

RURAL MARKETS AND NIGERIA'S ECONOMIC DEVELOPMENT: A CASE STUDY OF SELECTED MARKETS IN BAYELSA STATE

¹Bomiegha Ambakederemo & ²Sylva Ezema Kalu

^{1&2}Department of Marketing, University of Port Harcourt, Nigeria.

ABSTRACT

As far as rural markets are concerned, they have a long history in Bayelsa State. Rural markets have helped to enhance the distribution of commodities that are produced in the locality with a view to broadening the local economic base. Social interaction in the rural market has also enhanced intra and inter communal harmony and by extension promoted peace and economic development. The high level of poverty and infrastructural deficit in the rural market communities engendered mass rural-urban migration with a negative impact on agricultural output and living standards. The methodology adopted a descriptive approach and covering four major rural markets in Bayelsa State, and using simple percentages estimation to evaluate data collected. Recommendations include urgent need for rural market reform and a deliberate literacy development programme as well as development of modern infrastructures in the rural communities.

Keywords: *Rural markets, infrastructural deficit, market reform, communal harmony.*

1. INTRODUCTION

The rural market in Nigeria is a market that is physical in nature and deals on mainly crafts, foods, services including labour that exchange for money from buyers. One of the features of most rural markets is that it is periodic. Hodder and Ukwu (1969) in Kio-Lawson et al (2015) described rural market as an institutionalized activity occurring at a definite place and involving the meeting of people at a particular time or an authorized public concourse of buyers and sellers of commodities meeting at a place or less strictly limited or defined at an appointed time. Referring to Hodder and Ukwu (1969), Kio-Lawson et al (2015), described the rural market as traditional periodic market and that it plays a very important role in the social and economic landscape of Africa, noting that it is a source of growth “which helps to shape local social organization and provide one of the critical modes for myriad peasant communities into a single social system”.

In Nigeria and indeed Bayelsa State, rural markets are vital socio-economic institutions which enhance social relationship. Rural markets exist world-wide and reflect the local culture and economy of a particular community which sometimes determined the location and the name of a rural market. An example of this is in Adegboyega E. O. (2013). “The King`s market is often located near a King`s palace”. The sizes of rural markets range from a few stalls to several blocks of stalls.

Apart from providing opportunities to meet neighbours while getting household food supplies, rural markets serve as focal points of rural interactions where people can meet and form social groups and associations (Adegboyega E. O. 2013).

In Bayelsa State, there are several rural markets in all the 8 Local Government Areas of the state hence a major crux of this study, focusing on the organizational structure of rural markets, functions of rural markets and characteristics of rural markets in Bayelsa State. Rural market creates value and generates income for operators and earnings for the local authorities as well as the national economies of African Countries including Nigeria.

1.0 STATEMENT OF PROBLEM

Rural communities have long been associated with poverty, misery and under-development. Rural markets are believed to have the potentials of transforming communities for good, but determining the degree and extent of rural transformation arising from the presence of rural markets have elicited previous research efforts by famous scholars including Kio-Lawson, Datanjo and Chikagbum. So far, extensive studies on rural markets and economic development have not provided sufficient theoretical literature on the phenomenon, hence, this study intended to bridge this huge gap.

1.1 OBJECTIVES OF THE STUDY

This study is meant to achieve the following objectives:

1. To determine the extent of relationship between income generation in rural markets and improved standard of living.
2. To establish the extent of relationship between the pricing of goods and services in rural markets and economic stability.
3. To ascertain the level of relationship between the quality of goods and services in the rural markets and economic development.
4. To determine the extent of relationship between social interaction in rural markets and communal harmony.
5. To establish the level of relationship between the distribution of goods and services in rural markets and customer fulfillment.
6. To ascertain the extent of relationship between location of rural markets and development of other ancillary businesses.

1.2 RESEARCH QUESTIONS

For the purpose of the study, the following research questions are considered relevant:

1. Is there a significant relationship between income generation in rural markets and improved standard of living?
2. Is there a significant relationship between the pricing of goods and services in rural markets and economic stability?
3. Is there a significant relationship between the quality of goods and services in the rural markets and economic development?
4. Is there a significant relationship between social interaction in rural markets and communal harmony?
5. Is there a significant relationship between distribution of goods and services in rural markets and customers' fulfillment?
6. Is there a significant relationship between the location of rural markets and development of other ancillary businesses?

1.3 RESEARCH HYPOTHESES

Six sets of hypotheses in the null form were formulated for the purpose of verification in this study.

Hypothesis One

H₀: There is no significant relationship between income generation in rural markets and improved standards of living.

Hypothesis Two

H₀: There is no significant relationship between pricing of goods and services in rural markets and economic stability.

Hypothesis Three

H₀: There is no significant relationship between the quality of goods and services in rural markets and economic development.

Hypothesis Four

H₀: There is no significant relationship between social interaction in rural markets and communal harmony.

Hypothesis Five

H₀: There is no significant relationship between distribution of goods and services in rural markets and customers' fulfillment.

Hypothesis Six

H₀: There is no significant relationship between the location of rural markets and development of other ancillary businesses.

1.4 SIGNIFICANCE OF THE STUDY

It is believed that this study will be valuable to the various stakeholders in the functional area of marketing. Such stakeholders include the academic community, professionals and their associations as well as the authorities that regulate the practice of marketing and they are to benefit from the study's expected contribution to the literature on the subject matter of rural markets and economic development.

1.5 SCOPE AND LIMITATIONS OF THE STUDY

The study covers selected markets in Bayelsa State and limited to four selected rural markets. Most rural communities in Bayelsa State are only accessible by water transport thereby taking too long to source information. Secondly, the primary data sought for the study were hampered by illiteracy-induced suspicion prevalent among rural dwellers, thereby causing them to release information with extreme caution.

2.0 LITERATURE REVIEW

This study shall review some available literature on the subject matter (Phenomenon) by notable Nigerian and foreign research scholars.

2.1 CONCEPTUAL FRAMEWORK

Rural markets are physical location for exchange of goods and services, and usually located in rural areas. They are established to enhance the distribution of commodities produced locally with the primary objective of expanding the local economic base of the rural people. Rural markets also serve as centres of exchange of ideas and civilization through social and political interaction.

The conceptual framework for this study is hinged on the phenomenon of rural markets and their contribution to economic development. Accordingly, the independent variable (Rural Markets) is made up of six variables consisting of income generation, pricing of goods, quality of goods, and social interaction. Other variables of the independent variable considered are distribution of goods and location of rural markets. These are matched respectively with those of the dependent variable-standard of living, economic stability, economic development and communal harmony. Customers' fulfillment and growth of other ancillary businesses are also considered.

2.2 MARKET DAYS

Rural markets are predominantly periodic markets as they are held on days allowed according to the norm of the people such as traditional rest day or on a day when they were accustomed to converge upon a central place for social and religious activities (Ehinmowo, A. A. and Ibotoye A. O. 2010). In Abayomi (2008), rural markets are mostly periodic markets which specialize in the subsistence goods trading. This is to enable households goods get to individuals on periodic basis usually every four days.

Rural markets according to Ehinmowo A. (2010) are mainly periodic because it is labour intensive and there might not be enough goods to sell if the markets were to meet everyday.

2.3 THEORITICAL FRAMEWORK

Rural markets blossomed as communities trade in commodities in which it has absolute advantage and in return purchase those items which are needed but not produced within their geographical confine. Rural markets also developed due to insecurity arising from intertribal wars that were common then for the purpose of gaining territorial influence and to conquer more servants as labour for extensive agriculture, internal security as well as fortify the military powers of kings against external aggression.

Historically, it is not easy to know the exact date and when periodic markets came into being, because a lot of factors are responsible for emergence of markets in rural areas. When periodic markets first originated, exchange of goods required a mutually convenient time and place, and one party or both had to travel to common place to trade. The time and place for commercial gathering had to be standardized because potential traders and consumers had to

know where and when to meet (Skinner, 1964). As confidence grows between individuals exchanging their respective goods, local markets spring up. The rural market theories of endogenous and exogenous factors are explained within the framework of orthodox and unorthodox theories. The orthodoxy view dates back to Adam Smith “Wealth of Nations” that rural market has developed as a result of internal and local exchange within the village. On the other hand, unorthodox view explains that surpluses within the village are not sufficient to encourage marketing activities which leads to inclusion of long distance traders in the periodic market with external stimuli.

The market activity strengthens the social relation, weakening of self sufficiency, and increase in specialization and subsistence level of production (Reddy .S. 1994). As a result, the entire process of development of rural markets and its combined interplay of internal and external factors led to the socio-economic development of the region.

With the improvement in communication and telecommunication, rural markets have cut across regional boundary. This improvement has allowed the introduction of urban elements into rural settings and creation of more administrative units in the rural areas, thus, opening up more marketing opportunities in each clan and increasing the economic prowess of rural periodic markets. This improvement had also contributed to spatial expansion of these markets. This expansion is reflected in the rise in the number of rural markets that have metamorphosed into modern markets in Bayelsa State.

2.2 Rural Markets in Bayelsa State

Rural markets in Bayelsa State are predominantly periodic in nature with name derived from the community. All local governments in Bayelsa State have at least a rural market serving various communities within and beyond the local government area.

2.3 Swali Market

The Swali Market used to be opposite the BDGS school environment, which now serves as the Niger Delta University`s Law campus in Yenegoa local government area of Bayelsa State. It metamorphosed from a periodic market (Twice a week) and features more now as a daily market. It derived its name from the Swali Community popular for its reverine transportation as people come from within and outside the state to patronize it. As in most rural markets, it can be observed that the markets fulfilled the characteristics of a typical rural periodic market such as, all sellers on the same commodities are seen in rows; all traders from a particular clan are seen in rows thereby a representation of area of specialization. Another obvious characteristic of the Swali market in Yenegoa is that there is bulk buying and selling, a common feature in rural periodic markets. The dominant products in every rural market vary and reflect the economic geography of the people. Prices of products are cheaper in Swali market since the geographical area has the advantage to produce over others but as the goods move away to other markets in another geographical area that does not have the capacity to produce such goods or where production is low, price tends to rise.

2.4 Akenfia Market

The Akenfia Market is situated within the Yenagoa metropolis in Bayelsa State, its main market day is on Mondays, when traders and customers far and near come to sell and buy. Goods sold are mainly agricultural products and fairly used clothes. The market operates as a periodic market but has also grown to become a daily market.

2.5 Kiama Market

The Kiama Market is a daily market situated at the riverside in Kiama town of Kolokuma/Opokuma Local Government Area of Bayelsa State. The centrality of Kiama to other neighbouring communities both by road and water transport made it an attractive location as a rural market setting. It is known for the sales of plantain and fish at very cheap prices.

2.6 Other Rural Markets

There are rural markets in the entire eight (8) Local Government Areas of Bayelsa State. Almost all of the markets have evolved from periodic markets to daily markets. For example:

Agbere Periodic Market: It operates every four (4) days and is situated in Agbere Town in Sargbama LGA of Bayelsa state. Traders come from the community and neighbouring towns of Odi, Kiama etc in Colokuma Opokuma LGA of the state. The advent of road transport few years ago has helped to promote free flow of people and goods in Agbere rural periodic market.

2.7 The Roles/Functions of Rural Markets in Bayelsa State.

2.7.1 Economic Function: Economic factor was the primary factor that gave birth to rural markets in Bayelsa State. For instance, in Swali market in Yenegoa town, the dominant products are garri, starch, fish, yam, plantain and vegetables. Thus, on a market day, the villagers would carry these products to the market in exchange for those commodities in which the village do not have the capacity to produce. In the course of trading on goods and services, income is earned by traders and even the communities gain by way of local levies, fines and donations.

2.7.2. Social Functions: A spirit of oneness is promoted in the rural market in Swali market of Bayelsa State. Information of common interest is easily passed around in the rural market days. New friendship and marriage opportunities are created. People of diverse ethnic groups enjoy a high degree of integration made possible by the presence and interactions on rural market days.

2.7.3. Cultural and Religious Functions: The environment of the rural market promotes culture and religious activities. Cultural performances such as wrestling and religious

activities such as evangelism or ministration usually take place at such venues and market days.

2.7.4. Political Functions: Rural markets serve as veritable venues for political activities such as rallies and campaigns. Also, rural market administration has evolved into a serious political issue, hence, the political element of the rural market cannot be over- emphasized.

2.8 STRUCTURE OF THE RURAL MARKET

The structure of the rural market can be better appreciated in the context of the link between the consumer flow processes as shown in the diagram below:

Quadrant I Rural Seller-Rural Buyer (Intra Rural) All Products	Quadrant II Urban Seller-Rural Buyer Consumer Goods/services/Agro inputs/farm products
Quadrant III Rural Seller-Urban Buyer Farm and Non Farm products	Quadrant IV Urban Seller-Rural Buyer (Intra Urban) All products

Figure1. Rural Buyers-Sellers Matrix

Quadrant I: This explains a situation in which both the buyer and seller are rural. This is a subsistent economic system in which all rural produce is consumed within the system.

Quadrant II: This explains how urban products are sold in a rural market.

For QII and III: It is necessary to develop urban-rural marketing linkage, so that both urban and rural products can freely move across the markets. Marketing should work as a process of motivation to deliver and improve standards of living of rural people.

2.9 WHY RURAL MARKETS BECAME SIGNIFICANT

1. Increase in population, and hence increase in demand.
1. A marked increase in the rural income due to agrarian prosperity.
2. Large inflow of investment for rural development programmes from government and other sources.
3. Increased contact of rural people with their urban counterparts due to development of transport and a wide communication network.
4. Increase in literacy and educational level among rural folks, and the resultant inclination to lead sophisticated lives.
5. Inflow of foreign remittances and foreign made goods in rural areas.

6. Changes in the land tenure system causing a structural change in the ownership pattern and consequent changes in the buying behavior. The general rise in the level of prosperity appears to have resulted in two dominant shifts in the rural consuming system.

3.0 CHALLENGES FACING RURAL MARKETS

There are problems impeding the growth of Rural Markets in Bayelsa State, Nigeria. These problems have persisted due to the interior nature of rural communities. They are lack of effective transportation infrastructure, poor telecommunication systems and lack of appropriate warehousing facility. Other problems that have shifted the potentials of rural markets are lack of awareness in branding and substandard packaging of produce meant for customers from urban areas. Public relation is essential in all marketing situations yet rural market suffers setback due to the absence of same, hence, its development is hampered.

3.1 RURAL MARKETS AND ECONOMIC GROWTH OF NIGERIA

As Nigeria pursues a deliberate programme of economic diversification, rural markets serve as a source of raw materials and other economic produce for export as opposed to the mono-product economy that has created disequilibrium for the Nigerian economy with no foreseeable end in sight. Nigeria as an import dependent country lacks adequate supply of foreign exchange to meet the increasing demand for goods and services by her citizenry.

There is no doubt that the proceeds arising from the exportable rural market goods will serve as a buffer to the Forex base of the country. It is believed that the local currency will be strengthened against all other international currencies in the forex market as the benefits of a diversified economy elicited by rural market forces begin to hold sway. This is in addition to opportunities for gainful employment in the real sectors of the national economy with the multiplier effect of increased national income through various internally generated revenue sources that will also improve funding to other critical sectors for national development purposes.

3.2 RURAL MARKETS IN BAYELSA LGAs

Bayelsa State consists of eight local government areas which are:

- Brass
- Ekeremor
- Kolokuma/Opokuma
- Nembe
- Ogbia
- Sagbama
- Southern Ijaw
- Yenagoa

Each of the local government areas has community rural markets which are also periodic markets. In Kolokuma/Opokuma local government for example, there is the Kiama market that attract patronage from around neighbouring communities and even local government areas. This is also true of the swali market in Yenagoa local government area and now serves as a market with rural setting, though situated in the state capital.

Our target population in the rural market is made up of sellers and buyers.

3.3 METHODOLOGY

The study is a descriptive method. The Secondary data were collected from different sources, such as, textbooks, magazines, articles and website. Four rural markets were covered by the study. These markets are Swali Market, Akenfia Market, Kiama Market and Agbere Market, all now easily accessible by road. Simple percentage estimation was used to evaluate the collection of responses.

4.0 DISCUSSION OF RESULTS

A total number of 405 questionnaires analyzed produced the following results: On the sex representative of those markets, female made 66.7% of the sample population and male 33.3%. This is an acceptable rate because in most rural markets especially in Bayelsa State, women usually dominate the highest population while the men are mostly seen in providing services such as umbrella repairs, cobbler, meat selling and cart pushers.

The occupational status shows that out of four hundred and five respondents the civil servant are 10% and some are shop owners. Trading women carry the highest number of 40%, Farmers are 21.7% indicating that the people still practice farming activities during non-market days and bring their products to market. Student respondents, apprentices and other are 21.7%, 4.2% and 2.5% respectively.

The opinion as to the relationship between income generation in rural markets and improved standard of living standards, the responses indicated a significant positive relationship of over 95%. The agrarian rural economy provides a veritable source of income as farmers can sell their produce in the rural market and purchase their needs. Non-farmers and non-traders also benefit from the flow of income through the provision of services. Pricing of goods in rural markets is perceived to have significant relationship with economic stability as shown by the responses.

Rural markets goods are agrarian mostly, and naturally quality is not compromised. This might account for the high response that quality of goods is directly related to economic development through high turnover and high profits. This corroborates with the cardinal objectives of rural marketing which is to promote socio-economic development.

Social interaction is a notable characteristic of the rural market and the responses did not deviate from the fact. An environment that encourages social interaction ultimately achieves

communal harmony. The rural market is proven as a veritable platform for positive and progressive interaction.

Most rural markets are situated at the rural communities where distribution of goods and services is hampered by poor transportation system. This challenge has increased the overall cost of goods which is later passed on to the customers by way of high prices of goods and services and attendant frustration on the innocent customers, hence, their fulfillment leaves much to be desired.

It is expected that rural markets where trading activities take place should engender the development of other businesses such as pay toilets, transport, pharmacy etc. These ancillary businesses usually operate independently and outside market regulations. The responses did not corroborate this expectation, probably due to poor entrepreneurship disposition spirit of the people of Bayelsa State, in the Niger Delta region.

5.0 CONCLUSION AND RECOMMENDATION

Rural markets are traditional markets that are mostly periodic in nature and play a vital role in the social and economic landscape of Africa. Rural markets exist worldwide and reflect the local culture and economy of a particular community. There are challenges impeding the growth of rural markets, which are poor transportation infrastructure, poor telecommunication systems and lack of appropriate warehousing facility. Other problems include lack of awareness in branding and substandard packaging.

For rural markets to thrive and achieve economic growth, integrated rural development strategy should be vigorously pursued. Effort should be towards rural market development and integration to the urban and national economies. There should be a deliberate literacy development policy and strategy as well as development of modern rail, road and telecommunication network facilities.

References

- Abayomi OM (2008). Periodic market in Akoko South West Local Government Area published Bsc thesis AdekunleAjasin University AkungbaAkoko.
- Alao NA (1988). Periodic markets in Western Nigeria, theory and empirical evidences. North Western University, Department of Geography.
- Bromley RJ, Symanski R, Good CM (1975). The Rationale of Periodic markets Annals of the Association of American Geographers Vol. 65 (1): 530-537.
- Ehinmowo AA (2010). "Periodic market, a common marketing feature in Akokosouth west. Journal of Geography and regional planning vol. 3(12) pp 361-364.
- Good CM (1977). Periodic Markets: A Problem in Locational Analysis. Professional Geogr. J., 24(2): 210-216.
- Hay AM (1971). Notes on the Economic Basis for Periodic Marketing in Developing Countries. Geogr. Analysis J. 3(1): 393-401.
- Hodder BW (1969). "Rural Periodic Day markets in Part o Yoruba Land". Trans. Inst. BritishGeogr.,65(2): 149-151.
- Hodder, B.W and Ukwu, U.I (1969). Markets in West Africa. University of Ibadan Press. Ibadan, NigeriaPark, S. (1982) Rural Development in Korea: The Role of Periodic Markets. Western Illinois University, South Korea.
- HotellingH (1929). Stability in Competition. Econ. J., 39(1): 45.
- Jackson, R.T (1971). Periodic Markets in Southern Ethiopia. Makere University, Ethiopia.
- Kio-Lawson, Datonjo, Dekor, Chikagbum (2015). Development of rural periodic market centres: An effective strategy for rural development in Rivers State, Nigeria. Vol. 5, No. 12.
- Kio-Lawson, D. (2014). The Squatters of Port Harcourt, Nigeria: Their Identity, Wants, Characteristics and Policy Options. International Institute for Science, Technology and Education. Vol. 4 No. 22 Journal of Developing Country Studies pp 40-49.
- Oyegun. C.U and Akpoghomeh, O.S (2009). The Challenges of Environmental and Economic Development of Nigeria's Coastal Belt: In Port Harcourt Journal of Social Sciences. A publication of the Faculty of Social Sciences, University of Port Harcourt, Nigeria, 1(2) July.
- Smith RTH (1929). Periodic market Places and Periodic – Review, Propects Progress HumanGeogr., 4(1): 1-25.

Stine JH (1969). Temporal aspect of tertiary production elements in Korea. In F.R, Pitts(ed) Urban System and Economic Development, University of Oregon, School of Business Administration, p. 68-88.

Webber MJ Symanski R (1973). Periodic Market and Economic Locational Analysis. Econ. Geogr. J., 39(1): 213-227.