factors can be put forward:

Because these activities are performed by women and are based on domestic know-how, they are not really recognised as trades in themselves, unlike craftsmen in the metal or wood sectors for example. Consequently, these activities are often not registered at the Chamber of Trade, which is dominated by male-performed manufacturing or service activities, or the other consular chambers and organisations representing the private sector.

Because they are practised on a very small scale, mostly on an individual basis, more often than not at home and originally provide a “top-up” income, they are not seen to provide a significant value added and it is therefore felt that they do not merit consideration in the framework of development policies. They are even portrayed more as consequence of under-development and consequently as activities which should disappear with the industrialisation of the food sector. They are considered to be archaic, inefficient because they involve manual work and even sometimes more of a handicap than of any great use, as the treatment they receive around the markets or in the street where they come together testifies. Only the small mechanised companies with managers capable of holding a dialogue with the state services or operators of development programmes and of playing the game receive any semblance of recognition and attention. They then begin to obtain access to credit, consulting services, technical experimentations and training, even if these support media are still not particularly forthcoming. The others remain outside the main game.

Performed in the so-called “informal sector”, these activities are highly visible on markets and in the streets or villages, but almost invisible in the institutions. They are not registered and only rarely have representative bodies. At a time of participatory development programmes, it is very difficult for them to mobilise with a view to defending their interests or needs.

They intervene in the food sector. In countries with high food insecurity, priority has long been given to agricultural production with an essentially quantitative view of the supply/demand balance. This continues to be demonstrated by the very low level of importance of food research in the national agronomic research systems or at the FAO. Food policies have long been dominated by the idea that quality is a concern of societies of satiety while quantity is the main problem encountered in poor countries. At best, this sector has been recognised as being able to contribute to increasing available food by reducing post-harvest losses.

All of these factors explain the political marginalisation of this sector. Consequently, commercial food agriculture cannot take the place of imports, any more than it already does, to ensure the food safety of the population while the sector connecting this agriculture to the markets continues to be neglected. The attention paid to this sector could nevertheless be revived by an increased awareness of its current and potential role with regard to food safety and poverty reduction.

### **The role of food processing and commercial micro-activities with regard to food safety**

The contribution to food safety and the competitiveness of products from food processing and commercial micro-activities depend on the commodity chains. Some of these are dominated by industrial and/or imported products while others are dominated by products processed on a small-scale or marketed in their untreated.

The share of the micro-activities sector in the valorisation of domestic products is generally dominant. In Cameroon<sup>2</sup>, products sold in the raw state by micro-traders (plantain, grain corn, fruit and vegetables) or produced by the processing micro-enterprise sector (flour, cassava sticks, palm oil, dried fish etc.) represent more than three quarters of national products and more than half of the national food market in terms of value. The remainder comes from imports and the industrial sector.

One of the advantages of food processing is that it allows food to be kept longer and reduces losses. It therefore contributes considerably to regulating the market by lessening seasonal price fluctuations. For example, the spectacular development of dried yam tubers in Nigeria and Benin reduced price fluctuations by a factor of between 1 and 2 during the year, whereas it ranges between 1 and 6 for highly perishable fresh tubers. The same phenomenon can be observed in the fish, milk and even cassava commodity chains.

While women are highly dominant in product processing activities, they have to share the market with men with regard to strictly commercial activities. In this case, access to credit and fixed storage premises is more problematic and they are often more mobile than men. As a result, they maintain fiercer competition in the commodity chains. They are more efficient, by mobilising their relational networks, in collecting and checking the quality of raw materials and selling them retail. With regard to the oligopolies of major “stable” traders, these female traders, if they are recognised and supported, can constitute a powerful lever of intermediation between the farmers and the market.

However, the main advantage of products resulting from micro-activities lies in their accessibility. They are sold everywhere and, more importantly, at prices and in formats appropriate to the constraints of the poorest individuals, generally divided into very small units

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<sup>2</sup> While Cameroon cannot be seen as a country which is representative of sub-Saharan Africa as a whole, it is not for all that an atypical country in this region. In the north, food is dominated by cereals and the context is relatively similar to the situation in the Sahel. In the south and west, it is dominated by roots, tubers and bananas and is comparable to the situation in Central Africa.

and sold per volume. In Accra, for example, the poorest quintile of households uses 40% of its food expenditure to purchase street food and ready-prepared meals, whereas the richest quintile allocates only 25% for this use. These foodstuffs represent more than 30% of the calories consumed in the first quintile and only 22% for the second quintile (Maxwell, Levin et al., 2000). In Abidjan, small-scale catering plays a very important role in the food strategies of households in crisis situations. It means that families can still be fed by avoiding the constraints of a broader redistribution (Akindès, 1991).

The major handicap with these products nevertheless remains their safety, even if the risks that they entail for the health of the consumers are alleviated by the very short time between processing and consumption, the short commercialisation circuits and the culinary practices (long cooking time at high temperatures). This represents an important area for progress in optimising the quality of the products within the constraints of the operators' low capacity for investment and an environment unfavourable to this optimisation: scarce drinking water, high levels of urban pollution and very few suitable processing or sales areas.

From the point of view of domestic food products re-conquering urban markets, it is important to avoid the simplistic contrast between the micro-activities sector and the industrial sector, as if the latter were going to supplant the former. The importance of each of these sectors in the commodity chains is not only based on technical-economic factors (technical performances, prices, economies of scale etc.). It is also linked to consumer preferences and to their degree of attachment to the product attributes which only certain sectors are likely to provide or make credible.

Naturalness, freshness, type and authenticity are all attributes which are mostly associated with untreated products and products processed in the food processing and commercial micro-activities sector, while hygiene, regularity and stability are mostly associated with industrial products. We observe no indications that food demand is moving towards one or other of these types of attribute. These two types of attribute are complementary rather than being mutually exclusive. It is by associating products, both in the kitchen and in the organisation of meals, and combining domestic dishes and street food that food styles are developed. And it is through these combinations that consumers satisfy their nutritional needs, enjoy themselves, manage their social relations and develop their identity by means of food. From the point of view of the consumer, the micro-activities sector cannot, therefore, be considered as an archaic sector which should disappear to satisfy a shift in demand towards more standardised products. The fact that local products with a strong identity based on traditional know-how and marketed through short circuits are being maintained or redeveloped in numerous industrialised countries and certain commodity chains bears witness to the particularity of the food sector in maintaining the pluralism of these types of firm.

The main shift in food styles related to the urbanisation of Sub-Saharan Africa can be seen in the diversification of products and practices. Imported products, such as rice or bread, play a role in this diversification, although they are not the only factors. Women process and sell a wide variety of food products from many different geographic and cultural origins. As a result, over the past twenty years, we have observed the appearance of foodstuffs typical of certain regions well beyond the borders of their original territories (for example cassava products). Women innovate by providing new products adapted to city-dwellers' lifestyles and are particularly receptive to any new ideas.

## **The role of food processing and commercial micro-activities in reducing poverty and inequalities**

By reducing poverty and inequalities, we understand not only the contribution of this sector to generating monetary resources, but also its capacity to increase relational and cognitive resources, secure these resources, increase the power of the poorest and include as large a proportion of the population as possible in its development.

The greatest difficulty, in macroeconomic terms, in analysing the contribution of food processing and commercial micro-activities to the creation of income results from the fact that they are statistically poorly identified in the national accounts. Not only are these activities performed in the “informal” sector, but when this is examined, food activities are grouped together with agricultural or commercial activities or are simply not taken into consideration at all as they are perceived as secondary household activities (Charmes, 2000). Burkina Faso has relatively precise data concerning employment. In 1985, the census of the non-agricultural informal sector recorded 220,000 jobs, mostly in urban areas (54.5%) and occupied by men (59.1 %). By recording secondary, seasonal and dual activities – a procedure not normally undertaken in national accounting – the number of jobs increased fourfold to 885,000! These jobs would appear to be performed primarily in rural areas (85 %) and by women (68.9 %). The full details of these secondary activities are not available, although they do show, for example, that more than 100,000 women produce and market dolo (beer made from red sorghum) and approximately 45,000 women manufacturer and sell fritters (Charmes, 1989).

A number of specific studies conducted in Africa and based in particular on activity censuses, allow us to estimate the share of the informal sector in GNP and employment (table 3).

**Table 3: the share of the informal sector in GNP and employment in selected African countries**

	<b>Benin</b>	<b>Kenya</b>	<b>Mali</b>	<b>Chad</b>
% informal in total GNP	27.3 %	18.4 %	23 %	31 %
% informal in non-agricultural GNP	42.7 %	25 %	41.7 %	44.7 %
% informal in total employment	41 %	28.8 %	13.3 %	11.5 %
% informal in non-agricultural employment	92.8 %	71.6 %	78.6 %	74.2 %

To these activities directly involving food processing and commercialisation must also be added the associated activities: craftsmen in the metal-mechanical or wood sectors, manufacturers of processing equipment, suppliers of intermediate products and services (packaging, energy, maintenance), transporters and handlers.

Compared to the industrial sector, food processing and commercial micro-activities distribute income to a much large number of households. The “flip side” of this broad distribution base is a generally weak level of income. Surveys conducted in the sector reveal a high level of heterogeneity of the levels of income, although most activities only provide households with extra income, even if, as we shall see, these incomes have a very particular utility. They correspondent to activities referred to as “subsistence” or “occupation” activities of the typology presented in the appendix. A study conducted in 1998 in Accra (Ghana) by the International Food Policy Research Institute (Ifpri) shows that 32% of female street food sellers were living in a situation of food insecurity and that 62% of them could be considered as being vulnerable

(Maxwell, Levin et al., 2000). More permanent activities, to which there is generally a barrier to entry in terms of financial capital or know-how, nevertheless generally provide higher incomes. These can be equivalent to or higher than wages in the private sector for the same level of qualification.

The advantage of this type of activity is that they are relatively accessible, even for the poorest individuals. Initial investment in financial capital and competencies are limited. Once again, it is important to distinguish micro-activities from small firms. The former are often temporary and can be considered as “commercial extensions” of domestic activities. The equipment may be that of the household while the know-how involved may be acquired from older members of the family. Small firms are, on the contrary, only accessible with a higher initial investment, either financial or in terms of competencies. The acquisition of competencies through inter-generational learning is no longer sufficient, although professional training for this type of trade is almost non-existent.

Although the income generated by these genuine micro-enterprises or small firms, as defined in the appendix, can compensate for the loss in wages, or even provide financial affluence which far exceeds mere survival, it is not necessarily accumulated for reinvestment in the activity, as demonstrated in numerous situations. When they are redistributed outside the household, these incomes are often reinvested in other small-scale economic activities entrusted to persons within the family or social network. This redistribution reflects both a strategy of risk diversification and the development or maintenance of social networks (Lopez & Muchnik, 1997). It is with this in mind that numerous authors emphasise the predominance of the social dimension of the informal sector. They suggest that this sector should not be seen as a simple, individualist economy of ‘improvisation’, but as a social or popular economy. The economic and social dimensions are no longer at loggerheads but instead are closely connected (Engelhard, 2000; Ndione, 1992; Penouil, 1992).

In several respects, the majority of food processing and commercial micro-activities contribute to strengthening the capacities and power of those who perform them. As these activities are largely dominated by women, they generate incomes which are invested, to a much greater extent than men’s incomes, in children’s education and healthcare. These activities therefore contribute to the development of human capital for a large proportion of the rural and urban population.

In order to function, these activities rely heavily on various types of social network which contribute to reducing the risks considerably. However, these activities also serve to expand and maintain these networks. The networks allow women in particular to become more mobile and autonomous and to strengthen their power, even if much progress remains to be made if this power is to be exercised more tellingly in public life.

These networks should not, therefore, simply be considered as resources, social capital used solely to support economic activities. The development of social relations is also an end in itself. It is with this in mind that the sector can be perceived as a social economy or an economy of solidarity, and consequently as a possible target of a development programme aimed at human issues. Such a point of view requires a change of perspective with regard to this sector, seeing it not as a problem to be resolved but as a resource to be enhanced.

We must return to the heterogeneous nature of this sector to examine the role that could be played by the two main types of activity identified: subsistence activities and small firms. If the former is very much in the majority and second only emerging, this is due both to the barriers to entry and to the outlets for each type of enterprise. The past development of the sector shows that sub-

Saharan Africa has not experienced the process observed in other countries of subsistence activities becoming first micro enterprises and then small firms.

First, no policy has expressly encouraged the development of these activities, the priorities of the authorities and sponsors having long been to support the major agro-industrial programmes. The conditions of access to investments, training and technologies have never been improved, thereby limiting the possibilities for certain activities to develop.

Second, the poor solvency of the market and its ability to pay for the inclusion of value added in the form of quality attributes and services in foodstuffs have limited the development of small firms. It should be noted that urban growth has been so quick that it has proved difficult to rise to the challenge of providing new paying jobs for everyone. This curbed the emergence of a solvent market segment large enough to encourage the development of more growth-creating companies. If we expect the slowing in urban growth to result in an increase in solvency, we can assume that the small firms which emerged in recent decades will represent a source of experience and models which will be of great use to the vast majority of activities in the sector. Their limited size and the type of products they offer should, more than the large-scale industries, represent models which are closer to the conditions experienced by micro-activities. The increase in this market solvency nevertheless requires the macro-economic environment of countries in sub-Saharan African to contribute to eradicating pauperisation from the continent.

### **Potential areas for intervention through public policies**

We can identify four main public policies to reinforce the role of this sector with regard to food safety and poverty reduction: a) political recognition of the sector; b) improvement or even reform of the business environment in order to remove obstacles to the development of the sector; c) the implementation of a support mechanism for the food micro-activities sector by developing a suitable range of services (training, consulting, research, information, etc.); d) explicit inclusion of food criteria concerning food safety and the reduction of poverty and inequalities in the definition, implementation and monitoring-evaluation of the programmes.

#### ***Recognise the sector and support the emergence of professional organisations***

Giving full recognition to the food processing and commercial micro-activities sector in the national economy and encouraging the emergence of professional organisations are prerequisites for the definition of public policies favourable to the development of this sector. This requires the availability of exhaustive activities censuses and the implementation of surveys on samples to estimate the contributions of these activities in terms of income and value added. These tasks, which are rarely or only very partially conducted in sub-Saharan Africa, would allow us to envisage distinguishing this sector in national accounting, develop national lists of trades and define a specific and clearer legal status for the actors based on a better understanding of the operations of these activities. The aim is both to ensure that national accounting reflects the reality of the economic activities exercised in the country more accurately and to recognise the importance and political legitimacy of this sector. It is primarily because its economic importance is poorly recorded that this sector is accorded so little attention.

According greater consideration of the support needs for the development of this sector also requires the existence of organised social actors capable of committing themselves to the process of developing and monitoring public policies. To do this, the states, must provide more support to the emergence of professional organisations and ensure their participation in dialogue with the private sector. The structure of activities must be based on a local organisation (regions, zones, activity areas) to increase the credibility and representative nature of the national and sector-

based organisations with a view to envisaging inter-professional dialogue. In numerous African countries, the state services, consular chambers and national agencies for the promotion of the private sector also need to strengthen their capacities and their knowledge of these activities in order to be able to assume their functions and recognise the contribution of this sector to the economic development of the country.

### ***Improve the business environment***

Improving or even reforming the business environment is necessary to remove the obstacles to the development of the food processing and commercial micro-activities sector. These obstacles are all the more important today as the women who perform the micro-activities are insufficiently organised to defend their interests or to defend themselves against the numerous predations which they suffer at the hands of public officers (police, customs, gendarmerie, health inspectors, etc.)

Revising the legislation is a major objective in modifying relations with the state and local authorities, improving work conditions and product quality and avoiding a situation where numerous actors in the sector bypass the regulations in force. In particular, it is a question of creating the conditions for an effective and recognised contribution by micro-activities to public finances while taking into account their financial capacities and operating methods. This modification of the regulatory framework also concerns labour legislation and social protection. Finally, dialogue between the different actors (state, control services, processors, consumers) must be initiated to improve the quality of the products and encourage the gradual acquisition of the competencies required to overcome health risks. The aim is to define standards and quality self-management practices adapted to the particularity of the products and of the production and marketing conditions of micro-activities (short circuits). Efforts concerning quality, as well as the origin, names and type of the products, can be emphasised by creating collective brands (professional groups) or labels certified by the state which are still very rare, if not non-existent in this sector of activity.

This sector must also be given greater consideration in macroeconomic policies, especially relating to trade. It is particularly necessary for studies and considerations conducted with regard to market protection, following the dual process of external and internal liberation within the agricultural and food sector, to consider the commodity chains in their entirety (and not only the industrial activities as is often the case) by examining all food safety and poverty reduction criteria. The state and local authorities must finance framework investments, such as the improvement of the road network, the renovation or creation of markets or production areas, the infrastructures required for generalised access to drinking water and electricity. They can provide a non-negligible contribution to securing and developing activities in the food sector and improving the quality of the products.

The strong growth of the commercial food sector due to the accelerated urbanisation observed over the past twenty years has attracted a number of major operators who speculate and redistribute unevenly the increase in consumer prices to the producers. Consequently, the policies must also help the market to operate more efficiently and not give rise to a complete “laissez faire” attitude which allows the most powerful to benefit from advantageous positions, increasing inequalities even further. As the role of information on the markets is to improve competition, traders’ credit facilities become crucial instruments to ensure improved regulation of the market.

### ***Develop a range of adapted services***

One of the key elements in defining support policies for the food processing and commercial micro-activities sector is the development of a range of services adapted to the particularities and needs of the activities capable of overcoming the constraints which they encounter. The

recommendations concern five main areas of intervention: training, consulting, information, research and access to financial services.

Training measures have to date been almost completely absent from small-scale food processing activities in Africa. Their openness towards this sector should facilitate apprenticeship training (school-business) for young people enabling them to undertake an activity in a new technical, commercial and regulatory context. In an environment where illiteracy is very high, this openness, in the form of continuous training, should also allow working adults to strengthen their professional competencies while facilitating the acquisition of basic knowledge. This openness of professional training in the food sector requires trainers to be trained, training engineering competencies to be mobilised (and often developed) and the conditions for competency recognition (certification and link with the formal education sector) and co-financing among public entities, companies and individuals to be defined.

To increase their competencies, improve the management of their activities, optimise the quality of the products and develop commercial circuits, micro-activities need access to quality consulting adapted to the characteristics of their companies. Their organisation and operating methods are certainly different from those observed in the industrial sector, but upstream work on service provider training is necessary, as very few of them are sufficiently familiar with the sector and its constraints. Micro-activities, like small and medium-sized firms in Europe or Africa, cannot cover the entire costs of these services which, both for consulting and training, require the introduction of subsidies (training vouchers or consulting vouchers or shared cost funds).

Whether at the activity creation or development stage, operators and service providers alike require information, in particular operational data rather than normative and theoretical information, in the technical, commercial, economic, fiscal and legal spheres. It is essential that support be provided for decentralised, local measures using the media best suited to the target of micro enterprises and small firms (radios, cassettes, etc. and not only Internet which is often inaccessible to these operators). As with the other support measures for this specific public, information services, which can prove difficult to make profitable, can only be developed with the support of the authorities. The latter should nevertheless encourage corporate consulting organisations to adhere more strongly to an economic approach of selling their services and increasing their capacity for auto-financing.

In numerous commodity chains, technical innovations in product processing have proven to be a powerful lever for improving the competitiveness of these chains and have led to a major development of micro-activities. Nevertheless, public research is still underdeveloped in this sector despite the fact that there remain a number of technical problems to be resolved. However, it is not simply a question of strengthening the capacities of the institutes which are lacking human, material and financial resources. It is also necessary to promote approaches which bring operators into closer cooperation from the technical diagnostic stage and throughout the process of identifying solutions, hence the interest in strengthening the professional organisations. Product knowledge, specialised procedures and technical innovations are still insufficient and compartmentalised. The capitalisation and exchange of experiences, not only between researchers but also between innovative operators in similar agricultural countries should be encouraged. In light of the almost complete disappearance of public popularisation measures, a major effort should be made to redevelop mechanisms for disseminating innovations.

Finally, support mechanisms for micro-activities should also facilitate access to financial services with a view to satisfying the needs for operating and investment credit. Resorting to microfinance institutes (MFI) or decentralised financial systems, would, in many cases, seem to be the most

pertinent solution, in particular for income-generating activities and micro-enterprises, provided that specific mechanisms are implemented to remove some of the constraints identified. The MFIs can often offer suitable products to finance the cash flow of small-scale economic activities, but they must identify solutions to limit the risks for larger sums (above 15,000 €), or to satisfy medium- and long-term credit needs. Several possibilities can be explored: the creation of shared surety companies, the creation of credit lines and guarantee funds within the MFIs, interest allowance funds, the creation of refinancing systems by commercial banks, technical assistance for the MFIs and support for new partnerships between the MFIs and non-financial support structures.

***Explain the contribution of programmes to food safety and the reduction of poverty and inequalities***

Three main types of development programme concerning food processing and commercial micro-activities have been identified, each relying on different approaches. The first covers programmes aimed at developing the commodity chains. The second includes support programmes for the private sector, some of which are specialised in small firms. Finally, the third type covers programmes and institutions which intervene in a specific domain by activating one or more of the development support tools mentioned above: access to financial or non-financial services (training, consulting, information) or financing for research concerning equipment and procedures.

The contribution to food safety and to poverty reduction is often mentioned in the objectives of these different programmes and measures through increased income and the creation of jobs and self-employment or capacity building. However, it is often the case that little or no explanation is given concerning this contribution in the choices made (commodity chains, targets, actions) and it is insufficiently evaluated in the monitoring-evaluation and impact measurement mechanisms

To make this contribution more explicit, the definition of programmes should be based more on a detailed analysis of the context, the explanation of the hypotheses underlying the design of the programmes and the chosen target groups and actions with the greatest lever effects. This means using a diagnostic to specify, in discussion with the actors in the sector, the situation to be modified by identifying exactly which inequalities and which exclusions the programme aims to reduce, specifying the means by which they express themselves and materialise for the different groups of actors and identifying the factors which cause their production or reproduction. It is also necessary to explain how the programme intends to modify this situation (hypotheses) in order to define the programme strategy in relation to these analyses and ensure its relevance.

The question of targeting concerns two possible strategies in the context of micro-activities: support for “dynamic” micro-enterprises or support for activities generating income for the poor. They are not necessarily mutually exclusive and hybrid strategies can be envisaged which attempt to include all actors in the programme.

Maximising the impact on food safety and poverty reduction also means adopting a self-evaluation mechanism. This makes it possible to monitor the programme’s progress, to ensure coherence between the target public and the impacted public or between actions and objectives and to identify any problems which might arise and correct them (monitoring and coordination function). It is also intended to objectify the achievement of targets in terms of reducing poverty and inequalities and to draw lessons from the action (capitalisation function). Such measures require the provision of resources to finance the monitoring-evaluation and capitalisation actions.

Finally, the development, adoption and dissemination of innovations, the major development of small-scale processing activities and the validation of support measures all represent long processes requiring intervention over periods much longer than traditional programmes which hope to record visible results within three to six years.

### **Conclusion**

The recent riots linked to rising prices on the international markets illustrate the limits of development based too exclusively on the insertion of economies in an unstable international market. It places the role of commercial food agriculture at the heart of policy considerations.


However, the new conquest of urban markets by domestic production will never materialise without the existence of an efficient intermediary sector. Food processing and commercial micro-activities have a dual potential: first, they represent an important reservoir for productivity gains, as demonstrated by the case of innovations disseminated with these activities. They then tend to develop by multiplication rather than by expansion. As a result, they include more than they exclude a very high number of women, a population which is both vulnerable and more likely to invest in their children's education and healthcare whenever they have the means to do so. This sector would therefore appear to be an interesting model of redistributive growth.

### **References**

The arguments, data, examples and all references used to complete and support this article are presented in the following work:

Broutin C. and Bricas N., 2006. *Agroalimentaire et lutte contre la pauvreté et les inégalités en Afrique subsaharienne. Le rôle des micro et petites entreprises*. Paris, Editions du Gret, Coll Etudes et travaux, 128 p.

**Table 1: Typology of individual small-scale food activities (Nadia Bentaleb, Nicolas Bricas, Cécile Broutin, Fatou Ndoye, Khanata Sokona, Babacar Touré)**

Terms used in the ALPA study	Subsistence activities	Micro enterprise	Small firm	Medium-sized firm	
Equivalent terms	Income-generating activities Occupation	Very small firm (VSM)			
<b>CONDITIONS FOR ENTRY INTO THE ACTIVITY</b>					
Know-how	No specific technical know-how	Specific technical know-how			
Type of equipment	Suitable for family cooking	Suitable for cooking in large families	Specific for firm's activities		
Initial financial capital	Available from personal savings and local network		Recourse to informal or formal credit		
<b>OPERATING CHARACTERISTICS</b>					
Premises	Often at home, no separate premises, or in fixed location (rural areas)	Often specialised premises at home or in fixed location (rural areas)	Separate premises		
Employees	No employees Self-employment	Self-employment + family labour or apprentices	Manager + family labour + some permanent paid employees + temporary labour	Manager + specialised personnel + employees + temporary labour	
Organisation of activities	The manager performs all functions		Distinction of functions between employees		
Type of market	Local market, direct sales to customers				Distant markets, market niches, sales via distributors
Level of income	Extra income, subsistence	Income sufficient for needs of an entire family	Income allowing investment in the firm.		
<b>STRATEGY OF THE WORKER</b>					
Trade	Activity not recognised by the worker as a trade	Activity recognised by the worker as a trade			
Stability	Temporary activity	Stable, permanent activity but can only be seasonal when subject to the availability of perishable raw materials (ex. yam, fruit, palm nuts)			
Social status of the activity	No name	No company name displayed	Name of company displayed on the premises and/or on the products		
Involvement of manger in the activity	Extra activity, no desire to invest in the activity	Desire to invest in the firm, at least in terms of time	Material (premises, equipment) and non-material (network) investments in the company		
Development strategy	Minimal development strategy	Reproduction strategy	Development strategy by multiplication or expansion		

Terms used in the ALPA study	Subsistence activities	Micro enterprise	Small firm	Medium-sized firm
<b>RELATIONS WITH THE INSTITUTIONAL ENVIRONMENT</b>				
Financing	Access to decentralised micro-credit		Bank account (deposits and overdrafts) Need for credit	Access to bank credit
Support-consulting	Rarely connected	Often reactive	Desire for support and consulting	Capacity to pay for support and consulting
Collective organisations	Associations of common activities, generally social in nature (tontines)	Associations of common activities, social and sometimes economic nature	Some professional associations	Frequent professional associations or unions
Legal status	No legal status	Sometimes registered on commercial register	Often registered on commercial register	Registered
Taxes	Taxes and local trading tax in the event of fixed sales (urban)	Taxes and local trading tax in the event of fixed sales + informal sector tax if this exists (e.g. Burkina)		Taxes
Declaration of employees and social contributions	No			Rare
<b>EXAMPLES</b>				
	Producer-seller of fritters (< 10 kg/day) in the street Producer-seller of packet ice-creams at home Producer-seller of powder-based curdled milk	Manufacturer-seller of couscous, fresh semolina Manufacturer of dried fish Producer-seller of curdled milk using fresh milk (important know-how)	Miller or sheller as service provider Mechanised workshop and dried cereal products in bags	UCODAL (Mrs Mariko) SODEPAL (Mrs Zoundi)
	micro and small-sized food enterprises			
		<b>COMPANY</b>		
		SMF (small and medium-sized firms)		
	INFORMAL SECTOR			FORMAL SECTOR

**Table 2: Selected examples of processed food products from the industrial sector and micro and small enterprises sector in sub-Saharan Africa (the letters in square brackets indicate the country or region of origin of the product)**

	Products from the industrial sector	Products from the micro and small food enterprises sector
<b>CEREALS</b>		
Corn, millet, sorghum, fonio, tef	Semolina and flour Beer	Semolina (e.g. <i>saxal</i> [SN]), flour, fritters, pap, couscous and granules (e.g. <i>céré</i> , <i>araw</i> [SN], <i>ciakry</i> [SN], <i>dégué</i> [BF]), fermented pastries (e.g. products derived from corn <i>mawé</i> : <i>ablo</i> , <i>akassa</i> , <i>amiwo</i> , <i>lio</i> [BJ]), crepes (e.g. <i>ingera</i> [ET]), fritters and cakes ( <i>avoumi</i> , <i>kléklé</i> , <i>massa</i> , <i>talé-talé</i> [BJ]), fermented drinks (e.g. <i>dolo</i> [BF], <i>chakpalo</i> [BJ], [BF] [TG]), <i>bilbil</i> [CM]) + Shellers and mills as service delivery
Rice	White rice	White rice, parboiled rice Semolina and rice flour + Shellers as provision of service
<b>ROOTS and TUBERS</b>		
Cassava		Semolina (e.g. <i>gari</i> [BJ], [NC], [TG]), flour (e.g. <i>foufou</i> ), granules (e.g. <i>attiéké</i> [CI]), fermented pastries as “bread” (e.g. <i>chikwangue</i> [CG], <i>kwangua</i> [CD]) or “sticks” (e.g. <i>bibolo</i> , <i>miondo</i> [CM]), roots [GU], + Graters and presses as service delivery
Yam	Chips	Roots and flours [BJ], [NC], [TG] Fresh crushed yam [BJ], [NC], [TG] Dried crushed yam, [BJ], [NC], [TG]
<b>OILS</b>		
Palm	Refined oil Red oleina	Unrefined oil (all countries producing oil palm) [AOC], [AFC] + Presses or mixers as service delivery
Palm kernel	Refined oil	Unrefined oil [AOC], [AFC]
African peanut	Refined oil	Unrefined oil (all countries producing African peanut)
Coconut	Coconut oil	Fresh coconut oil [AOC], [AFE], [AFA]
Picked grains and nuts		Shea butter, soump oil ( <i>Balanites aegyptiaca</i> ) [SN], marula oil ( <i>Scelerocarya birrea</i> ) [ZA], [NA], safou oil ( <i>Dacryodesedulis</i> spp.) [CM], wild grape tree oil ( <i>Lannea microcarpa</i> ) [ML]
<b>DAIRY PRODUCTS</b>		
Milk	Reconditioned powdered milk, curdled milk, yoghurt; sterilised milk, UHT (often using powdered milk)	Fresh milk, pasteurised milk, curdled milk, fermented milk, yoghurt [CM], [ML], [SN], [BF], ...)
Cheese		Peuhl cheeses (e.g. <i>wagashi</i> [BJ], [NC])
Butter		Clarified butter, liquid butter (“butter oil”), etc. Fermented cream ( <i>féné</i> [ML])
<b>MEAT PRODUCTS</b>		
Meat		Dried, seasoned meat (e.g. <i>kilishi</i> [ML], [BF], [NE], [CM]), cured meat, smoked meat
Fish	Conserves	Dried, smoked, fermented, braised fish [SN], [GH], ...
<b>VEGETABLES AND CONDIMENTS</b>		
Fruiting vegetables	Tomato concentrate	Dried tomato [TC], dried onion, dried okra, dried and powdered chilli
Leafy vegetables		Various chopped fresh leaves, dried leaves and powdered leaves
Grains		Various grains for seasoning, picked and processed (ex. <i>soumbala</i> [BF], <i>afintin</i> [BJ], <i>netétou</i> [SN]) <i>jangsang</i> [CM]) Grilled African peanuts, cashew nuts
<b>FRUIT</b>		
Miscellaneous	Juice, syrups	Juice, syrups, dried pieces. Jam, marmalade

[BJ] = Benin ; [BF] = Burkina; [CD] = D.R. Congo (Kinshasa); [CG] = Congo (Brazza); [CM] = Cameroon; [ET] = Ethiopia; [GH] = Ghana; [GU] = Guinea; [ML] = Mali; [NA] = Namibia; [NE] = Niger; [NC] = Nigeria; [SN] = Senegal; [TC] = Chad; [TG] = Togo; [ZA] = South Africa; [SAH] = Sahel; [AOC] = Coastal West Africa; [ACT] = Central Africa; [AFE] = East Africa; [AFA] = Southern Africa.

