

Slow Growth or Bad Lens? Do Decision Makers Take into Account Petty Informal Entrepreneurs and their Dynamics?

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In West Africa in time of international crisis, growth is even slower by a few points than on the rest of the continent. At the same time the most informal economic sectors such as food production and processing or crafts provision remain active and subject to internal changes and even to small scale innovation. In Benin, a market based food sector has emerged for the regional market and requires more and more services, keeping pace with increasing urban needs. Many of these processes are small scale and changing over time because informal actors use unspecific assets and are apt to reconversion according to unstable opportunities; they are hardly captured by statistics. Therefore meso-economic perspectives yield more knowledge than macroeconomic.

The presentation is based on the description of a range of case studies in Benin on clusters of microenterprises engaged in agricultural production, petty food processing and trade, how they developed around specific food products requiring a common knowledge, taking advantage of their geographic and social proximity to overcome main business constraints. Their competitive advantage is a mix of rents due to location and ecological factors as well as to specific knowledge, social cohesion and ties and to rural and urban consumers preferences for culturally patterned food. Innovative food products may even replace traditional labour demanding, still keep their cultural attributes and also raise innovation rents. Petty business clusters can also be found around specific natural resources such as rivers and lakes or around natural park and areas under conservation, where a mix of clusters in tourism and in traditional use of natural resources can be found. Clustering seems to facilitate access to more distant regional markets.

National and communal development strategies still fail to grasp such processes and fully take into account the specific assets which competitive advantages might rely on, the positive externalities from clustering and the multiplying effects within the commodity or the service chains. Changes can be observed on how priorities in national strategies are set and how contributions of whole chains to the economy tend now to be taken into account. At communal level, much has to be done for local economic development strategies supporting locally relevant chains and clusters.