Price perception on weights and measures at the local markets of Ghana

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ABSTRACT

In local markets in Ghana, merchants typically place vegetables and crops in pales, cans or plastic containers of varying sizes even though the central government has introduced standard weights and measures for more efficient market transactions. The introduction of these standardized weights and measures appears to be a prerequisite for nearly all aspects of economic growth. This paper used a questionnaire survey to understand how marketers perceive and interpret weights and measures in selling or buying three main vegetables (tomato, pepper, and eggplant) and rice in Berekum municipality, Ghana. Using a random selection of 30 marketers and 30 farmers, the research examined the types of weights and measures used in the market to understand how marketers perceived weights and measures in price setting. In addition, various policies governing these local measures were examined to better understand their perceptions and interpretations. The results indicated that despite long experience in marketing and the use of ad hoc weights and measures, 55 percent of respondents did not adhere to standards or policies in setting prices. About 44 percent of retailing was done using the popular traditional weights called “olonka” and 69 percent of wholesale was done using baskets. About 60 percent of respondents perceived weights and measures as a reliable tool for trade, setting prices, and maximizing profit. The use of containers or varying sizes and shapes imposed market inefficiencies and pricing challenges on the local market. This paper concludes with recommendations on how responsible market agencies can craft standard weights and measures by taking into consideration the existing customary practices.

Introduction

In Ghana, local markets are important in sustaining the livelihoods of marketers, farmers, and consumers as about 69 percent of food products are sold and bought locally (Lyon, 2003). At these markets, agricultural commodities are sold by using varying customary weights and measures. In selling vegetables, for example, marketers use pales, margarine tins, and plastic containers with different weights and sizes. In June 2013, the Ghanaian government introduced a national standard on weighing scales in an attempt to ensure uniformity in local market trading, to eliminate disputes over price-related ambiguities, and to facilitate international trade with West African neighbors. As the use of weighing scales and measures is already established in these neighboring countries, the adoption of the same weighing scales was considered necessary to make the local Ghanaian markets internationally accessible. However, as of 2017, this new policy has not been successfully adopted in Ghana’s local markets. This paper...
attempts to understand why local marketers have not adopted the national standard of weights and measures. In doing so, it focuses on the question of how local marketers perceive and interpret weights and measures in selling three main vegetables (tomato, pepper, and eggplant) and rice in Berekum municipality, Ghana. A random selection of 30 marketers and 30 farmers selling these agricultural products in the Berekum weekly market was used to first identify the types of weights and measures used. Relevant policy documents governing these local measures were then examined to better understand the respondents’ perceptions and interpretations. There is growing interests of weights and measures in connection with profit margins and food security in Africa although only a few studies have been published to date. This paper aims to fill this gap.

Literature Review

Several studies on traditional markets in Ghana have noted a lack of standardization and transparency (Boselie, Henson, & Weatherspoon, 2003; Neven & Reardon, 2004; Ortiz, Campbell, & Hyman, 2010; Weatherspoon & Reardon, 2003). Tollens (2000) argued that in Ghana prices are influenced by the interplay of bargaining power and trust relationships between marketers and farmer at wholesale. The production cost and socio-economic factors do not appear to play important roles. Kortege and Okonkwo (1993) argued that the marketer’s ad hoc valuation of this “fair” return has resulted partly in price fluctuations.

From 1900 through the 1970s, Ghanaian traders’ associations, which were established by the colonial authority, attempted to use the standardized system in determining prices (Lyon, 2003). These associations limited the power of traditional chiefs over market affairs (Clark, 1994) and gradually became an integral part of the Ghanaian and West African food systems (Ortiz et al., 2010). The colonial system also attempted to minimize the transaction costs of individuals while maintaining some room for price negotiations. It made information available on reputations, market prices, and supplies of products (Lyon, 2003; Ortiz et al., 2010). The markets were headed by market queens or ohemaa, who influenced decision-making on prices and other transactions at the local market.

After independence, the government of Ghana attempted to discontinue this system because these associations allegedly had engaged in price fixing/manipulation and hoarding goods, causing price hikes (Lyon, 2003; Ortiz et al., 2010). In the 1980s, the involvement of traders’ associations in marketing was under the scrutiny of the structural adjustment program, resulting in the reduction of the associations (Lyon, 2003). The introduction of standardized weights and measures in 2003 was a part of the government’s effort to curtail colonial market practices (Yiridoe, 2005).

Method

Background: Study Area

Berekum municipality is in the northwestern part of the Brong Ahafo region of Ghana. The municipality has a total land area of 863.3 km² and shares boundaries with Tain district, Jaman South district, Dormaa East district and Sunyani West district (Berekum Municipal Assembly Annual Report [BMA], 2013). Berekum has a population of 129,628, and about two-thirds (67.3%) of the population is economically active. More than half of the work force is involved in agriculture, especially crop farming. About 83.5 percent of them are literate. The proportion of literate females (52.2%) is slightly higher than that of males (47.8%) (Ghana Statistical Service [GSS], 2012).

The municipality operates a periodic market where all wholesalers, retailers, producers, and other actors both from within and outside the municipality meet to transact various food-crop-related businesses. Berekum municipality is close to the Cote D’Ivoire and promotes economic and commercial activities with Cote D’Ivoire markets every Thursday.

Data Collection and Analysis

The field survey was carried out at Berekum’s Thursday market for two weeks in December 2016. We selected those marketers and farmers who were selling three types of vegetables (pepper, tomato, and eggplant) and rice. In addition, we conducted qualitative interviews with 60 respondents (30 marketers and 30 farmers). Female dominance is the norm at this market and many other local markets, and it reflects the general expectation of Ghanaian society that women should play main roles at local markets.

Based on Lyon (2003), our questionnaire had three components. The first part of the questionnaire attempted to identify the social characteristics of the farmers and marketers, including their education, age, gender, work experience, their role at the market, and work organization. Secondly, we tried to identify if marketers and farmers at both wholesale and retail market spaces within the Berekum market have a specific group of customers they sell to. Thirdly, to have the respondents to describe their answers and experiences in their own words, we designed two open-ended questions. To help respondents to better understand the questions asked, all questions were translated into the local language, Twi.

For the survey, marketers and farmers were randomly selected during market hours. A field officer, who speaks Twi as his mother tongue and a native of Berekum, was contracted to collect information. Through him, we consulted market leaders and obtained their permission to conduct this survey. Before data collection, Adwoa Oforiwa Antwi made preliminary observations of market transactions between marketers and consumers in Berekum. The responses we obtained were coded using simple numbers and analyzed on Excel sheets. In the survey, photographs of traditional weights and measures at the market were also taken.

Results and Discussion

Marketers and farmers are important actors in agricultural marketing in Berekum municipality. Their activities form an important part of the local economy in this area.
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