Intermediary trading and the transformation of marketplaces in Papua New Guinea

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Abstract
Trade in marketplaces is central to the domestic distribution of food and other goods throughout the developing world. The commodity networks involved are often complex with numerous intermediate transactions between producer and consumer. By contrast, in the Pacific nation of Papua New Guinea (PNG), marketplace trade has historically occurred through very short commodity networks. This article examines the appearance and growing significance of intermediary trading in PNG’s marketplaces and associated trade networks. Reselling is supporting urban livelihoods at a time when making a living in town is increasingly precarious, but the transformation of marketplaces, I argue, also threatens to reduce the agency of rural producers and erode the incomes of certain producers. Growing intermediation may also see men increasingly involved in an economic domain where women have been central. The emergence of intermediaries is globally an important historical development, and this article provides a rare study of this process within the contemporary era.

KEYWORDS
commodity networks, intermediaries and middlemen, marketplace, Papua New Guinea, rural–urban relations, trade

1 INTRODUCTION

Trade in marketplaces is central to the domestic distribution of food and other goods throughout the developing world. The commodity networks involved are often complex with numerous intermediate transactions between producer and consumer. By contrast, in the independent Pacific nation of Papua New Guinea
PNG,1 and Melanesia more broadly, marketplace trade has historically occurred through very short commodity networks. In this article, I examine the appearance and growing significance of intermediary trading in PNG’s marketplaces and the trade networks associated with these marketplaces.2 I document and explain, for the first time, the significant reorganization of the country’s marketplaces, which are of central importance to rural livelihoods, women’s incomes and food security. Reselling is supporting urban livelihoods at a time when making a living in town is increasingly precarious, but the transformation of marketplaces, I argue, also threatens to reduce the agency of rural producers in marketplaces and erode the incomes of certain producers. Growing intermediation may also see men increasingly involved in an economic domain where women have been central actors.

Marketplaces, as places where people regularly gather to trade, are for most of PNG a colonial 20th century introduction. In the 1960s, PNG’s marketplaces were characterized by the ‘striking absence’ of intermediaries and wholesale transactions and the preponderance of producer–sellers—people selling to the consumer produce they themselves have grown (T. S. Epstein, 1982, p. 12; see Brookfield, 1969b, p. 1–2). This, among other features, distinguished the region’s marketplaces from their counterparts in most other parts of the developing world where specialist intermediaries had either long been established and predated colonial influence or emerged during an earlier colonial period (see Babb, 1985; Bohannan & Dalton, 1962; Carrier, 1995; Dewey, 1962; Geertz, 1979; Hollier, 1985; Mintz, 1971; Ottenberg & Ottenberg, 1962; Plattner, 1985; Smith, 1980; Swetnam, 1978). Producer–seller marketplaces themselves are relatively common elsewhere, and farmers’ markets have regained popularity in the West, but they are generally encompassed within wider marketing systems in which intermediaries operate. What is striking about PNG’s early marketplaces is that intermediaries were virtually absent from this wider system. This dominance of producer–sellers has often been lamented by policy makers and development practitioners as inefficient and a sign of underdevelopment, and the appearance of intermediaries thought desirable (T. S. Epstein, 1982; Spriggs et al., 2004).

Marketplaces in PNG have changed considerably in complexity and character over the past 50 years. The most significant change is the increasing prominence of intermediaries. This has been entangled with other changes, notably the rise of long-distance trading, greater specialization and division of labour and the adoption of more competitive practices including bargaining (Bourke, 1986a; Hide, 1993; Sharp, 2019; cf. Brookfield, 1969b). The rise of intermediaries has gathered pace over the past two decades. Intermediaries have grown in number, and in relative proportion to producer–sellers. The diversity of forms of intermediary trading has expanded, as has the range of commodities they handle, and the locations intermediaries are evident. There is also increased dependency on intermediary trading as a source of livelihood.

This growth of intermediary trading, I argue, is explained by a combination of factors, most significantly: migration and the growth of urban populations which has increased demand for domestic produce and driven a search for non-land-based livelihoods; increased demand for domestic fresh food in response to rising costs of imports; expanded domestic marketing by rural smallholders in response to low and volatile export commodity prices; pressure on people’s livelihoods including from declines in real incomes, growing urban precarity, and localized trends and events (such as population pressure on land and natural hazards), which have compelled people to seek alternative income sources; and the increased mobility of Papua New Guineans. Intermediary trading has expanded because people have few other good livelihood options, but equally out of entrepreneurial innovation and opportunism in a changing economic environment. As documented below, the initial development of intermediary trading was slow, in part because the conditions were not right, but also because the practice itself historically attracted considerable criticism from local people. But with increasing cultural acceptance of the practice, more people have taken up reselling, and this has encouraged further adoption.

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1PNG is in the Western Pacific, north of Australia and east of Indonesia. PNG occupies the eastern half of the island of New Guinea, together with the large islands of the Bismarck Archipelago and many smaller islands. The country is amongst the most culturally and linguistically diverse.

2This paper uses the gender neutral terms ‘intermediary’ and ‘reseller’, rather than ‘middleman’.

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Increased intermediation in trade was in eighteenth century England, part of a wider transformation in the relations of circulation, and the growth of more impersonal trade (Carrier, 1995, pp. 61–83). There, changes that first emerged in particular locations and particular forms of trade became the precursor and prerequisite for wider changes in how transactions occurred and how people thought about economy and society. PNG clearly presents a very different context, but there too intermediary participation has grown alongside broader changes in the conduct of trade, people’s relationships to the things they exchange and the people with whom they buy and sell. In PNG, these changes have generated considerable consternation amongst marketplace vendors, marketplace administrators and the public (see Busse, 2019; Busse & Sharp, 2019; Sharp, 2019), as growing intermediation did in England and in parts of the developing world at different times (Babb, 1985; Carrier, 1995; Ottenberg & Ottenberg, 1962; Plattner, 1985).

Throughout the world, changes in the organization of commodity networks have far-reaching and uneven effects on power relations in trade, processes of production and the distribution of benefits and risks, including based on gender, ethnicity, class, resource access and geography (see, e.g., Bush, 2004; Harriss-White, 2016; Neilson, 2008; Sinha, 2020). In PNG, the broader impacts of the reorganization of the marketplace trade of fresh food are still emerging; nevertheless, it is clear that the changes are being felt unevenly. In PNG, historically fresh food marketing has been in the hands of small rural producers, particularly women. However, the reorganization of marketplaces has meant that increasingly the trade is in the hands of urban resident resellers and rural producers are increasingly marginalized and their agency eroded within these spaces. At the same time, the rise of intermediaries and more commercial production has seen men becoming more involved in the country’s marketplaces, particularly in more lucrative roles.

In this article, I gather a wide range of secondary data to chart the historical development of marketplace intermediaries across different locations in PNG. I also draw on extensive ethnographic fieldwork and marketplace surveys on the highlands betel nut trade between 2006 and 2010 (see Sharp, 2012), food marketplace surveys in the provinces of East New Britain and West New Britain in 2015 (3 weeks) and interviews with intermediaries and producer-sellers, informal conversations with market goers and observations in food marketplaces in East New Britain, West New Britain, Eastern Highlands and Western Highlands provinces, and in Port Moresby in 2017–2019 (8 weeks) (see Figure 1 for locations referred to throughout the article).

In the article, I first describe the significance of PNG’s marketplaces and some of their features. I then describe and explain the ‘striking absence’ of specialized intermediaries within precolonial trade, and within marketplaces during the colonial and early postcolonial (post-1975) period. Next, I trace the rise of intermediaries around particular commodities and in different locations and document their recent efflorescence in the country’s fresh food marketplaces. I then explain the rise of intermediaries before, finally, examining the impact on, and potential future implications for rural–urban and gender relations which stem from the reorganization of PNG’s marketplaces. By documenting the emergence of intermediaries within a particular economic sphere in the contemporary era, this research contributes to understanding of the historical development of intermediation within marketplaces and food distribution networks elsewhere and the influence of social and cultural factors on this development.

2 | MARKETPLACES IN PNG

Marketplaces are ubiquitous throughout PNG, and as places to buy, sell and socialize they are a regular feature in the lives of almost all Papua New Guineans (see Busse & Sharp, 2019; Sharp & Busse, 2019). PNG was in 2019 ranked 155 on the UN Human Development Index (UNDP, 2019) and is one of the least urbanized countries. Around 80% of the country’s more than eight million people live in rural ‘villages’ (PNG NSO, 2015), most on customary land, not always their own. Marketplace selling is especially important for rural livelihood security. Most rural households earn small incomes from the production and sale of fresh food and betel nut in local marketplaces, and from export cash crops (notably coffee, cocoa, oil palm and copra), while also producing much of the food they consume

3Surveys done in partnership with researchers at the PNG Oil Palm Research Association and the, then, PNG Cocoa and Coconut Institute.
As the main source of fresh food in urban areas, marketplaces are also critical to urban food security. Marketplace earnings are particularly important for women, who are the great majority of vendors. Marketplaces also redistribute wealth from urban to rural areas and from wage earners to those in more precarious forms of urban self-employment.

The article is focused on PNG’s domestically oriented open-air marketplaces and the trading systems which intersect these spaces. Some marketplaces are administered by local government or a mandated market authority, and these generally include concrete and corrugated iron structures and fences. A large number of marketplaces are not formally administered, and these marketplaces are often simply patches of bare earth dotted with colourful umbrellas.

PNG’s marketplaces are dominated by fresh food (such as sweet potato, taro, potato, leafy greens, capsicum, tomatoes, spring onion, peanuts, cucumbers, corn, bananas, mandarins, mangoes, pineapples and fish and shellfish on the coast) betel nut, its accompaniments and tobacco. Most produce sold in the country’s marketplaces is produced and consumed in PNG, and most fresh food traded in PNG is traded in marketplaces. Relatively small volumes are traded through the depots of formally registered wholesalers and supermarkets (see Benediktsson, 2002; Bonney, Worinu, & Muscat, 2012); however, this trade is beyond the scope of this article. Over the past decade, it has become increasingly common for ‘store goods’ to be resold in marketplaces—this was previously uncommon (Bourke, 1986a). This article is focused primarily on the resale of domestic fresh produce and does not examine the networks of either imported or exported commodities.

3 | THE ‘STRIKING ABSENCE’ …

A complex web of exchange spread across Melanesia prior to the colonial period. A limited number of lowland exchange systems included locations where people regularly met to trade (see Gewertz, 1977; Keil, 1977;
Salisbury, 1970). But for most of Melanesia, marketplaces first appeared during the colonial era, especially the 1950s and 1960s, alongside the appearance of tradestores and the growth of smallholder cash crop production (Brookfield, 1969a; Jackson, 1976; MacWilliam, 2013). Initially established by the colonial administrations, marketplaces soon emerged more informally. Despite their exogenous origins, from their start, marketplaces were heavily inflected with indigenous ideas about exchange, gender and sociality, developing a particular Melanesian character, distinguished in the late 1960s ‘[f]irst and foremost [by the] striking absence of any wholesale transactions; practically all vendors sell what they themselves produce to buyers who are the ultimate consumers’ (T. S. Epstein, 1982, p. 12; see also Brookfield, 1969a, 1969b).

The near absence of intermediaries was associated with several interrelated features, which distinguished Melanesian marketplaces from their counterparts elsewhere in the developing world: haggling was absent, sellers sold passively rather than using hard-sell techniques, there was little overt competition amongst either sellers or buyers and sellers were reluctant to drop prices instead preferring to give away unsold produce or take it home (Brookfield, 1969b; T. S. Epstein, 1961, 1982; see Bourke, 1986a; Sharp, 2019).

Producer–sellers historically dominated Melanesian marketplaces for several reasons. Melanesian agricultural systems and cultures developed around perishable root crops which, unlike readily storable grains, provided limited scope for intermediaries to operate (T. S. Epstein, 1982, pp. 218–219, 231; cf. Gregory, 1999). T. S. Epstein (1982, p. 219) further suggested it was likely associated with ‘the primitive affluence of the indigenous peoples and their resistance to allow expatriates to participate in marketing their locally produced food’. There was also no historical precedent. Professional traders were not part of the extensive and interconnected trade networks which operated across Melanesia precontact and in the early colonial period. Most Melanesian groups occupied an intermediary position in the movement of one good or another, receiving certain objects (mostly durables rather than food) from one direction and trading them on in another direction (Harding, 1994). Some societies were more dependent on trade than others, and a few gained materially from their handling of goods. But Harding (1994, p. 118) concludes:

*Nowhere in late precontact Melanesia, however, were there specialists in trading in the sense that their livelihoods rested exclusively on middleman transfers in the absence of local production for export. This fact, combined with the generalized social structure of trade and universal participation in trading probably explains why the trader did not emerge as a distinct occupational role in traditional Melanesian society.*

Similarly, in the highlands region, there were ‘no professional traders, no merchants, no itinerant peddlars’ (Hughes, 1977, p. 203). On the Gazelle Peninsula, where both marketplaces and a shell currency existed, a type of trade (*pipiae/pipiai*) involved ‘profit’ from the preparation and resale of goods (Lowe, 2006, p. 129; Salisbury, 1970; Simet, 1991), but again, people were not dependent on that trade.

Intermediaries also emerged slowly because, historically, few Papua New Guineans have been compelled to find non-agrarian incomes. Most people continue to live in rural areas where they have access to gardening land, and although PNG’s cities and towns have grown considerably in the period since national independence in 1975—particularly Port Moresby and Lae—their emergence and growth are more recent than in other parts of the world, and urban populations remain small by global standards. This, coupled with the limited extent of land alienation during the colonial period, has meant most people have been able to depend on land-based livelihoods. These conditions have also contributed to the limited development of PNG’s ‘informal economy’ compared with elsewhere in the developing world (Connell, 1997; Conroy, 2020). The lack of specialization is also explained by a tendency to mitigate risk through diversification (Brookfield, 1969c, p. 154).

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4During the colonial period, only limited areas of land were alienated from customary ownership; however, land is informally bought and sold between indigenous Papua New Guineans, and export cash crop smallholding has led to more individualized control over customary land (Koczberski, Numbasa, Germis, & Curry, 2017; MacWilliam, 1988). Further, since 1979, but particularly between 2003 and 2011, large areas of land were removed from customary control under PNG’s ‘lease-leaseback’ provisions (Filer, 2012).
The appeal of producer-selling also likely slowed intermediary development. Marketplaces are a place to meet friends and relatives, catch up on local news and exchange gossip. Selling in the marketplace is an enjoyable way to earn money, and a chance to visit stores, the hospital, or perhaps see the bright lights of Port Moresby (Benediktsson, 2002; Jackson, 1976).

4 | ... AND THE MORAL CRITICISMS OF RESELLING

There is also a distinct distrust of intermediaries in PNG (Benediktsson, 2002, pp. 179–180; A. Strathern, 1984, p. 80). Growers are reluctant to see others benefit from their produce, and ‘[a]ny commission or price differential between the grower and the retailer is perceived as a rip-off’ (Benediktsson, 2002, p. 180). Growers frequently do not recognize the benefits of intermediaries—they see higher prices in distant markets but often do not fully consider the costs and risks associated with transport, other travel expenses, spoilage, the burden placed on relatives and friends who host them in town or the alternative uses of the time they spend marketing (Benediktsson, 2002; Sharp, 2019; Spriggs et al., 2004).

Producer-selling is also sustained by a widespread moral critique of reselling, focused more upon small-scale resale than large-scale wholesaling. In the highlands near Goroka, Busse (2019) observes, it is asserted that reselling is not ‘work’. When people work in their gardens, the food produced becomes invested with the relationships between people and their relationships to land. This, people think, gives food value and ideally its price (although sellers acknowledge supply and demand). Reselling is troubling, Busse argues, because it unhitches food from its idealized source of value. Similar criticisms, including likening reselling to stealing, exist on the Gazelle Peninsula (Busse & Sharp, 2019, p. 142; Lowe, 2006, pp. 130, 165–175, 194; Simet, 1991, pp. 66–69).

Reselling also sits uncomfortably with women’s idealized role as ‘producers’ in Melanesia (Sexton, 1986, p. 43; M. Strathern, 1972). Although selling garden foods is imagined as an extension of women’s traditional role as producer and distributor of food, reselling lacks this legitimacy. This leads many women resellers to emphasize their identity as gardeners, even when reselling is more central to their livelihoods. Resellers’ practices—particularly bargaining and calling out to prospective customers—also grate against marketplace norms, and producers find it unsettling that intermediaries generally dictate prices (Sharp, 2019; cf. Modjeska, 1985, p. 160).

Criticisms of reselling are also entangled with widespread criticism of migrants in PNG (see Koczberski, Curry, & Connell, 2001). Because reselling has become an important livelihood practice for many migrants, criticism of reselling supports sentiments that outsiders are morally questionable people. And, conversely, negative views towards migrants reinforce that reselling is a morally dubious activity (cf. Beer, 2008, p. 109; Beer & Church, 2019).

These criticisms mean reselling is often taken up in the absence of other options. Many women resellers were initially ashamed, and some continue to be. Early adopters, especially, faced strong criticism. One early reseller in Goroka cried as she recalled the harassment and abuse she initially received from market officials and other market goers, including having her produce destroyed and vending disrupted. In Kokopo, concern about reselling has spurred attempts, albeit unsuccessful, to ban the practice (Lowe, 2006, p. 130).

Importantly, although reselling appeared relatively recently in marketplaces, resale at a profit is well established in other economic realms in which rural Papua New Guineans are engaged including in export crop networks and trade stores—although social pressures and motives mean some stores are not oriented primarily towards profit or accumulation (Curry, 2005). The distinctness of the organization of marketplaces is in part likely due to minimal crossover in the goods moved through marketplaces (fresh produce), stores (imported and manufactured goods) and

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5 In a term that reflects contention around the practice, reselling in marketplaces and selling on the urban roadside (assumed to be, though not always, reselling) are often locally referred to as ‘black market’. This term is not applied to large-scale wholesale trading.

6 Amongst the Tolai, acquisitiveness was lauded amongst men but shameful for women whose market participation was imagined as provisioning the household (Salisbury, 1970, pp. 177–180).
export networks (export tree crops), and the tendency for men (export crops and stores) and women (marketplaces) to dominate different economic realms (see also Curry, Koczberski, & Inu, 2019).

Today, producers remain highly involved as vendors. Producers are the main, often only, sellers on rural roadsides and at rural marketplaces at government and mission stations. Producers remain prominent in urban marketplaces and probably still dominate seller numbers in most centres. However, in the large urban centres, since the 1980s and particularly over the 2000s and 2010s, intermediaries have become increasingly common and in some locations are now the dominant and most numerous vendors.

5 | THE RISE OF INTERMEDIARIES

Diverse geographies, histories and sociocultural contexts have meant the advent, development and present state of intermediary trading differs across the country and between crops. The number and quality of marketplace studies in PNG is also spatially and temporally uneven, and this limits how closely changes may be followed (see Busse & Sharp, 2019). For the Gazelle Peninsula and Port Moresby, and Goroka and Mt. Hagen in the highlands (Figure 1), it is possible to assemble a detailed picture of intermediary development. But elsewhere in PNG, available data are limited. Nevertheless, the trend is clear—domestic marketing networks are becoming increasingly complex, and intermediaries increasingly important. The following traces the historical development of intermediaries in PNG’s marketplaces. I then discuss the main drivers of change.

5.1 | Early marketplaces: 1920s–1970s

In PNG, marketplace reselling first appeared on the Gazelle Peninsula (East New Britain Province), an area with a long colonial history and subject to significant colonial development, including the country’s first modern marketplace in the 1920s. The local Tolai people also possessed regular marketplaces, a shell currency and a form of reselling, prior to the colonial era (Salisbury, 1970). In the late 1950s to early 1960s, women from the Matupit area, upon which Rabaul township was encroaching, resold megapode eggs and cooked fish in the town market (A. L. Epstein, 1969, p. 75, 80). A ‘few enterprising Tolai women’ also bought introduced vegetables in the marketplace which they hawked around town (T. S. Epstein, 1961, p. 52; also see A. L. Epstein, 1969, p. 81), which Brookfield (1969b, p. 21) noted occurred in ‘Port Moresby, and perhaps elsewhere in the larger New Guinea markets, but it is nowhere there an important field of indigenous enterprise’. In the early 1960s, a Tolai woman from Navunaram, where substantial land pressure exists, also reportedly started buying and reselling sweet potato within the same marketplace—a new practice which others soon copied (Lowe, 2006, pp. 165–166). By the early 1970s, Matupi women, who sold cooked foods in the Rabaul Market, increasingly depended on the marketplace for their raw foods due to increased displacement of food gardens by the expansion of coconut and cocoa plantings (Simet, 1991, p. 64).

Elsewhere by the late 1960s and into the early 1970s, there was limited evidence of intermediaries. At Koki Market, Port Moresby’s main marketplace and then the country’s second largest, there was no evidence of intermediaries, despite effort to identify them (T. S. Epstein, 1982, pp. 118–119; McCullough, 1971, p. 146). This, T. S. Epstein (1982 pp. 118–119) remarked, ‘can be taken as a sign that producer-seller markets, rather than wholesale-retail trade, still provides the outlet for indigenous produce sales in the whole of the country’.

In the highlands in the late 1960s, truck drivers travelling the recently completed all-weather Highlands Highway supplemented their incomes by purchasing betel nut and coconuts (both lowland crops) in the Markham Valley and Lae for resale in the highlands. T. S. Epstein (1982, pp. 107–108) regarded this an ‘embryonic stage in the development of wholesale trading’. A small number of intermediaries were documented around Goroka, Mt. Hagen and Wewak—all were men, and, with one exception, none was a specialized trader (Straatmans, 1968, pp. 20.1–20.4).
In the early 1970s, the expansion of intermediary trading was evident in the highlands town of Mt. Hagen, particularly of coconuts and betel nut. Jackson and Kolta (1974, p. 21) noted ‘the formerly casual trade in buai [betel nut]’ they observed in 1973 had by 1974 ‘gained considerable momentum... [But] one must conclude that deliberate trading as a full-time wage occupation or as a self-employment activity is virtually nil’. Nevertheless, the trade showed increased complexity with in some cases two intermediaries between producer and consumer (Jackson & Kolta, 1974, p. 8).

By the late 1970s, residents in PNG’s second largest urban centre, Lae, were reportedly buying betel nut and ‘other commodities’ from the main market to rebundle and on-sell in smaller marketplaces within the city. Around half the betel nut sellers in these smaller marketplaces were believed to be resellers (Mahoney, 1980, p. 203).

5.2 | 1980s and 1990s

By the early 1980s, the great majority of marketplace vendors in Port Moresby continued to sell their own produce (Flores & Harris, 1982). But on the streets (rather than inside marketplaces), reselling was very common (Walsh, 1982). Walsh’s (1982) survey found urban residents comprised just over half (52.7%) of all street vendors, and just over half (54.2%) of these urban residents were resellers who mainly purchased in urban marketplaces. Betel nut was the dominant item resold, although a small number of vendors resold ‘European fruit and vegetables’, and one resold ‘traditional vegetables’ (Walsh, 1982, p. 26). Urban resident vendors reported a level of financial dependency on street vending, and half reported to sell five or more days a week.

At the same time in the highlands, long-distance trading had grown, but networks remained structurally simple with generally only one intermediary between producer and consumer (Bourke, 1986a). The list of long-distance commodities had expanded: ‘produce, including coconuts, peanuts and mangos, moves into the Highlands via middlemen: and Highlands produce, including potatoes and cabbages, moves to coastal markets via middlemen’ (Bourke, 1986b, p. 174). Trading betel nut was by far the most common form of intermediary trading; however, ‘few [traders] bought more than two bags ... Most sellers undertook about three buying trips a year and two out of three had other incomes’ (Walsh, 1986, p. 169). Around this time, the first Mt. Hagen men started trading betel nut in a more committed fashion (Sharp, 2012).

Across the country, the level of specialization differed significantly. Government surveys show by the late 1980s full-time vendors (those who sell five or more days a week) represented a significant cohort in the main marketplaces in Lae (20%), Madang (10%) and Koki (9%) (DAL, 1990-1992). In Rabaul, full-time selling was uncommon (3%), despite a long history of reselling and its importance to women from certain communities. Full-time vendors had not appeared in either Mt. Hagen, despite established long-distance trading there, or Alotau. Specialist vendors, some reselling lowland produce, had also appeared in Simbu Province:

Full-time [women] market sellers, mostly in the 30–45 age group, supply major provincial markets, and provide their own transport in cars they own or share with others ... The full-time market women have goals of buying a car, building a modern house, paying tuition for children’s schooling (Brown, 1988, p. 134).

These women’s aspirations suggest they were earning good incomes.

By the start of the 1990s, betel nut for the highlands market was being sourced widely throughout PNG including the hinterlands of Wewak, Kimbe, Rabaul and Popondetta. As traders travelled further afield, they started to trade at a larger scale and as true wholesalers, who sold in bulk to other intermediaries. By the mid-1990s, the trade...
had broadly taken its present form (discussed below), although participation in, and dependency on, the trade has
grown further and specialization has expanded. At this point, intermediaries played a very minor role in the sale of
fresh food.

In the early 1990s, reselling megapode eggs and cooked food packages, described 30 years earlier by
A.L. Epstein (1969), was an important livelihood for many Matupi women near Rabaul, particularly widows and young
unmarried women, and for women who migrated to the area and had no land for cash crops (Simet, 1991,

In the mid-1990s, fresh food reselling remained a minor activity in the highlands. At Mt. Hagen in 1994, ‘Nearly
all the sellers pointed out that they grew the crops themselves for selling while only a small number of female sellers
indicated that they were re-selling produce’ (FPDC, 1994, p.3). The situation was similar in Goroka, where some
migrants from the informal settlements bought from growers and resold in the marketplace (Benediktsson, 2002,
p. 150). In the long-distance sweet potato trade, centred on Goroka, intermediary traders were only recently
established, of ‘embryonic form ... few and far between, and their share in the total quantity sold [was] very small’

At the same stage in Port Moresby, ‘commercial highlands potato “exporters” [were] ... doing the rounds in the
suburban markets ... selling bags directly to specialized market traders... [mainly] migrants from Goilala (Central
Province) and the Southern Highlands for whom this was their major source of livelihood’ (Benediktsson, 2002,
pp. 218–219). Urban residents also bought from growers at the wharf for resale in the city’s marketplaces
(Benediktsson, 2002, p. 218). At this time in the capital, ‘[m]ost informal street selling involved buying a commodity
in bulk and then breaking it down into smaller quantities for sale’ (Barber, 2003, p. 292).

On the Gazelle Peninsula, reselling, long established in land-short communities, was by the late 1990s ‘an impor-
tant source of income for many households at Navunaram. Large quantities of betel nut, beans and Chinese cabbage
are regularly purchased from several Baining communities ... and from other Tolais (including fellow villagers and
other market sellers)’ (Lowe, 2006, pp. 129–130). Reselling was also popular within other Tolai communities without
the same land pressures (Lowe, 2006).

After 1997, declines in the value of the national currency and increasing costs of living (discussed later) became
important precipitators of change over the last 20 years.

5.3 | 2000s to present

Intermediary trading of fresh food, both long-distance wholesaling and marketplace reselling, only became prominent
in the 2000s, in response to rising costs of living, urban precarity, an expanded fresh food trade and more social
acceptance of the practice (discussed below).

By the mid-2000s, a sizeable wholesale trade in peanuts existed, particularly into the highlands. The marketing
involved two or three intermediaries between producer and consumer and specialized traders, most buying one to
two times each week (Omot, Wilson, & Anjen, 2005). In the late 2000s, intermediaries were a growing presence at
Lae’s main marketplace although most vendors remained producer–sellers (Vinning, Galgal, & Luma, 2008). At the
time, Goroka’s main marketplace had ‘very few or no middlemen’ (Vinning et al., 2008, p. 4).

The complex intermediary networks of the large-scale long-distance betel nut trade into the highlands, studied
in the late 2000s (see Sharp, 2012, 2013, 2016, 2019), deserve special attention. From producer to end-consumer,
betel nut may be sold on as many as five times and rarely fewer than three (Figure 2). The central actors are whole-
sale traders who—overwhelmingly highlanders and predominantly men—travel long distances to marketplaces and
remote production areas in the lowlands to buy from producers, frequently in very large volumes (Sharp, 2019,
p. 188). The betel nut is then transported to the highlands where it is resold several times in progressively smaller
units. In Mt. Hagen, traders sell large bags of betel nut to marketplace vendors. These vendors, who are predomi-
nantly women, resell the betel nut in the same marketplace either in smaller bags or in small heaps (‘groups’) of, say,
4–12 betel nuts. Their customers further on-sell in small urban and rural roadside marketplaces, from stalls in residential areas or from their pockets and string bags in the urban business districts. They sell individual nuts (accompanied by betel pepper and lime) to the end consumers.

Betel nut trade networks are made more complex by a range of agents who trade on behalf of others. Agents are far more common in betel nut trading than in the sale of fresh food. Most traders trade independently; however, the largest traders—who are primarily financiers and coordinators—employ traders to trade for them. Both independent traders and agents frequently employ young men to negotiate with, and purchase from, producers. Traders also use agents to sell bags and ‘group’ betel nut in the highland marketplaces. Agents may operate on a freelance basis or have ongoing associations with a trader, and receive either a fixed payment or a portion of the profit. Some actors also buy and on-sell within the same marketplace on the same day profiting from bulk-purchase discounts, and price increases throughout the day.

The betel nut trade demonstrates the considerable complexity that has emerged in PNG’s marketplaces over a short time. Intermediaries are less widespread, and the trade networks are less complex, for other domestic commodities, although fresh food networks are increasingly taking on those same features evident in the betel nut trade.

In Port Moresby, reselling has also become more prevalent. The 2011 PNG Census offers a crude indication. Whereas only 9.5% of households reported to grow food crops, 17.5% of households reported to sell food crops or cooked food. Similarly, whereas only 9.1% of households reported to grow betel nut, 25.1% reported to sell the crop (PNG NSO, 2015, p. 76).8 Intermediaries have now surpassed producer-sellers in some Port Moresby marketplaces in terms of numbers of sellers and volumes traded. Two recent marketplace surveys report that just over half of the vendors surveyed reported to be intermediaries and, more significantly, of these more than half obtained their

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8 The inclusion of cooked food, which includes imported foods, makes the categories not completely congruent. Clearly, selling imported foods is also reselling. The betel nut data are also not entirely congruent. The census asked households if they sold either betel nut or betel pepper (combined) but only asked whether they grew betel nut.
produce from other intermediaries (FPDA, 2009; Wang, 2014). Some highlands produce entering Port Moresby is transacted up to three times before being sold to the consumer (Vinning & Galgal, 2008). Another study, in 2016, of Port Moresby marketplaces reported 60% of vendors sold on 5 or 6 days each week, and 43% were reselling produce sourced from other ‘informal sellers’ (Kopel, Hukula, Kutan, & Iwong, 2017, pp. 16–19).

Similarly, in 2007 in Mt. Hagen’s recently redeveloped fresh food marketplace, resellers represented an estimated 40% of vendors, increasing to around 80% in 2012 (Chang, Irving, Lutulele, Komolong, & Be’Soer, 2013). Mt. Hagen Market is now a significant wholesaling hub. A substantial number of small-volume resellers make a living there buying from producers and on-selling to vendors with bench space in the marketplace. Wholesalers bulk produce at the marketplace: grading, repacking and selling to other marketplaces, and to traders contracted to supply resource sector camps (author fieldwork). Produce is sent down the highway to Madang and Lae, and onto Port Moresby. Resource development has also driven a substantial westward trade including to urban centres (Kanua & Bourke, 2017). Sweet potato wholesalers also bulk in rural locations, either on farm or at roadside collection points. Wholesalers often have established relationships and prearrange supply with producers by distributing empty bags. Wholesalers both travel with their produce and send to relatives to on-sell. Some wholesalers are also commercial producers (Chang, Irving, et al., 2013; Kanua & Bourke, 2017; author fieldwork 2018).

Around Goroka, most bulking is in rural areas with minimal bulking occurring at the main marketplace. Wholesaling of fresh food has now developed considerable complexity. One large-scale operation, for example, coordinated by a trader in Port Moresby, uses buying agents in different parts of Eastern Highlands Province. Producers harvest, but the agents organize teams of mainly young men to cure, sort and pack produce and drive it to collection points along the Highlands Highway (author fieldwork 2017). The agents flag down container trucks, returning empty to the coast, which carry the bags and the agent to the port in Lae. From there, produce is shipped unaccompanied in dry and chiller containers to Port Moresby. The trader sells directly to stores, hotels and various institutions, and from a wholesaling yard near Gordons marketplace (see Figure 3) where it is either sold to marketplace resellers or given to them to sell on commission.9

In Goroka’s main marketplace, the number of resellers reportedly began to expand in the mid-2000s, from previously very low numbers (author fieldwork). But despite considerable intermediary trading around Goroka, in 2012, only around 7% of food vendors in Goroka’s main marketplace were reselling (Busse, 2019; see Barnett-Naghshineh, 2019). Vendors there resell both long-distance and locally grown commodities and commonly prearrange supply with producers. Some resellers also pay people to assist them to sell.

Today, on the Gazelle Peninsula, reselling has become more common in the large marketplaces (author fieldwork 2015, 2017). In a 1-day spot survey at Kokopo Market in 2015, 10% of fresh food and 37% of betel nut vendors reported to be reselling.\(^{10}\) Large wholesalers have not emerged to any significant degree, except visiting betel nut traders, and generally only a single reseller separates producer and end-consumer. Resellers sold more frequently than producers—53% of resellers sold 5–7 days the previous week, whereas 88% of producer–sellers sold 1–3 days the previous week. Resellers often permanently sit in particular locations and occupy multiple vending spaces to display their greater range of items and increase their visibility. Resellers have concentrated on particular crops, notably betel nut, peanuts and ‘European’ vegetables. A few resellers also sell produce they have grown themselves. Resellers profit by both increasing prices of items and by rebundling or cutting items into smaller lot sizes. Resellers both purchase opportunistically and prearrange purchases. Producers routinely sell to resellers, but they have not, it appears, become dedicated wholesale suppliers, and they generally arrive prepared to sit in the marketplace themselves.

Reselling has also grown in other urban centres. In a 1-day spot survey at Kimbe Market (West New Britain) in 2015, 70% of betel nut and 14% of fresh food vendors reported to be reselling.\(^{11}\) Meanwhile, at Alotau Market in 2016, marketplace resellers and a single large potato wholesaler were present (JICA, 2017, pp. 2–19).\(^{12}\) And in Madang, fish rejected by the local cannery is resold in the marketplace (Havice & Reed, 2012).

In sum, over time, PNG's domestic commodity networks have become more complex, intermediary niches have proliferated and there is both increased commitment to, and dependency on, the marketplace. The types of intermediaries are diverse in scale and in terms of their activities. Some are self-employed; others are agents. Some trade over long distances, whereas others buy and resell within the same marketplace, or on-sell at a nearby corner market. Some buy in rural areas either at the producers’ ‘house door’ or roadside bulking points, whereas others operate in urban marketplaces. Intermediaries have concentrated on high value commodities relative to weight and bulk (peanuts, betel nut and European vegetables), because their returns are less eroded by transport costs, and on items in demand but of limited supply (coconuts and potatoes). In the highlands, long-distance intermediary trading, dominated by men, emerged first, whereas small-scale localized reselling, mostly by women, developed more recently. Reselling is most prominent in larger urban centres and is likely present in all urban centres, but producer-selling remains widespread and the dominant form of vending in many urban marketplaces and in the many small rural marketplaces.

Much of the rise of intermediary activity has not been documented. For many marketplaces, even sizeable ones, there are simply no data. Marketplace studies have often not queried whether sellers are producers or not, so we are reliant on proxies (residence of the seller, frequency of market attendance and product sold). Criticism of reselling, and attempted regulation by some urban/market authorities, also means resellers have likely underreported. Nevertheless, it is clear the practice has significantly grown in prominence and diversity over the past two decades.

6 | EXPLAINING THE GROWTH OF INTERMEDIARY TRADING

The growth of intermediary trading in PNG's marketplaces is explained by a combination of factors including processes of urbanization and migration, developments in the broader economy, increasing pressure on livelihoods, changes in people's mobility and communication, and changing attitudes and values. These are discussed in turn below. I focus on changes widely evident across the country that explain the recent growth of intermediaries although, importantly, the influence of these different factors differs between locations. The wider trends observed

\(^{10}\) Survey in partnership with researchers at the Cocoa and Coconut Institute. The survey sample included 307 fresh food and betel nut vendors, approximately a quarter of those present.

\(^{11}\) Survey in partnership with researchers at the PNG Oil Palm Research Association. The survey sample included 137 fresh food and betel nut vendors, approximately a quarter of those present.

\(^{12}\) Twenty per cent of vendors surveyed sold on 5–7 days each week (JICA 2017, Appendices p. 96).
are also bolstered and intensified in particular locations by localized events. Similar developments have contributed to the growth of both small-scale marketplace reselling and large-scale wholesaling, although some of the factors discussed are more specific to one or the other.

### 6.1 Urbanization and migration

Urban growth has provided significant impetus to the rise of intermediaries. In the late 1960s, when T. S. Epstein (1982) and Brookfield (1969b) sketched their characterizations of Melanesian marketplaces, PNG’s urban centres were small colonial towns (see Connell, 1997, p. 189). Urban populations have since expanded considerably, driven by both migration and natural growth, particularly within the informal settlements. Port Moresby has experienced particularly rapid growth and is now likely home to over 500,000 people (Jones, 2012). This urban growth increased demand for fresh food and betel nut which has presented opportunities to intermediaries.

Enlarged urban populations, and the growing popularity of marketplaces, precipitated a shift in urban areas from periodic to daily marketplaces—a development well underway by the early 1970s (Jackson, 1976), but an important prerequisite for the later rise of intermediaries. Daily marketplaces enable full-time marketplace reselling, which is particularly important for women whose mobility in PNG is frequently more curtailed than is men's (cf. Ottenberg & Ottenberg, 1962, p. 144).

Migration has also spurred intermediary trading. Reselling has emerged as an important livelihood activity for migrants (see Barber, 2003), and migrants are prominent resellers in urban marketplaces. Reselling is common in Kimbe Market in West New Britain, a province with a large migrant population. Migrants have long dominated vendor numbers in Kimbe Market (Benjamin, 1985; Koczberski & Curry, 2005), yet it is notable that in a 1-day survey in 2015, all fresh food and betel nut resellers were of migrant origin. Migrants (first and subsequent generations) are also prominent amongst resellers at Kokopo (author fieldwork), in Port Moresby (Bonney et al., 2012) and in Mt. Hagen (Chang, Mullen, Anjen, & Be'Soer, 2014). Not all migrants are resellers, and not all resellers are migrants, but migrants, for whom land access is often insecure, benefit from livelihoods not tied to land.

Migration also flows from worse-off to better-off areas (Allen, Bourke, & Gibson, 2005), so places with strong in-migration are also places where more money circulates, and this too helps account for the prominence of reselling in these locations.

### 6.2 The broader economy

Intermediaries have also emerged in response to changes in the broader economy which have driven the expansion of domestic fresh food marketing. In 1994, the national currency, the Kina (PGK), was decoupled from the global currencies to which it had been pegged since independence. This led, in the mid-late 1990s and early 2000s, to a rapid decline in the value of the Kina and a consequent increase in the cost of imports. Prices of local fresh food also increased, but more slowly (Mellor, 2010). The rise in the cost of imports made domestic fresh food comparatively more affordable, evident in the comparative prices of locally produced sweet potato and rice—nearly all of which is imported (see Figure 4). In Port Moresby, through the 1980s to the mid-1990s, a kilogram of sweet potato cost around the same as a kilogram of rice. But after 1997, rapid increases to the price of rice (tripling between 1996 and 2005) due initially to the currency devaluation (McGregor & Bourke, 2009, p. 280, 545; Mellor, 2010) and, in the late
2000s, due to an increase in global rice prices (Headey, 2011), meant sweet potato became relatively much more affordable. This trend is stronger in other urban centres where sweet potato prices are lower than in Port Moresby.13

As the relative price of rice rose, consumers ate less of it, reflected in lower rice imports per capita through the 2000s. Fresh food marketing observably increased in this period (though quantitative data do not exist), presumably both in response to heightened demand for local produce and to rural producers seeking to earn money to maintain consumption of increasingly expensive imported commodities (Bourke, 2001, pp. 6–7; Duncan, Layton, Nixon, & Wear, 2006, p. 18; McGregor & Bourke, 2009, pp. 278–279; Mellor, 2010). This corresponds with the rapid rise of intermediaries through the 2000s. Intermediaries likely entered the marketplace both to manage the higher volume of produce being transacted and in response to higher fresh food prices. Reselling also emerged as a way for urban residents, struggling to keep up with the rising costs of living, to make money (discussed below).

Marketing also increased in response to low and volatile international prices of the major export crops. In the past, earnings from fresh food sales were small relative to earnings from export crops (and so men largely vacated the marketplace) (Jackson, 1976, p. 180). However, a long period of depressed export crop prices and declining returns (Duncan et al., 2006; Mellor, 2010) has meant this is no longer the case. Even with some recent improvement in export crop prices, the long-term trend is a decline in real incomes, and returns to labour remain low. In areas of the highlands close to urban centres, this led some smallholders to neglect coffee production and some to remove coffee trees, in favour of fresh food production. In the highlands, part of the appeal of fresh food is it provides regular income compared to seasonal coffee income. Increased returns from fresh food have also spurred large-scale production in some areas (Curry et al., 2019; author fieldwork).14 This long-term trend was bolstered in the early 2010s by a heightened demand for fresh produce during construction of the PNG Liquefied Natural Gas project (Chang, Lutulele, None, Maia, & Hape, 2013). Although the 2011–2013 peak has subsided, demand remains higher

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13 Graph presented as a 3-year moving average. All data are annual averages calculated from the PNG National Statistics Office (NSO) Consumer Price Index quarterly basket of goods. Data from 1972 to 2005 were obtained from Bourke and Harwood (2009, p. 545). Data from 2006 to 2013 were obtained from the NSO. Data missing: 2008 Q2, 2010 Q1 and Q2, 2012 Q4 and 2013 Q1. I have excluded data from 2014 when the CPI was recalibrated and the data collection methods changed.

14 Women have also shifted their attention to food marketing because they have greater control over the income generated than they do over export crop earnings (Curry et al., 2019; Overfield, 1998).
than before (Robert Lutulele pers.com; November 2017). Larger scale production, and more money in marketplace selling, has created greater space for intermediaries. Increased transport costs, driven by higher fuel prices in recent years, have also likely reduced producer participation in long-distance trading and increased intermediary involvement. Many resellers are urban residents, but good returns from reselling mean people from rural areas close to urban centres are also reselling (Chang et al., 2014).

6.3 | Pressure on livelihoods

Pressure on livelihoods has also driven the rise of intermediaries. In urban areas, population growth has outpaced employment opportunities. Particularly in Port Moresby, urban poverty has risen, and wages have not kept pace with the rising cost of living (Gibson, 2013). Higher costs of imports and, to a lesser extent, domestic produce (discussed above) have placed particular pressure on low-income urban residents (Mellor, 2010). This has led—despite restrictive policies and harassment by urban authorities—more urban residents to engage in ‘informal’ economic activities, including resale of fresh food, betel nut and store goods, as either their main source of income or to supplement inadequate wages (Connell, 1997, p. 205; Gibson, 2013). The growth of reselling on the streets and in marketplaces reflects the growing precarity of urban life and people’s search for incomes. In our 2015 survey at Kimbe Market, 78% of fresh food and betel nut resellers lived in informal settlements, and 66% of fresh food and betel nut vendors (and 75% of all vendors) from the settlements were resellers. But certainly not all resellers belong to the urban precariat.

Urban precarity has also contributed to vendors’ attempts to control, and at times fiercely defend, space in urban marketplaces. This politics of space is common in the betel nut trade (Sharp, 2012) and has appeared in some fresh food marketplaces including in Port Moresby, Mt. Hagen, Kokopo and Kimbe (Bonney et al., 2012; Chang et al., 2014; Craig & Porter, 2017; author fieldwork) (discussed below). That is to say, intermediary participation has grown in part because people—some in response to precarity and some seeing the opportunity to profit—have forcefully inserted themselves into commodity networks.

Pressure on rural livelihoods also encouraged the rise of intermediaries. This is evident on the Gazelle Peninsula where land has been under pressure for some time. This is the result of colonial development which appropriated land for plantations and urban centres, enthusiasm towards export crop smallholding (cocoa and coconuts) amongst the local Tolai people, and population growth (Lowe, 2006). Reselling first appeared where pressure on land was greatest (A. L. Epstein, 1969; Lowe, 2006). People on the Gazelle also experienced two significant shocks to their livelihoods: the first was a volcanic eruption in 1994 which destroyed Rabaul township and led to the resettlement of large numbers of people; the second, in the late 2000s, was the impact from the arrival of Cocoa Pod Borer in 2006—a pest which decimated cocoa production (Curry et al., 2015). Both events undermined people’s existing livelihoods and spurred a search for alternative income sources, one of which was reselling. Some resellers also reported, in 2017, starting reselling after they lost access to customary land where they were residing due to recent expansion of oil palm cultivation in the province. Land pressure also affects areas of the highlands, particularly near Goroka and Mt. Hagen, and we might expect encouraged reselling there.

6.4 | Mobility and communication

Increased intermediary trading also reflects increased mobility and improvements in communication. In PNG, colonialism vastly increased people’s mobility. Pacification, labour schemes, road construction and urban

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15The proportion of vendors at Kimbe Market (including the betel nut marketplace) who are urban residents increased from 19% in 2000 to 30% in 2008, and to 45% in 2015 (Koczberski, Curry, & Bue, 2012; Ryan, 2009; author fieldwork). Given the high proportion of urban resident vendors who are resellers, increases in urban residents vending likely track the growth in reselling.
development enabled and encouraged people, especially men, to move further afield. This changed consumption patterns and spurred long-distance trading across ecological zones, including of betel nut (Sharp, 2013). Migrants also desire food from ‘home’, such that highlanders migrating to Port Moresby increases demand for sweet potato, particularly from the highlands (Gibson, 2001).

Long-distance trading encourages trade in larger volumes to create economies of scale, and larger-scale trading makes it beneficial and necessary to employ agents or sell to intermediaries—even still, producers in PNG have continued to be heavily involved in long-distance trade (Benediktsson, 2002; Kanua & Bourke, 2017). Producers can often intermittently produce sufficient volume themselves, sometimes supplemented with produce from kin and neighbours, to make travel to Port Moresby viable, though once there they commonly on-sell to intermediaries or enlist agents.

Long-distance trade also leads people to trade in unfamiliar spaces with unfamiliar people, and this gives space to intermediaries. Betel nut trading is rife with opportunism so people prefer to buy from people they know, or at least recognize, and so, agents have emerged who specialize in trading on behalf of people less familiar with the locale and current pricing. That is, the social relationships that connect people to place have supported the diversity of niches intermediaries occupy. Intermediation has also been supported by the democratization and spatial spread of mobile phones starting in 2007. Mobiles have assisted the flow of information, and this, some betel nut traders report, has reduced some of the challenges and risks of trading and so made it accessible to more people and so led to an increase in the number of people trading.

6.5 | Changing attitudes and values

Changing attitudes towards reselling is key to explaining the growing number of intermediaries in PNG’s marketplaces. Although reselling remains subject to moral critique (Busse, 2019; Busse & Sharp, 2019), the practice is increasingly accepted (Lowe, 2006). In conversations in the Kokopo marketplace, people frequently reflected some unease towards reselling, but there was nevertheless general acceptance of it, particularly for those with insufficient access to land for whom other cash-earning opportunities were limited (see also Lowe, 2006). Resellers in Goroka, who were harshly criticized and physically harassed when they started reselling, reported that resellers were now accepted. Social acceptance of reselling is in part associated with growing recognition that many people struggle to earn the money needed to support their families (see also Barnett-Naghshineh, 2019). The growth of reselling may also have become an inexorable force that has been begrudgingly accepted.

In the highlands, reselling of fresh food has also likely become normalized because of the demonstration effect of betel nut reselling. Betel nut is not grown in the highlands, so it has always been resold and its resale is less morally troubling for people than the resale of locally produced fresh food (Sharp, 2016). Over time, the social acceptability of the practice may have extended to fresh food.

As reselling has become more accepted, it has become a potential alternative livelihood practice for people. Some women I spoke with started reselling after illness or injury reduced their ability to do garden work. Other women started reselling after they lost their husband’s income following death, divorce or retirement. In Goroka, several vendors started reselling after they left their home areas due to ‘tribal’ fighting and lost access to land-based livelihoods.

The profitability of reselling has undoubtedly led more people to accept and adopt the practice. Many resellers, with whom I spoke, only reluctantly started reselling because they lacked other cash earning options but warmed to it when they realized the potential to make a good income. Reselling also generates a more regular income than export crop production or wage earning—a feature highly valued in a context where people often comment on their increasing and more frequent need for money.

Producers may also be increasingly recognizing the benefits of intermediaries. At Kokopo, some producers appreciated being able to sell to an intermediary, because they did not have to spend all day in the marketplace and
obviated the risk of unsold produce. They could also complete their errands and return home before the late afternoon when, because of the many people travelling, they risk being stuck overnight in town (see also Chang et al., 2014). Long-distance trading by producers also relies on the generosity of relatives and friends who accommodate them in town. But as urban life has become increasingly expensive and real incomes decline, particularly in Port Moresby, rural visitors may have found they have outstayed their welcome (Benediktsson, 2002, p. 220).

These factors have created space for intermediaries in PNG’s marketplaces, and conditions of precarity, as much as innovation and entrepreneurship, have driven Papua New Guineans to occupy this space. Urbanization, migration, changes in the economy and pressures on people’s livelihoods have pushed and pulled people into intermediary trade, but intermediary trade is importantly also a social innovation. The changes people are experiencing have encouraged shifts in values and attitudes, but changes in values and attitudes have also been necessary for reselling to emerge as an accepted livelihood practice. And although wider social and economic processes have propelled the rise of intermediary trading, importantly, each and every intermediary started to resell in response to their own personal circumstances and in particular local contexts.

7 | BEYOND THE MARKETPLACE: CHANGES IN RURAL–URBAN AND GENDER RELATIONS

Changes in the structure of trade networks are invariably experienced unevenly by market participants. Inequitable power relations, underpinned by market information, access and position, and available resources and capital, mean certain actors benefit, whereas others do not. I conclude this article by examining the impacts, and potential future impact, of intermediation in PNG’s marketplaces on rural–urban relations and on the gendered distribution of benefits.

Marketplaces have historically been an important link between rural and urban areas. They still are, but more and more rural producers are finding their role in this link has changed, that they are now more peripheral, and their agency diminished. In contrast to many other parts of the world, intermediaries in PNG’s fresh food marketplaces have not maintained power asymmetries in relation to producers through control over transport (although larger traders do purchase vehicles), storage or the provision of credit and agricultural inputs. Instead, their position is underpinned, as also occurs elsewhere, by deploying their social networks, their knowledge of the marketplace and prices, their willingness to take on risk, and control over market space (see Rigg, 1986; Russell, 1987; Sinha, 2020; for PNG, see Sharp, 2012, 2013, 2019).

In some PNG marketplaces, rural producers are being squeezed into less advantageous roles. This occurred in the trade of betel nut into Port Moresby. Betel nut producers from the Mekeo area were initially responsible for transport and the retail trade; however, ‘[i]n the mid- to late 1980s ... groups of unemployed non-Mekeo urban migrants mostly from the Highlands forcibly took over the retail trade’ (Mosko, 1999, p. 54). Producers are also largely limited to the producer role in the trade of betel nut into the highlands, although in this case it was enterprising highlanders who created betel nut as a commodity (Sharp, 2013). The displacement of producers is now evident in the Port Moresby fresh food trade where urban resident resellers pressure producers to sell to them—resellers have become fierce with their operations, and are forcing out growers from the markets. They do this by occupying most benches and spots at markets and leaving growers little space in the markets to sell’ (Paul, Omot, Linibi, Myers, & Palaniappan, 2015, p. 247; see Bonney et al., 2012). In Mt. Hagen’s main marketplace, resellers now dominate bench spaces, often permanently, compelling producers to sell on the floor, and in less-trafficked locations, or to onsell to intermediaries at lower prices (Chang et al., 2014). A similar situation in Kokopo led the market authority to redivide the market area to create more vending spaces and to instruct resellers how to behave over the public address system (Busse & Sharp, 2019, p. 143). The appearance of haggling—routine in betel nut trading and well established in fresh food transactions between producers and resellers—has also shifted power dynamics in marketplaces to the disadvantage of producers (Sharp, 2019; cf. Modjeska, 1985).
What is the likely impact of increased intermediary participation on rural production and rural livelihoods? Throughout the developing world, intermediaries are frequently blamed, often unfairly, for reducing returns to producers (Hollier, 1985; Rigg, 1986). At least in the past, a substantial proportion of produce arriving in PNG’s marketplace remained unsold each day (Bourke, 1986a; T.S. Epstein, 1982), so intermediaries may enable some producers to clear more produce and so compensate for the lower prices they receive for each unit of produce. For other producers, receiving prices lower than if they sold to end-consumers themselves will reduce returns. These producers either have to accept a cut to already low incomes or expand production. How different producers respond will be shaped by the resources each has available, and how they each value time and the opportunity cost of their labour—this is not solely an economic consideration (cf. Curry et al., 2015). Larger-scale production has expanded in some areas, particularly near Mt. Hagen and Goroka (Chang et al., 2014; Fujinuma et al., 2018), and these more commercial producers are best placed to benefit, but environmental and social limits constrain this option for some people. Producers with poorer access to land, including rural migrants with insecure access, and those unable to secure additional labour will find it more difficult to increase production—of course, some may become resellers themselves. Also disadvantaged are infrequent market participants from distant rural areas for whom total income is more significant than returns relative to labour or time. Their poorer knowledge of the market, and fewer alternative marketing options or income sources, also disadvantages them in their interactions with traders (cf. Rigg, 1986). More research is needed to understand the emerging power dynamics and the influence of intermediation on the interactions between rural and urban people, and between urban marketplaces and rural production. It is also important to understand how these changes will shape the contours of uneven development in PNG.

There are clear benefits of intermediation (see T.S. Epstein, 1982; Mintz, 1964). Producer-selling, on economic grounds alone, is an inefficient practice. Producers spend long periods of time marketing small amounts of food rather than in their gardens, and producers frequently struggle to reach economies of scale, so costs are often high relative to returns. Limited specialization is also connected to poor handling practices, inconsistent quality and supply and low connectivity between marketplaces. Because of this, increased intermediary participation has long been considered a desirable development for PNG’s marketing system (see Bonney et al., 2012; Department of the Administrator, 1965; T. S. Epstein, 1982; Menz, 1989; Spriggs et al., 2004). PNG’s transport network is fragmented and unreliable, spoilage levels are high and travelling traders face significant safety risks (Sharp, 2012, 2013; Spriggs et al., 2004). Long-distance wholesalers are beneficial because as specialists, they are better positioned to negotiate these conditions and so reduce the risks to producers. In the marketplaces, resellers also provide producers with assured and faster sales and often provide better service to the customer including longer trading hours and by providing a greater range of produce at a single location. However, the potential benefits are reduced when, as is common in PNG, resellers buy from producers at the end marketplace and so do not reduce the expense, time and risk of travel for producers. Producers also often have to wait before receiving payment, which reduces their time savings from intermediation. At Kokopo Market, the market authority has chastised resellers over the public address system for this practice (Busse & Sharp, 2019, p. 143). Profits accruing to some marketplace-based resellers do seem large relative to the service offered and the risk incurred (also Chang et al., 2014)—resellers in East New Britain and West New Britain typically set their selling price by doubling their buying price. Where marketplace resellers have forcefully inserted themselves into commodity networks, through crowding out producers from marketplaces, there is little appreciable market benefit.

At the same time, it is important to recognize that resellers are also securing urban livelihoods in PNG’s rapidly growing urban centres. Papua New Guineans are migrating from more disadvantaged parts of the country, where there are few economic opportunities and in some cases population pressure on land, to urban and better-off rural areas with good access to markets and services (Allen et al., 2005). And for many of those seeking a better life, reselling has become an important part of their livelihood repertoire. Reselling is also supporting livelihoods at a time when making a living in town is increasingly difficult and precarious (Sharp, Cox, Spark, Lusby, & Rooney, 2015). Resellers are putting children through school, feeding their families and supplementing inadequate wages.
The growth of intermediaries also has the potential to change gender relations. In general, men have focused on, and assumed control of, the most profitable economic activities. Men were prominent in marketplaces in the highlands in the period following their introduction; however, coffee production emerged soon after as a more lucrative and modern alternative, and men shifted their attention there (Jackson, 1976). As export crops emerged as a masculine domain (albeit dependent on women’s labour), fresh food marketing correspondingly became increasingly feminized (see Curry et al., 2019). Many men are embarrassed to sell in the marketplace, and many women would not want to see their husbands and sons do so. But growth of intermediary trade and increased returns from marketplace selling compared to returns from export crops has meant more men are now marketplace vendors, and fewer feel ashamed to sell, at least the relatively prestigious crops (Barnett-Naghshineh, 2019). Where men have been involved in marketplaces, it has tended to be in more commercially oriented, large-scale or long-distance trading and in the sale of introduced crops—all potentially more lucrative roles (Benediktsson, 2002, pp. 197–200; Jackson, 1976; Sexton, 1986, p. 43, 66; A. Strathern, 1984, p. 79).16 Men’s involvement in marketplaces is also higher where more profitable alternatives are absent (Jackson, 1976).

Male marketplace involvement exists along a gradient. The larger, more complex and more potentially lucrative the enterprise, the more men predominate. In my surveys at the Kaiwei betel nut marketplace (Mt. Hagen), men comprised 76% of wholesale traders (those selling whole bags), 17% of small-scale wholesalers (selling ‘half’ bags) and 5% of ‘group’ vendors (who sell small piles of betel nuts) (Sharp, 2012). A similar gradient exists for distance travelled (and therefore scale of trade) and male involvement (Benediktsson, 2002, pp. 197–198).17

The question is (cf. Mintz, 1971, p. 264), as this trend towards increased intermediation develops, will the financial benefits accrue more to men than women, and will men take some of the profits which have previously gone to women? Have men created new roles for themselves or occupied new space in an expanding market, or have they displaced women? This is mostly a question regarding the larger wholesalers rather than the small-scale marketplace-based resellers, who are predominantly women. There are some indications women are well represented in the emerging group of larger traders (Chang et al., 2014; Kanua & Bourke, 2017; Sharp, 2013; author fieldwork; Goroka and Hagen 2017–2018), but further research is needed on the increased specialization of both production and marketing to understand the implications these have for men’s and women’s places in the trade, and broader impacts of these changes and the likely future trends.18 If men do come to dominate the trader role, concerns about the distribution of benefits between producer and trader may also take a gendered dimension, as male traders appropriate a larger share of the value of production that currently accrues to women producers (see also Curry et al., 2019).

The rise of intermediaries in PNG’s marketplaces, alongside the growth of long-distance trading, the marketplace sale of ‘store’ goods, and the rise of bargaining and more competitive marketing dynamics, is a very significant development. The importance of marketplaces in PNG, due to the sheer number of people dependent on them for food or money, means even small changes can precipitate significant and far-reaching impacts. It is critical we understand the dynamics and trajectories of change, how these changes reverberate beyond the marketplace, and the emergent inequalities. The contemporary transformation of marketplaces in PNG also contributes to understanding of the development of intermediary trade in marketplaces elsewhere, including how sociocultural factors have influenced people’s responses to change.

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16 This is common in other developing countries (e.g., Babb, 1985; Mintz, 1971; Ottenberg & Ottenberg, 1962).
17 Men are also more involved in long-distance trading due to the risks associated with travel.
18 See Spark, Sharp, and Koczberski (2020) in relation to women’s entrepreneurship in PNG.
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