

Between formal and informal: Pharmaceutical wholesaling in Ghana questioning current modes of regulation



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To question pharmaceutical wholesaling

- To participate to **discussions on formality/informality in the offer of services, public or not, in Africa**
- Pharmaceuticals: an **ideal window** into studying **contemporary societies and understanding their evolutions**
- One of the most **dynamic and lucrative economical fields**
- From early 1980's, pharmaceutical anthropology study the "**social life of pharmaceutical**": different "**biographical stages**", from which **wholesaling has not been much studied**
- Without considering bureaucracies, to **question regulation between State and Market**

Methodology of the research (2014-16)

- ✓ Study of the **formal pharmaceutical wholesaling in Accra**
- ✓ **Ethnographies** in the **Okaishie market** with a **wholesaler-retailer** and with a **wholesaler-importer**: **40 sessions of participative observation of 4h each**
- ✓ **Semi-directive interviews** with
 - 10 retailers + following when they purchase
 - 33 heads or sales representatives of wholesalers or firms
 - 3 informal intermediaries in Okaishie
 - 10 institutional actors (regulation agencies, transnational actors)

Research question

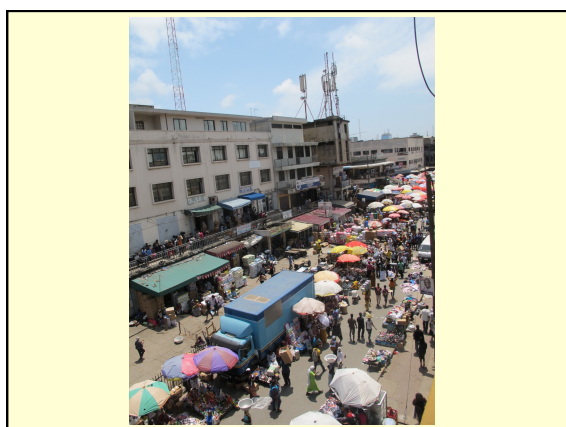
- **From pharmaceutical wholesaling in Ghana**
 - what do we learn about **contemporary markets' modes of functioning**, between **formal and informal**?
 - what do we learn about **negotiations and tensions** between **State regulation** and **Market regulation**?
- **Current analysis on informality** question more globally **neoliberalism** as a **political and economical system** (Falquet et al., 2006; Tarrus, 2015 ; Dozon, 2015 ; Gonçalves, 2017; Boudreau, Lesemann, Martin, 2017 ; Smart and Smart, 2017 ; Missaoui, 2017)

Pharmaceutical wholesaling in Ghana

- **640 wholesalers in Ghana, 300 in Greater Accra Region**
- **different size** for those wholesalers: capital, variety of supplied products, agencies, agents
- the **major part are Ghanaian**, some with Indian or European capital
- lots of them are **importers** but some import only 1 product
- the **Ghana pharmaceutical market**: "**local products**", "**Indian products**", "**UK products**" (big pharma)

Okaishie market, « mother of drugs »

- A **central place** for pharmaceutical wholesaling in Ghana
- "**Drug lane**", located from the 1950's in the oldest market area of the city (material, jewellery, clothes, shoes...)
- ✓ **7 private buildings** made with **more than 100 companies** working on pharmaceuticals, **mostly wholesalers** (it goes inside)
- ✓ On the outside, **pedlars and stalls** selling every kind of commodities (plastics, dishes, material, shoes, gas bottles, etc.): gives the **impression of being in a urban market**
- ✓ The major part of the companies has **licences** from the **Pharmacy Council**
- It is indeed a **formal** pharmaceutical market but in reality...



Confrontation between regulation and practices

- **To be supervised by a pharmacist** (Pharmacy council)
 - this pharmacist **must not be the owner** of the place: an **employee**
 - often, he has **no daily presence** in the shop, he **rents his licence**
- **To sell only to licensed retailers** (Pharmacy council)
 - pharmacies, drugstores, public and private health centers, authorized wholesalers
 - Ghanaian **informal retailers**
 - **informal wholesalers** from **French speaking countries**: important clientele (number, big purchase, cash)
 - **informal intermediary** or "independent sales reps": **helpful for retailers and wholesalers**

➤ **Anybody can bulk-buy pharmaceuticals in Okaishie**

Confrontation between regulation and practices

- **To sell only authorized products** (Food & Drugs Administration)
 - **informal sellers** who introduce **non registered products** "from Nigeria": no shops, present in streets...
 - some **products** that are **not yet registered** (in progress / FDA)
 - some **products** that are **not anymore registered** (chloroquine)
- Some employers who **sell products** in their **employer's back** + **informal intermediaries' activities**: **practices which favour the sales of those products**

An assumed functioning through the market

- Those **3 types of informalities** are **not all at the same level**
- The fact that **wholesalers can sell to anybody: few criticisms**
- On the issue of the **size of clientele: do not force the market**
- The issue of **informal intermediaries** and different size of societies: **market model of development widely valuable (self made-men)**
- From **intermediary, to license wholesaler, to importer, to importer of "their own" products, to manufacturer**

• **'Success story' and 'self-made man'**

« *He started with Alaxin (antimalarial drug, Indian firm). He was selling, carrying bags, going like round, selling those small small medicines to the market women... And he met one Indian man, the indian man approached him and he said he has one product called Alaxin and he want him to help him market it. So the Indian man gave our man just a box to go and sell it and our boss sold it and brought the money back to the Indian man. So the Indian man give him 2, he sold it, he brought the money, he gave him 5, he sold it, he brought the money... He gave him a carton, he sold it, he brought the money... As times goes on, it was increasing... Till now that he is one of the biggest in the market... »*



An assumed functioning through the market

- All those actors **contribute to the market: reaching the farthest customer, the more remote area**
- All of them are **working to build the market: "we have marketed this product"**
- This functioning is **not called into question, not challenged** by health authorities


A context of neo-liberalism

- With pharmaceutical wholesaling in Ghana, we are in a **neo-liberal context** as analysed by Michel Foucault (2004) and Loïc Wacquant (2012)
- It is the **State who produce the economic competition's rules**
- It is **his task to help the market functioning**
- "In neo-liberalism, *economic activity justify ultimately public action, it is the very first reason of its legitimization*" (L. Jeanpierre, 2006)
- **Market is prioritized** over anything else (health concerns), most of all taking into account the **size of the clientele** (informal actors)
- the **3rd informality**, linked to **products and quality**, is more **criticised** by institutional actors: strong FDA

➤ **But those 3 types of informalities are not well intertwined?**

Conclusion: ambivalence of pharmaceutical neoliberalism

- **Informality** integrated to **State practices: informal & formal are interdependent** (Goncalves, 2017), « **gouvernemental informality** » (Smart & Smart, 2017), « **State informalization** » (Boudreau, Lesemann et Martin, 2016)
- **New markets for global companies** through informality: "**poor to poor**" (Tarrus, 2015 ; Missaoui 2017)

 **Conclusion: ambivalence of pharmaceutical neoliberalism**

- In the **global neoliberal context**, **informality** seems to be **inherent** to the **functioning** of all types of **business**
- For **pharmaceuticals**, does neoliberalism go for sure with **potential quality problems** and possible **bad effects on health**?
- Those phenomenon are **complex** and **ambivalent** because it goes as well with
 - **making a living for lots of people**,
 - **wealth production** (South to South)
 - **wider financial and geographical access to pharmaceuticals...**

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