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## **Livelihood, Social Capital and Market Organisation in Shaping Rural-Urban Interactions**

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### *Introduction*

In this paper, rural-urban interactions are considered as linkages across space reflected in the flows of people, goods, services, finance and information between urban and rural areas. We will draw mainly upon findings of research in West Africa, although our argument has a much wider purport. We do not attempt to exactly define the "urban" and the "rural", since every attempt in that direction is controversial. "Rural" activities like agricultural and livestock breeding occur in cities and an activity usually classified as "urban", such as manufacturing, may turn up in the countryside. Moreover, in Africa a settlement of 5000 people will be typically "urban" in morphology and functions, while in India a settlement of the same size is classified as "rural".

Over the last decades, rural-urban interactions in developing countries have expanded. For instance, in the famous West Africa Long-Term Perspective Study of the Club du Sahel (WALTPS), Cour and Snrech (1998) found that (1) population growth, (2) changes in the natural environment and (3) brutal exposure to world markets, occasioned a rapid increase in rural-urban interactions. Cities expand and extend their influence on the countryside, which in its turn modernises in many aspects of social and economic life. Export crops and food production for urban markets have made agriculture gradually more market-oriented. Urban markets influence rural settlement patterns and agricultural production in the sense that rural population densities have increased along the same geographical lines as urban markets have developed. However, while rural areas now quickly respond to urban demand for food, the flow of urban goods and services to rural areas generally lags behind. Firstly, this could be explained by the increased diversification of rural production, which directly meets rural demand for particular goods and services. The non-farm share of African rural household income is estimated at 25%-30%, while it amounts to almost 40% in the Sahel (Cour and Snrech 1998, p.55). Secondly, it is explained by the failure of urban areas to produce sufficient (both in quantitative and qualitative terms) goods and services for the rural areas. This is still considered to be the weak link, which has to improve if full complementarity between urban and rural areas is to be achieved. In addition, rural-urban interactions may comprise clear cut competition. For instance, the land market in the rural-urban contact zone is troubled by speculation and conflicts between modern and traditional law over property rights.

The three above-mentioned driving forces did not only alter production and the flows of goods, services and finance but resulted in a significant increase of mobility of people too. Today, the physical distance between urban and rural areas forms less and less a constraint for social relations. Migration from the countryside to the towns boosts and migration trajectories are becoming more complex. In West Africa, urban areas have absorbed two-thirds of the region's population growth. The proportion of town-dwellers rose from 13% in 1960 to 40% in 1990 (Cour and Snrech 1998, p.45-47). Soon, a clear-cut majority of the region's population will live in urban areas. The regional urban network takes the shape of a relatively normal rank/size distribution.

This being the general picture of rural-urban interactions in West-Africa, the question arises how these interactions are being shaped by the people concerned. We already defined rural-urban interactions as linkages across space of flows of people, goods, services, finance and information. We take these interactions to be reciprocal, i.e. to the possible benefit of both parties, rather than exploitative, i.e. at the detriment of one of them, generally the countryside.

Moreover, rural-urban interactions can only be properly understood if analysed as a manifestation of people's livelihood strategies. Therefore, we first elaborate on the concept of livelihood. Next, we will use this concept to improve our understanding of rural-urban interactions, grounding it with research findings in West Africa. We will show that social capital is a key-concept in understanding these interactions, and we will underpin our argument by case-studies of agricultural marketing networks.

### ***Livelihood***

As one of us already pointed out (De Haan 2000a, p.343), people in developing countries and poor people in particular, undertake manifold activities which yield them food, housing and a monetary income. "The most common of these are the production of crops, livestock, clothing and housing for home consumption; the production of crops and livestock for sale; trade; handicrafts such as basket weaving, pottery, carpentry; seasonal or permanent wage labour, which includes children; remittances by kin who have emigrated; loans, alms, gifts and sometimes corruption." Thus, a person's livelihood is not necessarily the same as he or she having a job. It does not even necessarily have anything to do with him or her working. Moreover, although obtaining a monetary income is important, it is not the only aspect that matters in livelihood. It is quite conceivable for somebody with a low monetary income to be better off than someone with a higher monetary income.

It is possible to talk about one person's livelihood. However, for that we prefer to use the term "livelihood strategies". In this paper, we reserve "livelihood" for the whole of livelihood strategies of a particular social group. Classic French geography looked upon the livelihood of a social group as its interaction with the natural environment in a particular region. Livelihood was not seen as inevitably determined by the natural environment, because social reality and force of habit were considered to be more important. But in the end it meant "a unity of interaction of livelihood strategies with the natural environment and because of that it had a clear, spatial identity, called the region" (De Haan 2000a, p.346). In those days, one could write about regions as more or less independent units, whereas nowadays, livelihood, even in the remotest corners of the world, experiences a multitude of influences from a broader national and international economic, social and political context. Moreover, it is not only the man-natural environment perspective that counts, as will be explained below. Therefore, a livelihood can no longer be regarded as a more or less closed regional system. To understand its present notion we have to re-conceptualise it.

According to De Haan (2000a, p.344), to achieve a livelihood people make use of various assets and resources, which are called capitals. People apply various blends of these capitals, which represent various strategies that result in different livelihoods. Thus, the actual mixture may change per livelihood, but being distinguished are: human capital such as labour, but also skills, experience, creativity and inventiveness; natural capital like land, water, forests and pastures, but also minerals; physical capital such as food stocks, livestock, jewellery, equipment, tools and machinery; financial capital such as money in a savings account at the bank or in an old sock, a loan or credit; social capital, referring to the quality of relations among people.

With the discussion on concepts such as entitlement (Sen 1981), claims (Chambers and Conway 1992) and access (Blaikie et al. 1994) it has become clear that the various forms of capital do not necessarily have to be held in private property. These concepts all refer to the general ability of actors to use the capital at reasonable, i.e. unimpeded, costs when needed and wanted. Land can be rented; water and forests can be communally owned; a plough can be borrowed or hired; food can be bestowed. What matters is one's entrance to the capital. According to Blaikie et al. (1994), every social group, every household and every member of it has a particular access profile to capitals, which depends on rights by tradition or by law and the way these are exercised. They differ per individual, per household and per group and they may also change over time. Actors like social groups, households and individuals decide on a choice of livelihood strategies on the basis of their access profile.

We consider livelihood as sustainable when the outcome of the processing of different types of capital is meaningful in terms of human well-being, and viable in terms of securing people against shocks and stresses. “Shocks are violent and come unexpectedly; stress is less violent, but can last longer. Both have their impact on one or more of the vital ‘capitals’. An environmental shock like a flood or an earthquake has its impact on natural, human and physical capital. Drought is an example of a high-level environmental stress; seasonality is a well-known example of low-level environmental stress” (De Haan 2000a, p.347). A major driving force of the change in rural-urban interactions in West Africa were the consecutive droughts of 1967-1975 and 1984-1986 that followed a period of relative high rainfall in the 1950s and 1960s. During the latter period, higher precipitation had allowed for higher rural population densities, the extension of farming to the North, and diminished the use of drought resistant crops. The subsequent periods of recurrent droughts not only forced agriculture southward, but also induced the flight of ecological refugees to towns in search of food and employment. Many of them stayed, and changed from rural to urban livelihoods. Many of those who remained in the countryside nowadays supplement their rural livelihoods with a temporary job in town, whereas other rural households are supported by remittances from migrants in cities. Another source of shocks and stresses is the economy. Precisely the economy was the second driving force behind the expansion of rural-urban interactions in West Africa, notably because increased market integration stimulated the flow of goods, services and finance between rural and urban areas. However, this occurred in an almost permanent state of shock and stress. “After independence, the new West African states were plunged into the world markets and into a level of economic competition for which they were poorly prepared” (Cour and Snrech 1998, p.35). They continued to depend on the export of low priced commodities. Investments to increase productivity and to diversify the economy failed. Loans to cover increasingly expensive import bills after the 1973 oil crisis resulted in a debt crisis in the 1980s. Price policies, aiming at low food prices in the cities, chronically frustrated the income generation of food producers in rural areas. Subsequent programmes of structural adjustment undercut social services and only reinforced the integration in low priced raw material markets. All the time, these countries remained heavily dependent on international donor transfers.

The impact of these environmental and economic shocks and stresses was aggravated by the third driving force, i.e. rapid population growth. Although sustainable development and population growth do not exclude each other by definition (see for an extensive argumentation De Haan 2000b), the average 2.7% annual population growth rate after 1960 made the shocks and stresses more dramatic. Next to higher precipitation, population growth had been the second reason behind the extension of farming to the North and the increased number of violent conflicts between farmers and pastoralists. After the drought, increased population densities hindered the southward drift of pastoralists and their flocks in search for wetter fall back areas. Nowadays, conflicts between farmers and pastoralists, resulting from competition over land and water resources, are frequent in southern regions too.

Sen (1981; Drèze and Sen 1989) has made an important contribution to the understanding of shocks and stresses that affect livelihood. His work demonstrates that livelihood does not only depend on direct access to capitals but also on how the use of capitals is embedded in a wider social, economic, political and natural context. He noticed that droughts result in famine only under certain conditions. First of all, people can run out of stock, but if they find employment to earn money to buy food, there would be no famine. Sen noted that food is sometimes exported from famine areas, precisely because of a lack of purchasing power. Second, where food scarcity leads to increasing food prices, markets would normally attract enough food from elsewhere, unless they are malfunctioning. Thus, according to Sen, various contextual factors like market organisation, the labour market and price policy contribute to or even cause the stress in livelihood.

In short, the concept of livelihood not just refers to access to, and subsequent processing of, capitals but to the particular interaction of social groups, households and individuals with their wider context as well. Livelihood is dynamic because people process capitals not automatically but with an open eye at opportunities offered by the wider context, as they are sometimes forced by the same context to resort to particular strategies. Thus, people are neither powerless objects nor free agents who can become whatever they choose (De Haan 2000a, p.350). This is important to remember when we discuss coping and adaptation and, after that, globalisation.

Coping is generally regarded as a safety mechanism. Coping mechanisms are short-term responses to secure livelihood in periods of shocks and stress and are specific manifestations of the livelihood. In the variable climate of the Sahel, people know that droughts may occur. Therefore, pastoralists are mobile and constantly for other regions to pasture their livestock. When droughts persist, such as during the 1967-1975 period, they fall back on wetter regions situated to the South. This is precisely what happened in Benin, where Fulani from Niger encroached the Borgou region. Sahelian farmers open up food stocks after a drought and collect wild food and hunt game. If these are used up, assets like jewellery or cattle are sold. All these are traditional coping mechanisms. Eventually, they migrate to towns in order to find non-agricultural income opportunities to buy food. This is a more recent coping mechanism. The same goes for reliance on international disaster relief. Thus, coping is a temporary response to shocks and stresses. If the latter are over, coping mechanisms fade away and normal livelihood returns. However, if the shock or stress becomes permanent, coping mechanisms will become permanent too and an adaptive livelihood will emerge. One might think that eventually the idea of adaptation will vanish and that adaptation will be considered as a normal livelihood. Adaptation is what we witness at present in West Africa. The increased exposure to world markets, the continued population growth and possibly (because still to be ascertained) climatic change, have first provoked coping mechanisms and finally resulted, because of their continuation, in an adapted livelihood. It is this adapted livelihood that gave way to and shaped the intensification of rural-urban interactions.

However, we do not think that some kind of an equilibrium has been reached in West Africa, represented by a stabilised adapted livelihood. In the present epoch of globalisation, equilibrium and stability are far away. We have to remember that many things that are today called globalisation were already around for a long time, such as the integration of production and consumption in world markets. It is the present speed and scale of the process that is new, especially since it is driven by the new information technology. Presently, there is a massive exchange of people, goods, services, finance, information and ideas, resulting in world wide markets and social relations. Events in one place are quickly echoed in other parts on the globe; each particular entity can only be understood within the framework of the world as a whole. Rather than a process, globalisation is a system that functions as a global unit. Within this system, stabilisation is an exception and coping and adaptation the rule. "Globalisation places a premium on flexibility and adaptability, and those least able to respond to change are likely to be those adversely affected" (Ellis and Seeley 2001, p.1). Thus, livelihood in West Africa is continuously in change. In particular, it is becoming increasingly multi-local, i.e. using capitals that are found in different locations, countryside and city alike. Besides, livelihood is becoming multiple or multi-dimensional, i.e. social groups, households and individuals combine various livelihood strategies. Nowadays, agricultural production is generally combined with rural or urban off-farm employment and trade. The general picture of livelihood in West Africa is therefore one of continuous rearrangements of strategies using various capitals in different locations. There is no such thing as *the* West African livelihood, therefore today one often speaks about livelihoods in plural. A proper understanding of rural-urban interaction can only be achieved if this general picture is taken into account.

### ***Networks: manifestations of livelihood shaping rural-urban interactions***

As argued in the preceding section, rural-urban flows can be considered as manifestations of livelihoods and because of the multi-locality and multi-dimensionality of livelihoods, flows of goods, services, people, finance and information "are not usually limited within the regional boundaries of a town and its hinterland. Migrants can go to a variety of places, including international destinations, and goods and services can be sold and purchased in many different locations. From the perspective of a rural household, the pattern of flows is thus more likely to resemble a *network* (our italics) involving multiple linkages with a number of villages and towns, rather than revolving around a single urban centre" (Tacoli, 1998, p.12). Thus, networks are the way in which livelihoods reveal themselves and shape rural-urban relations.

We consider networks as a set of relations, or ties, among actors. In this case, actors can be understood as either organisations and social groups, households or individuals. Social relations or ties may range from kinship, friendship and village membership to patron-client relationships, union or

political party membership and ethnic bonds. Social relations are not confined to a local scale. Even kinship becomes increasingly multi-local, with relatives migrating to various urban and rural areas. Any social relation can be mapped as a tie having both a content and a form. It should be noted that social relations can overlap and that people may be part of various networks. Note also that we consider with Granovetter (1985) all economic actions as embedded in social relations, which means that economic behaviour can only be understood as part of social behaviour. Markets, for example, have to be considered as social institutions as well. This implies considering the supposed non-rational residue factor of an actor's behaviour in economic analysis, as a rational choice instead.

The content of a tie can include anything from goods, services, friendship or love, money, information and advice. The form of a tie concerns the strength of the relation and may range from weak to strong. Relations between family members, friends and close colleagues are considered to be strong ties. It concerns people who frequently communicate with each other and with other actors in the same network, and who highly value their relation. Weak ties occur between members of different networks, i.e. between people who have less contact and who less value their relation. At first sight, strong ties seem eminent in sustaining a livelihood. In family and friends one has trust, and they are the first to call upon. Agricultural work and food are shared among family and friends in the village. Remittances from migrants in the city are mostly received by kin. Granovetter (1983), however, has pointed at an interesting issue that may also help to shed light on the value of different forms of ties for globalising livelihoods. He argues that weak ties are important for people looking for a job. Even the modern meaning of "networking" emerged in this context: people looking for a job benefit more from contacts with members of other networks than with the one(s) they are part of. Contacts with members of another network may yield new information about job opportunities or may once more lead to new contacts. This does not mean that complete strangers offer the most valuable information. Granovetter shows that employers in search of personnel prefer to recruit candidates who are vouched for by others. There is only one complication. People usually value information from strong ties as more trustworthy than information from weak ties. This may hinder the recognition of feasible opportunities offered by weak ties. At this point it is of importance to refer back to what has been argued about livelihood in globalisation. If globalisation places a premium on flexibility and adaptability, leading to continuously changing multi-local and multi-dimensional livelihoods, than this bonus on adaptation is perhaps better realised through weak than through strong ties.

Finally, Rose (1998, p.3) usefully summarises the relevant distinction between informal and formal networks that actors use in procuring a livelihood, at the same time revealing the overlap with strong and weak ties. Informal networks "are face-to-face relationships between a limited number of individuals who know each other and are bound together by kinship, friendship or propinquity. Informal networks are institutions in the sociological sense of having patterned and recurring interaction. Lacking legal recognition, full-time officials, written rules and their own funds, they are not formal organisations". Informal networks are therefore more likely to display strong ties. Formal networks "are rule-bound bureaucratic, have legal personality and secure revenue from the market or the state. A formal organisations can have individuals as its members", such as a political party, or its members can be organisations such as an urban NGO providing support to village credit co-operations. "Formal organisations are a necessary part of a *modern* (italics in original) society, for it requires impersonal bureaucratic organisations of state and market that can routinely produce complex goods such as automobiles". There are many links between informal and formal networks and sometimes the distinction between them is vague. "Even if a network has a formal identity, such as a rural co-operative, face-to-face networks tend to be horizontal and diffuse and an individual's reputation for helpful co-operation is more important than cash payments and bureaucratic regulations". Formal networks do not preclude strong ties, even though weak ties are more likely to occur than in informal networks. We will return to this matter after the following section.

### ***Rural-urban interactions: food trade in Benin***

The West African coastal state Benin stretches roughly 800 km from the sub-humid coastal zone at the Bight of Benin in the South to the semi-arid Sahel zone at the Niger river in the North. Because of the presence of various agro-ecological zones food production is highly diverse. However, when it comes to rural-urban interactions in the form of food trade, maize, yam and cattle stand prominent on a

national scale. These trades are in the hands of private traders and are integrated in larger international West African markets.

### *Maize trade*

Maize is produced both in the South and in the North, but only in the South it is a vital subsistence crop for farmers. Yet, the major maize granaries are located in the North.

Rural producers mostly sell their surplus in relatively small quantities, each time when household expenses of all kind need financing. Thus their maize stock represents a liquid type of physical capital. Relations between farmers and traders are flexible, i.e. most farmers seek maximum prices and sell to the highest bidder. Only few farmers prefer a fixed connection with a particular trader, which may assure them access to credit from the latter. The same situation is reflected among urban consumers. For lack of money to store large quantities, they regularly buy small quantities on nearby markets. Occasionally, credit is provided by vendors because of “social rather than economic considerations” as Lutz (1994, p.60) thinks.

Maize is traded from rural areas to urban areas (and in periods of shortage back to rural areas) through informal and formal markets. In the South, the first exchange of maize in harvest time takes often place along the road from the farm to the (formal) market-place. Assemblers, retailers and wholesalers await the farmers anywhere along the road. Difficulties of transport or lack of funds to pay (formal) market taxes are the reasons why farmers accept the risk of selling at a lower price than at the market-place itself. Farmgate sales represent another type of informal market transactions. These occur mainly in the North when quantities are large or roads inaccessible to public transport. Again, difficulties in organising transport play against the farmers. Subsequently, the maize finds its way through formal markets, starting with the village market where producers sell to consumers as well as to assemblers, retailers and local wholesalers. Most traders, in turn, sell the maize at the urban regional market, which has strong linkages with the village market. The urban regional market is both an assembly market in harvest time and a distribution market in the lean season. Especially in the North, some specialised urban transit markets exist, at which flows of maize are assembled and channelled to urban consumers markets, because in this area maize is mainly a cash crop and less consumed locally. The urban consumer markets are pure distribution markets where maize and other goods are sold by wholesalers and retailers, and bought by retailers and consumers throughout the year (Lutz 1994, pp. 61-63). In the period of abundance (June-January), maize is typically traded from the rural areas in the South and Centre of the country to urban areas in the South, and from the rural areas in the North to urban areas in Niger, and Togo to a lesser extent (Klaasse Bos and Van der Krogt 1991). In the lean season (March-June), the reduced supply from the South and Centre is taken over by the North.

It was argued in the previous sections that actors' livelihood strategies explain the way rural-urban interactions such as these maize flows are shaped. We already touched upon the maize producers and consumers strategies in Benin. Apparently, farmers consider their stock of maize as an account current from which they draw when cash is needed. This leads to the frequent selling of small quantities and laborious collection activities at the start of the marketing channel. Only commercial farmers in the North sell in large quantities. However, the poor accessibility and high transportation costs also orient their sales strategy towards informal markets at the farmgate or at the roadside. A fine-meshed rural collection pattern of markets is the result. The same goes for the maize distribution in urban areas. As most urban consumers have very limited financial capital at their disposal, they buy in very small quantities.

With respect to the livelihood strategies of other actors, Lutz (1994, pp. 66-71) distinguishes firstly wholesalers and retailers. Central in the marketing channel stands the wholesaler, both wholesalers-assemblers and wholesalers-distributors. The former buy from farmers and retailer-assemblers and sell to the latter, who in turn sell to retailers. Wholesalers completely depend on their own financial capital and the significant dissimilarities among them are precisely linked to this. Wholesalers with limited financial capital cannot invest in credit and storage. Their trade volume is low, their radius of action in buying is limited to two or three villages, and they sell at a single market. Despite their low turnover these petty-wholesalers perform an indispensable function at the first stage of the marketing channel. The number of wholesalers with much financial capital is limited. They more often buy from petty-wholesalers and assemblers and sell through a broker on the markets of large urban centres. They buy

much larger quantities and are able to invest in buying and selling networks. This means that they are also much more flexible in their choice of markets at which to buy and sell maize. This ability is crucial to understanding food marketing in Benin, because these traders are in fact the only ones capable of directly connecting rural supply and urban demand, which are situated hundreds of kilometres from each other.

Retailers in towns buy maize from wholesalers for sale to consumers at convenient locations and times. Moreover, by repacking, sorting and processing they are able to offer maize in the requested forms and quantities. When production zones are located nearby town, they sometimes buy directly from farmers. But they can only do so if their financial capital is large enough to buy enough maize to reduce the freight costs to an acceptable level. In any case their radius of action is limited. To increase the volume assembled, some retailers have set up assembling networks among each other. Next to wholesalers and retailers, a group of commission agents that consist of brokers and assemblers can be distinguished. Non-resident wholesalers arriving at the large urban markets of Bohicon or Cotonou find it hard, especially in the period of abundance, to sell their maize without much delay to retailers, whom, moreover, they hardly know. To spare time they store their produce at a broker's warehouse. Subsequently, and on a commission basis, the broker sells the maize on behalf of the wholesaler to retailers. The brokers knows the retailers well and often sells on credit, which considerably speeds up the sale of the wholesaler's stock. Several wealthy wholesalers do not even await the sale, but return to the production zone to collect new produce and cash in later. Some even just send a truck of maize to their broker without appearing in the city.

Assemblers buy maize on behalf of wholesalers at the farmgate, roadsides or village markets. Like brokers, they do not incur a financial risk since their transactions are pre-financed by the wholesaler. Their work is advantageous both to farmers and wholesalers. Farmers save time and transportation costs, whereas wholesalers save time as well and subcontract an activity for which specific skills are required. "[ ] assembly is quite a time-consuming activity: one has to attract farmers willing to sell their surpluses and negotiate a suitable price or measured quantity. Assemblers master the necessary local measuring techniques which consist of procuring the maximum of produce per unit measure, the price being more or less determined by the type of measure used" (Lutz 1994, p.69). In practice, the distinction between all groups involved in trading maize from rural to urban areas is dim. Depending on market, i.e. contextual, circumstances and personal factors, actors resort to coping mechanisms or adapt their strategies. Brokers may do wholesaling at their own risk if opportunities are good. Petty-wholesalers may turn into assemblers if their financial capital is insufficient to trade for their own account and may start to wholesale again alongside assembling for a wealthy wholesaler when their financial capital has grown again.

## **Figure 1 - Benin: main markets and trading circuits**

### *Yam trade*

Yams are produced in Central and Northern Benin and, next to locally consumed, mainly traded to the South, where the urban market of Cotonou constitutes the main outlet. Adanguidi (2000) distinguishes three separated and ethnically (Fon, Bariba-Tchabe and Dendi-Taneka) dominated trading circuits through which fresh and processed yams from different production zones are traded to Cotonou. Yams are purchased predominantly at informal markets in the production zones, i.e. mainly at the farmgate. Wholesalers who live here transport the produce to the city. Various reasons are found for the ethnic specialisation in trading circuits. Firstly, yams tend to have specific characteristics in taste and texture according to their production zone. Consequently, the consumers who belong to an ethnic group that originates from a particular production zone, typically prefer to buy yams that are grown there. Secondly, at the Cotonou market, the use of measures to determine weight and quantity differs according to the ethnicity of wholesalers and retailers. For example, Fon wholesalers sell by balance, a technique which is not mastered by their Bariba or Tchabe colleagues whom prefer to sell by pile or sack. The third reasons seems to be the most important however. Upon arrival of a truckload of yams in Cotonou, it is hard for the wholesaler to sell at once. Storage is needed, but storage capacity is scarce and, moreover, it is important to sell as quick as possible if prices are favourable. Therefore, each wholesaler guarantees his access to the market by cultivating relations with a group of retailers,

who typically belong to the same ethnic group. In addition, most produce is provided to these retailers on credit. The above-mentioned factors explain that the wholesalers mainly sell to retailers belonging to their own ethnic group.

To ensure sufficient storage capacity for the yam or yam flour, Fon wholesalers maintain good relations with the market officials who rent out storage rooms from time to time. In general, wholesalers need to be informed about the corruption bonus and the fraudulent under tenancy price. Therefore, the Bariba-Tchabe trading circuit includes brokers who have settled at the Cotonou market. They store the produce in their warehouse in exchange for a commission and subsequently sell to retailers, again for a commission. The advantage of this is that the brokers, because of established contacts, can sell to Fon retailers as well. The Dendi-Taneka wholesalers obtain the same result in a different way. They usually sell to semi-wholesalers at the market in Cotonou, who know retailers better than they do.

Adanguidi (2000, p.119) concludes that there is a strong personal content and a clear regional-ethnic bias in the various relations that constitute the trade organisation and, consequently, the type of rural-urban interaction. Although relations are personal, he does not consider them as power-neutral. Mainly because of differences in available financial and social capital, different actors in the trade organisation have different powers. Nevertheless, he considers this type of rural-urban interaction as a relation of partnership rather than patron-client.

### *Cattle trade*

Our third case comes from cattle trade in Benin. Compared to other West African coastal countries Benin has a large cattle population. Most cattle keeping is concentrated in the North, because the South is infested with the tse-tse fly. Some three quarters of cattle supply originate from pastoralists, and the remaining stems from farmers who mainly sell draught animals.

As in maize marketing, a distinction can be made between informal and formal markets, which are situated along the marketing channel that links rural and urban areas. The informal market is represented by farmgate transactions between pastoralists, farmers, butchers and traders, who sell and buy cattle respectively in order to expand herds, to train draught animals, to slaughter or to make a profit on a subsequent sale. Usually, three types of formal markets are distinguished. At collection markets, local traders buy from pastoralists and farmers. These markets are considerably less numerous, and consequently more dispersed than the village maize markets, indicating the importance of informal cattle marketing. Distribution markets are typically second level markets where local traders sell to long-distance traders, who in turn sell to butchers at the urban (terminal) markets on the West African coast. However, cattle flows between rural and urban areas in Benin reflect a more complicated picture (Quarles van Ufford 1999, pp.119-151). At least six local exchange circuits of one to five interconnected local (collection) markets can be depicted. Cattle is traded within and between these local circuits. The main, but far from exclusive directions are the regional markets of Kolokonde, a small village, and Parakou, the largest urban centre in the North and an important consumer market. As compared to the pattern of maize markets, Kolokonde can be considered a regional transit market, but it is far from urban. Parakou, on the other hand, is both an urban regional market and a large consumer market. From Kolokonde and Parakou, cattle flows are directed to the large consumer markets of Lome (Togo), Cotonou (Benin), and Saki, Ibadan and Lagos (Nigeria). However, each local circuit has one or two markets from which up to one third of the cattle is transported directly to these large urban areas in the South. Transport of cattle takes places either by truck or on the hoof.

As with maize trade, different types of traders can be distinguished in cattle trade. Yet, due to the diverging characteristics of the produce involved, both trades have developed their own specialisations and concomitant organisation. The maize trade organisation, as outlined above, is dominated by a relay type of transactions carried out by independent actors. In relay trade, in fact, the commodity is effectively exchanged and ownership is transferred from one actor to another (farmer-trader-trader-consumer). In network trade, no transfer of property occurs; the commodity changes hands between different representatives or employees of a chief trader (farmer-network-butcher-consumer). Both types of trade organisation are not mutually exclusive. Assemblers and brokers in the maize trade, for instance, act on behalf of wealthy traders and retailers sometimes purchase maize

through assembling networks. However, maize is much easier to standardise in terms of quality and measure than cattle. This makes the maize market more transparent and explains its organisation around the most ordinary form of consecutive transactions between sellers and buyers. Cattle trade is to a much larger extent vertically integrated and leaves less room for individual manoeuvre. Until about 1950, the cattle trade organisation in Benin much resembled the famous West African pre-colonial trading networks of the Haoussa and Dyula. The trading diaspora at coastal markets were made up of members of a particular ethnic group involved in long-distance trade, who had settled at the markets where the itinerant traders of the same ethnic group sold their commodities. As such they constituted trading minorities offering vital trade functions to itinerant traders such as lodging, translation, information, credit and maintenance of business relations. A homogeneous ethnic identity of the network, itinerant traders and their concomitant diaspora, bounded members together and made the spatial organisation along ethnic lines a functional one. Moreover, it created a useful distance to the host society at the expense of whom they made profits. Often diaspora lived in separate quarters. The preservation of a trade monopoly was facilitated by not assimilating with the host society but rather by conforming to cultural and religious norms accepted elsewhere. Although the cattle trading network in Benin until 1950 was made up of members of different ethnic groups, they strengthened the internal cohesion and realised an oligopoly by emphasising their common foreign identity. The subsequent expansion of demand and production, improvements in infrastructure and access to information, and the creation of new market places engendered a growth of trade and attracted many newcomers. The oligopoly of the small trading community disappeared but the network type of organisation persisted because it copes best with the specificity of the trade environment (Quarles van Ufford, forthcoming).

What can be said about the archetypal composition of a trade network? Central in the network is the network chief. His position is based on a combination of material wealth, prestige and an extensive network of personal relations. He decides upon most of the transaction details such as time schedule, numbers and destination, and takes care of all financial arrangements. For the purchase of cattle, the chief may employ various collectors. In relay trade, these would be independent retailer-assemblers. However, in cattle trade collectors are part of the chief's network. He advances them a certain amount to buy cattle at informal markets or at small local collection markets. Usually, the collectors are experienced cattle buyers who typically confine their activities to a specific area. Even at formal market places the collectors, as well as the traders, use the services of brokers. Brokers are omnipresent at cattle markets all over West Africa. For a fixed commission from both buyer and seller, they witness the transaction, assure the solvability of the buyer, the origin and state of health of the animal and guarantee that the animal has not been stolen. Typically, a broker is well acquainted with the cattle market in question and will try to find potential buyers for his clients who are mostly pastoralists. They entrust the broker with their cattle for sale. As such, he performs a crucial service to the negotiation process, alternately informing buyer and seller about the respective bids. Using their prestige and material wealth, traders attempt to encapsulate certain brokers by providing occasional, financial, favours. Brokers were found to be prone to provide erroneous information to a seller-pastoralist about the maximum the trader would be willing to pay or about the alleged absence of other potential buyers. Thus, establishing relations with brokers is clearly to the financial advantage of the traders (Quarles van Ufford, forthcoming).

An itinerant trader may be in charge of transporting the animals to the final destination market. Besides the cattle, a sum to cover various transactions costs is entrusted to him. Upon return, the sales revenue is returned to the chief in cash or in the form of consumer goods which he ordered before departure. Yet, most chiefs prefer to do the final sale on the destination market themselves. In the absence of price standardisation only marketing experience can determine the right price. Still, an experienced herder will take care of trekking the cattle over at least part of the itinerary. The risks involved in this, as well as the considerable value of cattle entrusted to the herder explain the observation that the chief typically prefers to maintain a network relation with this person so crucial for his trading activities.

At the sales markets on the West African coast, a crucial function in the trade network is performed by the landlord-broker who accommodates the itinerant long-distance traders and assists them in selling their cattle. In fact, he can be considered a cross-cultural broker, since the butchers to whom cattle is sold typically belong to a different ethnic group. The landlord is permanently established at the

destination market. A chief trader will usually deal with one landlord to whom he may be related by kinship, ethnicity or by common region of origin. To lodge the traders a landlord has one or more residences. He provides meals and market information and accompanies the trader to the market. Because of his acquaintance with the butchers, he is able to identify creditworthy and reliable customers and is even prepared to debt collection service. Until the departure of the trader he keeps the money and takes care of the administration (Quarles van Ufford 1999, pp.47-51).

### *How rural-urban interactions are shaped: livelihood and access to trade*

A livelihood in cattle trade requires at least a minimum set of human, financial or physical, and social capitals (Quarles van Ufford 1999, pp.176-178). Human capital, especially in the field of skill, comes first. Without any official interference in grading and weighing, the trader depends completely on his personal assessment of the quality of the animal, and of course his bargaining skill, to obtain the animal at a profitable price. This implies at least some experience in valuing the crucial qualities of an animal. Of course, this can be learned as an apprentice or through other experiences in the domain of livestock keeping. One of the explanations for the recent entry into the cattle trade of farmers, is that they have become more familiar with the peculiarities of cattle since they started using draught animals.

Financial capital stands next. In order to buy a cow today, a minimum sum of about 35\$ is required. For a mature bull up to 350\$ is paid. Cash payments are the rule at the informal as well as the formal cattle markets. But at the large consumer markets in the South, sales on credit do occur. Bank credits are hard to get, so the enterprise asks a considerable private capital. A starting trader usually needs property to convert in initial working capital, such as animals from his own herd. In that case physical capital makes a good substitute.

Social capital is indispensable for cattle trader, as it appeared from the discussion on the trade network. For a starting trader, it consists of a minimum of contacts to facilitate transactions. In the past, when there were few formal markets, a file of potential suppliers was indispensable as well. It is interesting to note in this respect that in the past the relationship with a trader constituted an important asset for a pastoralist as well, notably to get access to 'urban affairs'. A trader could, for instance, assist in contacting local authorities in order to resolve problems around tenure, cattle thefts and the like. Hence, upon establishment in a particular area, pastoralists would seek to contact a local trader in order to build a sustained relationship of 'mutual services'. Nowadays, this phenomenon has lost some of its importance.

Our discussion of the trade network already revealed that some vital elements of social capital are only available to chief traders. In fact, every trader can establish relations with the indispensable landlord-broker at the urban terminal market, but not every trader can afford to buy enough merchandise (20-30 head of cattle) to hire specialised herders for the trek or a truck. For small traders who with insufficient capacity for this, good relations with bigger traders are an essential asset.

To these capitals a new category may be added, i.e. information capital. A beneficial purchase can only be achieved if the trader is well informed about the price level at the market of destination. Moreover, knowledge of market places, cattle trek routes, truck hire and official regulations is equally important. When traders fraudulently export cattle to Nigeria they cannot transport by road, so they need up-to-date information on the trekking routes where customs officials will not be encountered. Moreover, one needs to know what price has to be paid for illicit taxes. If the trader does not possess this type of information it can be hired by engaging an experienced herder. It then becomes a matter of quality of contacts, i.e. social capital.

To enter the trade a minimum set of capital is required. Quarles van Ufford (1999, pp.178-191) identified three different entry modes. Firstly the kinship mode, which means that traders were encouraged by their fathers or uncles or even succeeded them. Benefiting from their experience, prestige and finance they set up their own trade. Occasionally, the type of business resembles a family enterprise, in which many family members are involved and business is transferred from one generation to the next. However, other traders try to avoid the potential danger of fragmentation and prefer to choose, after a careful selection procedure, one of their sons to inherit the business. A second way to enter the trade is as an apprentice. Apprentices do generally not receive a salary but are provided with food, lodging and education instead. An apprenticeship is characterised by the

duration of the relationship, the complexity and irregularity of rewards, internship and the necessity for mutual trust. Occasionally an apprentice may be a cousin of the trader. In due time, the apprentice performs more complicated and trustworthy tasks such as selling cattle at the urban terminal markets. Gradually, the apprentice may earn a salary and finally he will be 'liberated'. By then, he will progressively have accumulated his own working capital and will accordingly be able to set up a business as an independent trader, even though he will usually continue to maintain close social and economic ties with his former chief.

A third entry mode can be characterised as the self-made mode and consists of petty traders or farmers who independently worked their way into trade. Amongst them are a number of pastoralists who started as petty traders and accumulated enough capital to enter cattle marketing. Others were farmers, who invested earnings from cash crops in cattle and started selling it afterwards. Note that the distinction in three modes is somewhat artificial. Not all traders followed one distinct mode, but combined several. Nevertheless, the majority of traders benefited from kinship relations. Especially those belonging to a family enterprise had a head start and became wealthy traders, because they could easily expand and quickly engage in the lucrative long-distance trade. All others started at the lowest and local level, which apparently made it more difficult to become successful, because occasional failures immediately force them out of business. A combination of luck, business intuition, spreading risks and above all the capability of forging a solid web of trust relations keeps them in business and contributes to their success. These features attributed to their ability to sustain contextual shocks and stresses, such as currency devaluation, imports of frozen beef, political unrest and corruption. However, nowadays success seems more difficult to attain than before 1980. The cattle market in Benin has become more accessible and more transparent for a number of reasons discussed below, which has attracted more traders, made competition harsher and the chance for success smaller.

### ***Discussion: reassessing the role of social capital and networks in rural-urban interactions***

If one thing is clear by now it is that rural-urban interactions are shaped to a large extent by people's livelihood strategies, in the present case the strategies of maize, yam and cattle traders. It is also clear that although trade is an economic activity, rural-urban interactions are embedded in social relations and that networks, personal contacts, trust and prestige are vital determinants of the patterns we observe. This impels us to reassess the role of social capital in rural-urban interactions and consequently in livelihood.

There is not one definition of social capital and the concept is discussed in many other contexts than in relation to livelihood. According to the Social Capital Initiative (World Bank 1998, p.1) social capital "includes the institutions, the relationships, the attitudes and values that govern interactions among people and contribute to economic and social development". It is "not simply the sum of institutions which underpin society, but also the glue that holds them together". Within this overall perspective, three concepts of social capital can be distinguished. The original and most narrow concept is associated with Putnam's (1993) analysis of civic traditions, democracy and regional development in Italy. He explained regional differences in development by corresponding differences in social structures and networks. To him, social capital consists of social networks and associated norms that have an effect on the productivity of the community. He pointed at the tradition of rich networks of organised reciprocity and solidarity, embodied in guilds, religious fraternities and neighbourhood organisations in Italy, that laid the floor for successful economic development. Trust fostering norms, co-ordination of actions, information about trustworthiness of members and the potential to serve as platforms of collaboration for new types of activities make these networks so interesting to Putnam.

Secondly, Coleman (1988) defined social capital much broader, as a variety of different entities which have in common that they consist of some aspect of social structure and facilitate certain actions of actors within the structure. Where Putnam (1993) thinks that vertical relations based on authority have a limited capacity for collective action and economic performance and horizontal relations based on trust and shared values are more likely to have economic success (Bebbington 1999), Coleman values both horizontal and vertical organisations by arguing that certain forms of social capital may be useful for one action but useless or harmful for another. The key elements to Coleman are trustworthiness, the capability of information provision and the execution of effective sanctions.

Thirdly, Olsen (1982) and North (1990) include in social capital the most formalised institutional relationships and structures such as government, law and civil liberties. Clearly, these three concepts of social capital are not mutually exclusive but overlap and encompass each other. Although the debate about social capital sometimes takes euphoric dimensions, it is evident that it cannot be a panacea for development. Nor will social capital have positive effects to everyone in all cases. If it has positive effects on one group, it may be at the detriment of others.

Nevertheless, social capital clearly has the potential to enhance people's livelihood and one may expect that it improves its sustainability in terms of coping and adaptation. The role of social capital is particularly interesting with respect to the access it may provide to other capitals and to wider institutions of state, market and civil society. Especially Bebbington (1999) dwells upon the relationship between social capital and access both from the inside out as from the outside in. With respect to "from the inside out", he points at the mobilisation of social relations for accessing capitals, the so-called claim making. Shared cultural identity, strong intra-group communication etc. facilitate group members' access to local capitals. Examples are the access to financial capital through rotating saving schemes or to arable land through a common property regime. Moving up the scale, strong networks with state or civil society actors may facilitate access to health and educational services. In the same vein, networks to other market actors may open up new markets. Finally, on a national scale, strong social capital in the form of regional or national political parties or trade associations may influence trade policies. With respect to "from the outside in" Bebbington (1999) notes that little is known about how external institutions such as state institutions, can reach down to enhance people's access to capitals. He mainly points at synergistic relations in service provision between state institutions and local formal organisations.

From our discussion of the maize, yam and cattle trade it has become clear that social capital plays an important role in trade organisation and in the livelihood of traders, producers and consumers. Throughout the preceding paragraphs, topics like contacts, trust, information about trustworthiness of actors and trustworthiness of market information, stood prominent. In the organisation of the yam trade, strong personal ties and a clear regional-ethnic identity were depicted. Yam wholesalers must trust retailers that they will disburse once they sold the produce to consumers. Equally they must trust brokers that they will sell the wholesaler's stock at a reasonable price. Where written contracts hardly exist or can hardly be enforced because no collateral is at hand, trust on the basis of a long-standing experience with personal contacts and endorsed by regional-ethnic bonds, is the only alternative.

In the maize trade as well, wholesalers establish relations of trust with their broker who store and sell their produce. They also entrust assemblers money to buy maize at the farmgate, at the roadside or at the village market. Lutz (1994, p.60) believes that credit from retailers to consumers is provided for social rather than economic reasons. In view of the above, we think with Granovetter (1985) that economic and social considerations cannot be separated from each other. Providing credit to consumers is as much a socially embedded economic act as the provision of produce on credit from a wholesaler to a retailer. In the cases Lutz mentions, trust, i.e. social capital, substitutes financial capital which is scarce. As such, social capital guarantees the maintenance of the clientele and the continuity of the business.

Social capital is equally omnipresent in the cattle trade. Giving large sums of money to a collector to buy cattle demonstrates the confidence of the network chief in his collaborator. Sending illegally 30 head of cattle on the hoof over the Nigerian border to avoid customs controls and with the final goal to sell at more profitable prices at the Ibadan terminal market means putting a lot of confidence in herders. Several respected and wealthy landlord-brokers in the coastal towns of West Africa are retired long-distance traders. The image of being a retired trader conferred on these landlord-brokers the required position of neutrality. Social capital may have a religious underpinning too. In West Africa, the traditional trade sectors such as those for food grains and cattle are generally dominated by Moslem traders. Islam is often referred to as providing traders with a set of elementary trading regulations as well as binding them together into a supra-community. It provides a set of norms and values which have a significant impact on trade organisation and the strategies of traders. "For a long time, the function of landlord-broker has enjoyed considerable prestige. In the Islamic setting of long-distance trade, the fact of receiving multiple visitors certainly contributes to this.

'Guest are presents of God' a landlord once said" (Quarles van Ufford, 1999, p.22 and p.50). The title of *El Hadj*, earned by a completed pilgrimage to Mecca, adds to a trader's prestige and trustworthiness. For that matter, Bebbington (1999) would prefer to name this cultural capital. Note that Islam not only supported the bonds in the West African pre-colonial Haoussa trade networks and diaspora, but protected the minorities in the different trading towns from what Portes and Landolt (1996) call the downside of social capital. Successful entrepreneurs are often besieged by relatives and friends for support. They call upon their social capital to receive assistance from the wealthy businessman, which might become such a burden to him that the continuity of the business is threatened. The different religion of the diaspora made its members less vulnerable to claim-making from the host society.

A short explanation on the management of trading networks gives us a perfect insight into how social capital can be created, maintained and expanded. Three types of relations between the chief trader and his collaborators generally occur. Firstly, there are kinship relations between the chief trader and several of his subordinates. This is less obvious than it seems at first sight. Although sons do participate in his network, the working relation between the chief trader and his sons may be less close than expected. Given the often large number of sons in view of the polygamous households of many traders, and the danger of dispersal of the inheritance and decline of the enterprise when Islamic heritage laws are applied after his death, a father-trader may select his successor already at an early stage and transfer a substantial part of the business over to him. A more intense work relationship has therefore often been detected between a trader and his cousins.

A second type is the matrimonial alliance. In this case, certain individuals become linked to the chief through marriage with one of his daughters or female kin. In fact, this often concerns the revaluation of an employer-employee relation to a kinship relation and happens to the best performing employees. They will subsequently have much more opportunities to start their own business, but on the other hand remain close to the chief-trader.

Thirdly there is the employer-employee relationship, which usually takes the form of a patron-client relation. Here, the employee is 'indebted' to the chief because the latter rendered him one or more specific services such as the provision food, lodging and training or helped him out with regard to a particular problem. The client reciprocally performs trade activities for the trader. The apprenticeship discussed in the previous section is a good example of this type.

We may conclude this discussion on the meaning of social capital for livelihood as follows. Social capital plays a key-role in livelihood maintenance. It is defined as the institutions, relationships, attitudes and values that govern interactions between people and contribute to economic and social development. Social capital can be a value in itself because it contributes to people's sense of well-being through belonging and identity. However, crucial is that the processing of the other vitals capital to pursuit livelihood is mediated through social capital, because social capital accesses these other capitals to actors. Our analysis of the entry modes in cattle trade has convincingly demonstrated that social capital accesses a person to other capitals. Both the kinship and the apprentice mode of entry into trade, are types of social capital creation through which other vital capitals (information, skill, finance) in cattle marketing become accessible to the emerging trader. However, the self-made mode makes perfectly clear that the role of social capital should not be glorified to the extreme, nor that its importance be nullified. The self-made mode rather partly confirms the analysis of Granovetter (1983) about strong and weak ties. To become successful in cattle marketing, newcomers who do not belong to the inner-circle of insiders do have to create social capital but do so by exploring weak ties. Their entry was not facilitated by social capital based on strong ties, but in the first place on the possession of other capitals, i.e. skill and finance. Nevertheless, comparatively more success was booked through the kinship and the apprentice mode which falsifies Granovetter's opinion of strong ties. With respect to the informal and formal kinds of networks identified by Rose (1998), we did not come across any significant formal network in trade organisation that contributed to traders livelihood. This complies with our general impression that rural-urban interactions in West Africa, also when it concerns flows of people, mainly comprise of informal networks.

More practically, social capital consists of (1) relationships of trust, reciprocity and exchange that facilitate co-operation, reduce transaction costs and provide safety-nets amongst actors; (2) networks, either vertical or horizontal that increase people's trust and ability to co-operate and expand

their access to wider institutions; (3) membership of more formal groups which often entails adherence to common rules, norms and sanctions (DFID 1999).

Through social capital the quantity and quality of the other forms of capital can be improved. Mutual trust and reciprocity lower the costs of working together. Lower costs improve the efficiency of economic actions and therefore reinforce financial capital. Rules and sanctions prevent the overexploitation of natural resources and induce its conservation. When people are linked through common norms and sanctions they may more easily form new organisations to pursue interests including claim-making in the political domain.

Finally, at least two additional vital capitals (next to human, natural, physical, financial and social) have been detected in the analysis of rural-urban interaction, i.e. information capital and religious/cultural capital. We feel that there are good arguments to classify religious or cultural capital under social capital since religion is so closely linked to norms, sanctions, trust and formalised groups. However, in the case of trading strategies it was appropriate to discuss them separately. The same goes for ethnicity (see also Quarles van Ufford and Zaal, forthcoming). With regard to information capital, time and again our analysis showed that information is provided through networks of social relations and even that information (about trustworthiness of the members) is one of the prerequisites of a successful network. However, in the case of marketing, information does not necessarily have to be obtained through social networks and in fact will soon not be at all if the formalisation of markets continues at the present pace. Therefore it may be advisable to include information as a vital resource in the livelihood analysis of rural-urban interactions.

### ***Conclusion***

We have oriented our analysis of modern rural-urban interaction to livelihood strategies that shape the flows of food items from rural to urban areas in West Africa. By paying attention to food trade we were also able to pay additional attention to other interactions such as flows of people and information. Our approach showed that it pays off to analyse rural-urban interactions such as trade as socially embedded economic activities. Through an analysis of networks and social relations we have determined the prominent role of social capital in livelihood. The processing of vital capital to pursue livelihood is mediated through social capital, precisely because social capital facilitates access to these other forms of capital. We therefore consider social capital as a historical prerequisite in linking the rural and the urban.

One question that remains to be answered concerns the perseverance of our conclusions in the light of increasing globalisation. Market structures in West Africa increasingly formalise. This formalisation appears with the emergence of more formal markets, new modes of market organisation and the subsequent decline of traditional institutions as brokerage. This results in a tendency from highly personalised informal exchange configurations between buyer and seller towards impersonal formal market relations. Informal markets become outshone by formal markets. Brokers on formal markets give way to marketing committees, official registration transactions. Price information is increasingly distributed through public channels and more rapidly available, reducing the benefits of network information. Yet, this tendency unevenly develops in different markets. We have already pointed at differences between the maize and the cattle market. Standardisation is easier in maize trade than in cattle trade, which explains the prevalence of relay relations in maize trade as compared to network relations in cattle trade. Moreover, formalisation in market relations is more ahead in more densely populated areas with a certain volume of market production than in sparsely populated, remote areas. We expect that increasing formalisation will result in a decline of the significance of social capital in market relations. On the other hand, because globalisation places a premium on flexibility and adaptability, we postulate that the bonus on adaptation is easier to cash by maintaining social capital.

### ***Abstract***

This paper examines the rapidly changing linkages between rural and urban areas in West-Africa. It starts from the premise that economic actions can only be understood if looked upon as embedded in social structure. Therefore, the concept of (sustainable) livelihood is elaborated. Livelihood is taken to

emanate from the interactions of actors with vital capitals. These are embedded in a wider natural and politico-socio-economic context. It is argued that in the era of globalisation livelihood increasingly becoming more multi-dimensional and multi-local, spanning rural and urban areas at the same time. Moreover, it is argued that exactly because of the social embeddedness of economic activities, it is necessary to pay special attention to the importance of social capital for livelihood.

Changing rural-urban linkages in West-Africa are considered in this paper focussing in particular on trade in food, i.e. maize, yams and cattle. Expanding flows between rural areas and urban outlets are analysed against the background of livelihood strategies of traders, paying special attention to trade organisation, networks, entry modes and accumulations paths. Herein, the role of social capital is highlighted. Social capital is considered as a historical prerequisite in linking the rural and the urban. The paper further explores to what extent this still holds in the globalisation era.

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