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STRATEGIES TO IMPROVE MARKET PLACES IN PAPUA NEW GUINEA

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Key Points

- Markets provide food and income for households, revenue for local and provincial authorities and are vital spaces for informal meeting and socialisation.
- The function of markets should be part of provincial and local policy and regulatory systems to enable planning and resourcing with governance structures.
- Close monitoring and supervision of the use of utility services under user pay arrangements at minimum rates would improve sustainability of services.
- Robust staff recruitment, training and management is vital for improved market services and revenue generation.
- Stakeholder collaboration is essential to maintain and enhance better functioning of markets.
- Women comprise the majority of market users, they should be represented in the operation, management and governance of markets.

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STRATEGIES TO IMPROVE MARKET PLACES IN PAPUA NEW GUINEA

By Elizabeth Kopel

Market places are important public spaces that provide a income and fresh locally grown food for most Papua New Guineans. Markets are also vital spaces for meeting, sharing or exchanging news and socialising. Local and provincial authorities benefit from market revenue raised through gate fees, letting of kiosks and other fees. Spin off economic activities such as transportation and related services create employment and business opportunities for small and medium enterprises (Keen and Ride., 2019; Kopel et al., 2017a; Kopel et al., 2017b).

Given the importance of markets, an enabling market environment must be created with appropriate policy and regulation, infrastructure, services and better management. This article is informed by evidence from a recent comparative study of four provincial markets in Papua New Guinea (PNG). The results revealed a number of lessons and best practices of how markets can be improved as briefly discussed here.

Importance of market policy and regulation

Incorporating the function of markets into local and provincial level policy and regulatory systems can contribute to ongoing planning, resourcing and sustainability of markets (Keen and Ride., 2019). A governance structure defines and sets clear roles and responsibilities of different stakeholders and guides implementation of market policy and regulations. Without policy and regulation, market by-laws offer some level direction for governance.

This is demonstrated by the East New Britain Provincial Government with the establishment of the Market Development Authority Act with a governing board. Market rules, regulations and penalties for non-compliance are defined in the Act which guides implementation. Management reports to the board, which comprises all key stakeholders including vendors and women's representative, and is chaired by the provincial administrator.

Strategies for improving markets and increasing incomes

There are several lessons of innovative ways that can

be used to boost the contribution of market places to vendors' incomes and government revenue. The strategies include the following:

- *Employ dedicated and skilled market workers*

It is important to employ staff through objective recruitment processes. Markets that recruit staff following established Local Level Government (LLG) and Provincial Government recruitment processes are more likely to employ skilled and or committed staff. Skilled workers including managers are better able to perform their functions well and this contributes to effective operations.

Kokopo Market, under East New Britain Market Authority, shows that a skilled workforce can contribute immensely to improve services by providing a conducive environment for local SMEs and vendors to operate and generate revenue at the same time. An experienced market manager provides the oversight and is supported by a dedicated core team of skilled personnel including an accountant, human resource manager and public health and nutrition specialist to monitor and enforce hygiene and food safety.

Furthermore, the managers of three out of the four markets covered by our study (Kokopo, Mt Hagen and Alotau) noted the apparent lack of basic skills of employees. They suggested the need for ticketing and security personnel to undergo training, which will equip them with basic skills of conflict resolution, communication and people management. Such basic training is vital for them to perform their duties well.

- *Provide infrastructure and services*

Building and providing ongoing maintenance of market infrastructure and services is critical. The role of management in monitoring and supervision of the use of services like water, toilets and electricity is necessary for sustainability of the services. Kokopo and Mt Hagen markets demonstrate two contrasting examples of the potential impact of management and supervision. Mt Hagen Market was redeveloped costing millions, but in a few years, toilets were blocked and water and electricity disconnected due to extremely high bills. The market has been operating without services for more than five years.

Kokopo, in contrast, has employees that closely monitor and supervise the use of toilets, water and showers under a user pay system which contributes to market revenue and sustainability of the services.

- ***Improve revenue generation strategies***

Transparent and efficient systems of revenue generation have the potential to substantially increase revenue. These funds can be used to pay wages, ongoing bills, as well as financing other expenses. For instance, Kokopo and Alotau markets are self-sustaining and this obliges them to operate at a higher level of efficiency to finance operational expenses including employee wages from market revenue. Self-sustaining markets require robust revenue collection and accountability mechanisms and need diverse sources of income. Managements need to diversify sources of revenue through other ways like letting of kiosks to SMEs so that the need for increasing revenue does not disadvantage market vendors by imposing higher fees.

- ***Maintain safety and security***

Effectively addressing safety and security issues in markets is essential to create a safe environment. Market regulations and by-laws can enable management to take swift action to address violence and disorder with serious incidents being referred to police. Alotau and Kokopo markets present best practice examples of taking decisive action to maintain safety compared to Mt Hagen Market where this has deteriorated over the years and the situation appears to be beyond the ability of management to address effectively. Incidents of bag snatching, harassment, open consumption of marijuana and home-brewed alcohol are common occurrences in the late afternoons after departure of staff. This issue requires ongoing presence and assistance of the police to address.

- ***Reduce political influence affecting markets***

Without policy and regulatory frameworks, some markets can easily be subject to political influence by vested interests. A good example of this is the Mt Hagen Market. Owned by the Hagen Rural LLG, it is one of the biggest markets in the Highlands, but it is influenced to a great extent by local politics.

Formal recruitment processes are not followed. Young men from local landowner groups with strong political links to elected LLG leaders in authority; without formal training

and skills, gain entry to employment at the market. These employees add little value to maintain or improve market services and revenue. Attempts to introduce changes and enforce rules to improve the system by an experienced, care-taker manager have been actively resisted. The biggest challenge has been trying to get the cooperation of staff to set an effective way for collecting gate fees. This leaves much room for market revenue to disappear into private pockets.

- ***Encourage women representation in market governance***

Women comprise the majority of market users; as vendors and customers. Yet very few, if any women are employed by markets in any capacity except in ENB Market Authority which has a women's representative on the board and women are employed in administration. Women should be represented at all levels of the operation and management of markets from ticketing to supervisory and management roles and board members.

- ***Create markets as places of business***

Designing and building markets as places of business where people can do more than just buying and selling fresh food would create business opportunities for small and medium enterprises (SMEs), revenue for local authorities and offer additional services for market users.

Kokopo market demonstrates how such market places could be established and managed. It provides kiosks that are rented by SMEs including a doctor's surgery, bank agent and ATM, cafeteria, horticulture supplier and other essential goods and services. It also provides billboard for advertising. This makes the market a place of business where market users can do a lot more than just buying and selling of fresh food. Providing additional space and services also raises substantial revenue for the market authority. There are huge potential benefits to replicate this approach in markets across the country.

- ***Address conflict between levels of government over market functions and revenue sharing***

Conflict over distribution of market revenue is a concern between provincial and local level government authorities in areas where the LLG owns the market and retains revenue while the provincial government provides services. This was exhibited by the Mt Hagen Rural and Huhu LLG

in Alotau which own the markets and retain the generated revenue. However, provincial administrations feel that revenue should be shared for provision of services. In Mt Hagen, there is a long-standing disagreement between city authority and Hagen Rural LLG over whose responsibility it is to remove waste outside the market (Taime, 2018). Key stakeholders need to have a mutual agreement on the roles and responsibilities of each party and the distribution of market revenue so that market operations can continue to flow smoothly.

- ***Create alternative spaces for vendors selling store goods***

Manufactured goods are banned in most markets and vendors end up selling on the streets. But street vending is considered as an eyesore and vendors are blamed for creating litter and ruining the image of towns and cities. Often, they are badly treated by authorities.

However, in Alotau, the provincial administration took an innovative approach by constructing a building called the 'informal market'. It is partitioned with kiosks which are rented by vendors. The local women's association has also put up a similar building.

Providing a safe space for vendors takes them off the streets, enables them to earn an income and rentals generate government revenue. This positive approach eliminates negative public perceptions of street vendors and avoids potential confrontation with urban authorities often witnessed elsewhere.

Conclusion

The function of markets should be part of local government policy and regulatory frameworks as it facilitates ongoing planning and resource allocation and provides a governance structure. Market policy and regulation with clear governance systems guide implementation. Combining policy with transparent and robust systems and processes of staff recruitment and accountability for generated revenue and effective management, can create markets as better places of business for all users.

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