

Original Article

# Tertiary Activities in Ambohimahasoia: a Factor of Urban Development

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**Abstract** - This article attempts to contribute to the tertiary activities' analysis of the dynamics of adaptation and resilience of economic actors and urban and rural populations in the context of the expansion of economic conversion towards the production of intangible services in the face of ever-increasing local demands due to population growth. In light of the case study presented in this article, activities related to the tertiary sector are expanding in the urban center of Ambohimahasoia. This has allowed other related activities to develop and generate a migration dynamic. The presence of the RN7 is one of the main factors in the urban expansion of the city of Ambohimahasoia. It's a crossroads, a relay, or a link between several urban centers where the tertiary activity's development, notably trade, transport, and tourism, is interdependent. This situation leads to the progressive tertiarization of this city, resulting in various urban development causing a tertiarization of economic activities and a change in the morphology of the urban landscape, hence the trend towards urbanization.

**Keywords** - Ambohimahasoia city, Land use planning, Tertiarization, Tertiary activities, Urban landscape morphology.

## 1. Introduction

One of the profound changes in economic activities during the 20th century is the "tertiarization" of developed economies. Generally, the notion of "tertiarization" corresponds to the development and expansion of the service sector in an economy. The notion of services, for its part, refers to public services or even to "all the activities (most often commercial) of financial institutions, transport and communications, household services and business services" (Petit, 1988). Gradually, in response to different contexts (economic growth, periods of crisis), the production system in Madagascar has adopted, including the Ambohimahasoia area, through a reallocation of resources from the goods' production to the production of services (tertiary sector). Tertiarization is statistically manifested in particular by an increase in the share of service activities in GDP and by an increase in the percentage of the working population in the tertiary sector.

The development of the specific economic potential of this locality, which is part of the Central Highlands, is often confronted with various competing uses of the territory where the imperatives of economic growth shape the socio-economic mutations of the city of Ambohimahasoia over the years.

## 2. Methodology

The research approach first proposes an analytical framework that defines the basic concepts before applying them in this study of the city of Ambohimahasoia. To better understand the dynamics of this phenomenon of tertiarization of the local economy of Ambohimahasoia, a documentary review is necessary, which reveals interesting historical elements in understanding the economy. For this purpose, a deductive approach was adopted, which goes from the global case to the particular case study, that is to say, a bibliographical exploration of the research area, with various establishments and institutions (both public and private), fieldwork and the elaboration of sketches to illustrate the documents, the work of data processing and writing. In the second phase, the availability of more explicit hypotheses is essential to design questionnaires that will guide the qualitative and quantitative surveys to verify the initial hypotheses. In the end, considering the various indicators, a current socio-economic urban inventory of fixtures is the fruit of a great mutation in history from the postcolonial period until today. The study area, subject to a notable development of economic activities, competes with other localities located along the RN 7, thanks to the dynamics of tertiary activities. The article also aims to contribute to developing new approaches by analyzing the figures collected during the research work.



### 3. Results, Figures, and Tables

The term "Ambohimahaso" literally means "the hill of well-being." The most practiced activities are mainly market gardening and rice cultivation in the valley and on the slope without forgetting cattle, pigs, and sheep breeding. The creation of the city is due to the presence of two national roads, RN7 and RN25. The town of Ambohimahaso was a storage area for agricultural products intended for export to Manakara's port during the colonial period.

In 1932, it played an important role in the country's economy with the presence of the canning and confectionery factory founded by P. LABORDE and P. LACHAIZE. As a result, the city was the third locality to benefit from electricity in the country because the founders of this industry distributed their energy to the local population free of charge.

On the first hand, the city of Ambohimahaso is an area of flow of agricultural products, livestock, necessities, and luxury products ... from Ambalavao and Fianarantsoa. On the other hand, Ambohimahaso is a supply zone for these same products for the other rural communes.

It plays three different functions:

- a function of responsibility due to its status as the chief town of a sub-prefecture,
- a function of information due to the various schools in its territory, and
- a function of enrichment through the sale of products.

On the second hand, the city of Ambohimahaso influences its surrounding communes by its service offer, and on the other hand, economic operators and beneficiaries are blocked.

The territory of the city of Ambohimahaso is the field of action for several activities. It ensures a function of responsibility with the help of the implantation of deconcentrated technical services in its territory, even if it occupies only 5% of the active population. In addition, it facilitates the population's daily life, responding to their need for standardization of administrative letters. Deconcentrated technical services in the urban commune of Ambohimahaso influence the local population by attracting them to it. In addition, deconcentration helps the population in the district of Ambohimahaso to benefit from the proximity of services. It also ensures its role in the tertiary social sector, notably the educational service through the presence of training centers, the various private and public schools, and high schools.

In general, the population of the city of Ambohimahaso has benefited from the establishment of deconcentrated technical services in its territory. At first sight, the proximity of the services has a low cost of displacement. Secondly, the products are consumed by the inhabitants of other localities.

The development of business parks and services contributes to local taxation's improvement. Services are a source of employment. They play an important role in the functioning of these cities and thus contribute to sustainable local development.

Business and service areas are developing in other large urban centers. Commercial tertiary activities' mutation has generated a new space occupation. In the case of the study area, service activities have been established essentially in neighborhoods that are privileged places for these activities in market areas. The role of the pole of attraction of these peripheral communes, thanks to the decision-making power of the deconcentrated services of the State, falls essentially to the district capital.

The development of social services offers local services for the local population, such as health and education. The social services established in the city's districts solve the population's daily life. The characteristic features of the rural landscape persist in the city. This character is marked by the predominance of agricultural activities in the city center. According to field surveys, in 2005, 82% of the active population worked in the primary sector. In the space of 10 years, in 2015, a new distribution of the active population according to sectors of activity shows a clear evolution in favor of the tertiary sector, which employs 32% of the active population (see table n°01). This rate is constantly increasing thanks to the urban economic dynamic.

**Table 1. Distribution of the active population by activity sector in Ambohimahaso**

Sectors of activity	Rate of the active population of Ambohimahaso		
	2005	2015	2020
<b>Primary sector</b>			
Agriculture	64,30	47,42	44,04
Farming	13,19	12,08	10,18
Fishing	4.34	3.12	2.33
<b>Total</b>	<b>81,83</b>	<b>62,62</b>	<b>55,55</b>
<b>Secondary sector</b>			
Handicrafts	0.43	5.08	6.44
<b>Total</b>	<b>0.43</b>	<b>5.08</b>	<b>6.44</b>
<b>Tertiary sector</b>			
Transport	0.66	2.47	3,35
Trade	2,04	7.84	10,35
Hotels	1,56	3.81	4,36
Financial institution	0.55	2,7	3.35
Civil servant	11.76	12.95	13.40
Other	1.17	2.53	3,20
<b>Total</b>	<b>17,74</b>	<b>32,3</b>	<b>38.01</b>

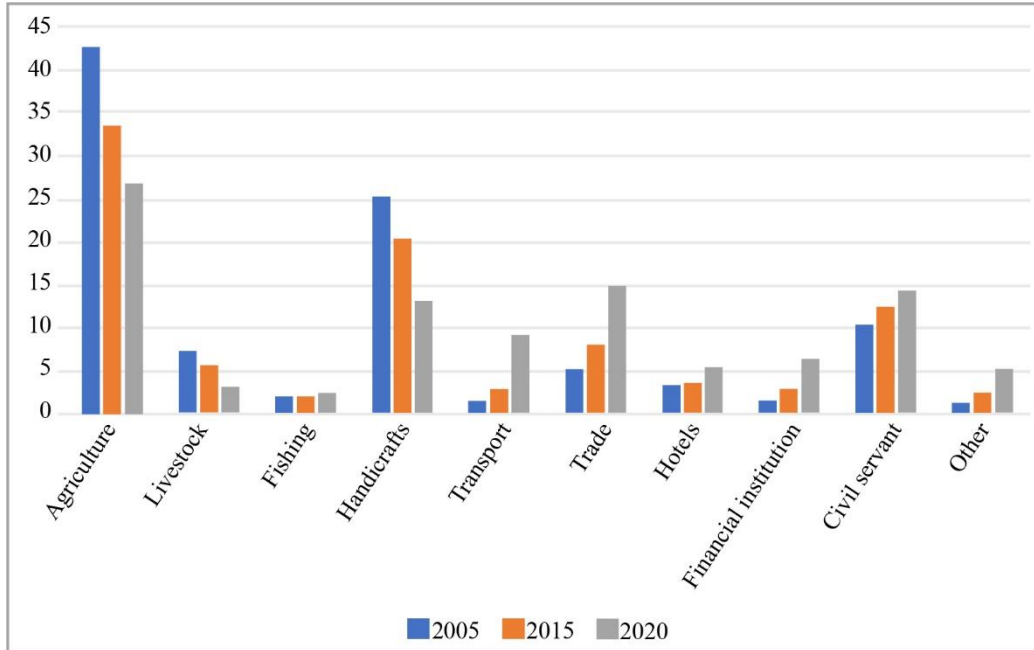


Fig. 1 Evolution of the active population rate of Ambohimahasoa

For the primary sector, the activities most commonly practiced are market gardening, rice cultivation in the lowlands and on the terraced slopes, and cattle, pig, and sheep farming. The breeding of laying hens and other poultry is also beginning to emerge in the city's outlying fokontany neighborhoods, such as Ambohimanatrika, Anteviahitra, and Ampanidinana. Primary sector activities are beginning to diminish to the detriment of tertiary sector activities, which tend to develop, particularly trade, transport, financial institutions, and tourism, in the neighbourhoods of the fokontany of Atalanta and Avaratsena (see Figure 1).

The urbanization process of the city in question is favoured by the development of economic activities that are increasingly turning towards tertiary activities, dominated by small-scale commerce. This situation led to the progressive urbanization of the city of Ambohimahasoa, which is the result of various territorial developments marked by changes in economic activities. The evolution of tertiary activities consumes space at the level of the fokontany in the urban centers, namely Atalanta, Avaratsena, and Anteviahitra. This situation reflects the spatial impacts of tertiary activities. If we compare these two sketches, i.e., the 2010 sketch and the 2020 sketch, the evolution of the residential area, the significant evolution of the educational and sanitary infrastructures, the financial institutions, the hotels, and restaurants, have marked the spatial impacts of the dynamism of the tertiary activities in Ambohimahasoa (see sketch 1).

#### 4. Debates

In the context of this article, the tertiary sector is in strong expansion, favored by the public administration and the local population as the main solution to problems related to the local development of the territory; it is questioned because of the disorganization it generates due to the lack of anticipation in the face of the inescapable economic transition at various scales.

The city of Ambohimahasoa has located 347 km from Antananarivo and 58 km north of the regional metropolis of Fianarantsoa. It is a crossroads city on the main axis of the RN 7. The tertiary activities have stood out thanks to tourism's omnipresence in hotel infrastructures and related services. The passage of the RN7 in the study area has favored the development of commercial activities in the Fokontany of Antalata and Avarantsena. The city constitutes one of the frequent stops of the taxi-brousses which connect Antananarivo to Toliara and also of the Regions of the Highlands towards the small Eastern coastal cities of the Regions of Vatovavy, Fitovinany, and Atsimo-Antsinanana, day and night, to recharge themselves with the delights of the local meals provided by the restaurants and gargotes and also to stock up on typical local products as "voan-dalana." These are day and night activities provided by grocers, hoteliers, restaurateurs, gargotiers, and small traders of local handicrafts, jars of honey, and fruits, to satisfy the demand of passengers using the RN7.

In this city, there is a tendency towards the tertiarization of activities, particularly the predominance of commercial activities. The dynamic urban economy is linked to commercial and service activities. Among the dominant tertiary activities, the commercial activities hold a predominant place since the trade offers a monetary circulation, thus a remarkable economic surplus value while urging the local development of the zone. In addition, the local market seems to have been a necessity of social life from the beginning, and trade necessarily develops for the convenience or the betterment of the inhabitants. From now on, the two markets (Atalanta, Avaratsena) without forgetting the big weekly market (Tsenan'Asabotsy), the small shops of the first necessity products and especially the hotely gasy which are the most influential contributions to the animation and the commercial dynamism of the city.

The emergence of new tertiary activities and products resulting from the new technology of information and communication, namely the digital activities marked by the satellite channel, the multiservice, the cybercafé, the cell phones, and its accessories, also supports the tertiarization of the economy. They are also means of communication breaking the isolation and making the information more fluid. This new branch of tertiary activity is translated by the proliferation of computer services such as micro-publishing and multiservice, cybercafés, video games, hairdressing salons, points of sale of recharge, and cash points.... have taken a major place in the daily life of many city dwellers of Ambohimahasoa.

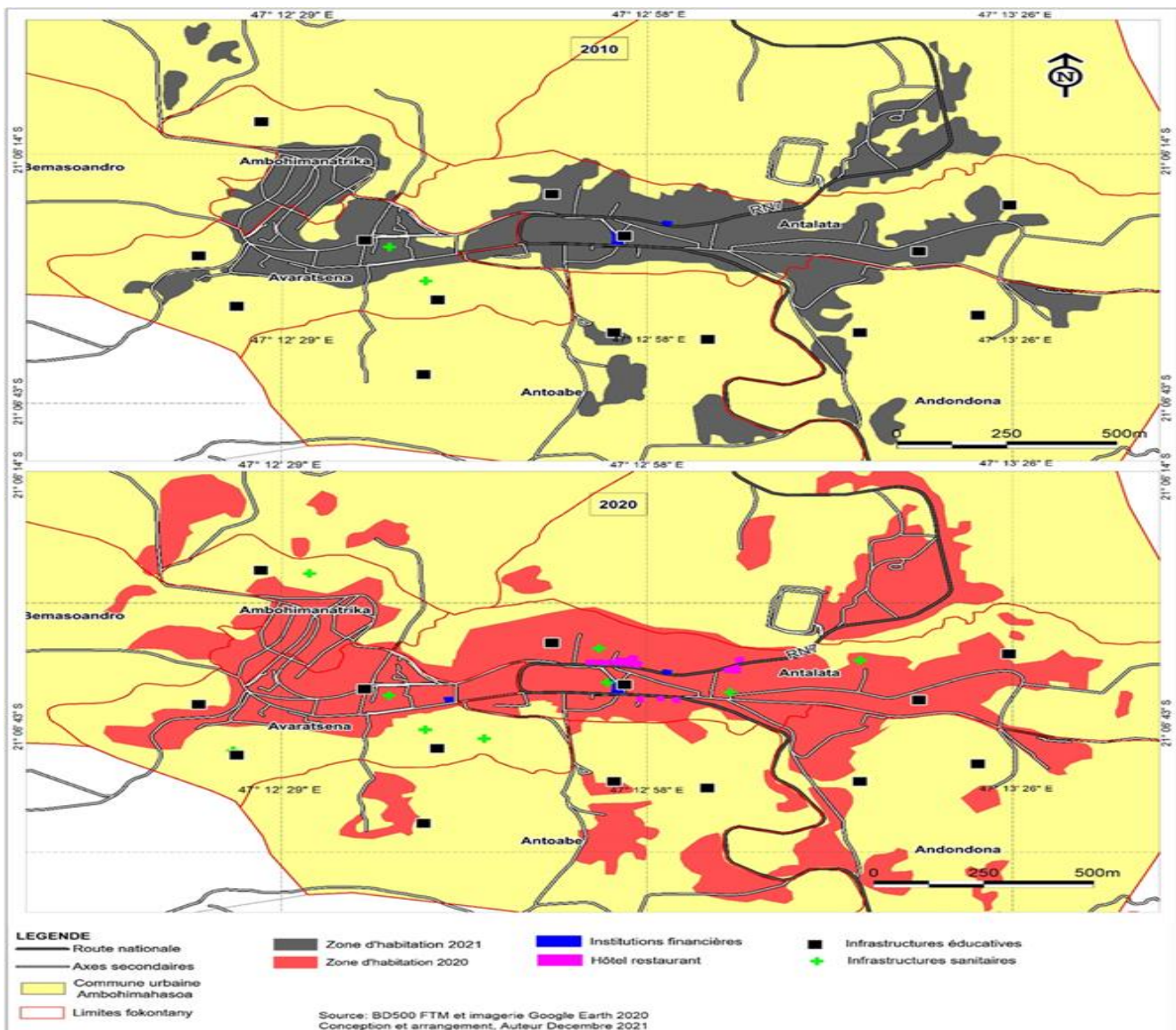


Fig. 2 Spatial evolution of tertiarization from the year 2010 and the year 2020 in Ambohimahasoa

Often presented as a panacea for the creation of decent jobs in the face of the multifaceted crisis and the opportunities of economic globalization, tertiary activities have offered mixed results in recent years. They struggle to promote integrated, more harmonious economic practices that frame a local development process. The current models have difficulty considering the plurality of actors and interests at work in the urban territory. On the contrary, there is a proliferation of unfair competition due to the development of informal trade.

Moreover, because of the urban space, trade, like all adjacent areas, is subject to phenomena of diversification and intensification of tertiary activities. It is necessary to identify the effects of the practices of other migrant actors on the one hand and, on the other hand, the resilience of the local working populations who benefit from the development of their space.

## 5. Conclusion

Many new tertiary services meet the daily needs of the local population. It should be noted that development indicators and their spatial arrangements are very visible. The urban center is the center of these tertiary services, which constitute a sector capable of boosting the economic development of a locality.

These changes can be characterized simply as a change of occupation that is important for the population. However, the tertiary activities of cities in non-industrialized countries have not led to a significant increase in income or an improvement in living conditions. The most visible expression in Ambohimahasoia is the development of services using low-skilled labor, mostly community services, dominated by small retail businesses requiring virtually no technical specialization.

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The tertiarization of Ambohimahasoia's economy is accompanied by numerous economic and social changes, some of which constitute a real challenge for the public administration. It is a sector that employs administrative, social, or commercial tertiary. Its main characteristic is that it also occurs in the informal sector. As in many other developing countries, it is a sector (a term first used in the 1972 Kenya Report) that employs most of the working population. But the entrepreneurial units that make it up are small and unproductive. To this end, the urban morphology tends to be semi-formal and concerns more diversified services with the appearance of various micro-enterprises.

Concerning the development of the territory, tertiarization has been done in a very schematic way in Ambohimahasoia. The migratory flow and the rural exodus have led to a demographic birth in an already saturated city. Also, the expansion of the tertiary sector was not done without some difficulties related to the logic of urbanization. The development of business parks and services has contributed to the improvement of local taxation. Service activities continue to create jobs, improve the city's functioning, and achieve sustainable local development.

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