

# THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

## Rural Development in Nigeria: The Role of Periodic Markets

Venatus Vaatyough Kakwagh

Senior Lecturer, Department of Sociology, Kogi State University, Anyigba, Nigeria

### Abstract:

*The central thrust of the paper is to show how periodic markets as traditional institutions have contributed to the development of rural Nigeria. The paper maintains that as meeting places of consumers, producers, sellers and buyers, periodic markets have bridged the gap of socio-economic isolation associated with rural areas as well as integrate peasant traditional societies into national socio-economic system. In many rural communities, periodic markets have facilitated the construction of roads, boreholes, etc. The paper laments that in Nigeria, the importance of periodic markets to national development is grossly underestimated. The paper therefore recommends that rural sellers and consumers should be encouraged to build market centres, roads should be constructed to open up remote areas to enhance accessibility and distribution of goods and services and local communities should contribute to the growth of rural markets by providing social amenities.*

**Keywords:** Rural, development, role, periodic markets

### 1. Introduction

In all agrarian societies, particularly Africa, rural development is an important segment of national socio-economic development. It involves the understanding and development of all the processes and traditional institutions. One of such important traditional institutions is the rural periodic market. In many parts of the world periodic markets have generated an immense attention in recent time. This concern is due to the fact that periodic markets, especially in the rural areas, serve as nodes or hearts of diffusion of development impulses (Wankhede, undated). Periodic markets bring together regions' agricultural products at the most level of agricultural trading. In addition, the buying and selling of farm inputs such as fertilizer and marketable crop surpluses are bought and sold at these markets. The flow of goods from urban to rural areas and vice versa creates stronger linkages between city and village (Porter, 2005).

In Nigeria, like many other agrarian societies, rural people are largely dependent on rural markets for the sale of agricultural and non-agricultural commodities that take place in a retailing process at regular intervals of a given town and place. Periodic markets are responsible for establishing the link between their surrounding areas thereby paving the way for establishing the grassroot level networking of trade systems (Jackson, 1971). In the chain of production- processing and distribution of goods and services- rural markets serve as inlet and outlet centres (Porter, 2005). They help in increasing the socio-economic and political contacts (Kio-Lawson, D; Dekor, J and Chika, C 2015). Generally, periodic markets serve as growth centres (Park, 2016). In spite of the significant role periodic markets play in the enhancement of economic activities for the development of rural areas, most policies in Nigeria have not paid adequate attention to this important traditional institution. This paper therefore seeks to ex-ray the role rural periodic markets can play for strengthened rural development in Nigeria.

### 2. Conceptual Clarification

Market as a concept is a derivative of the Latin word, mercatus, meaning merchandise, ware, trade or a place where business is conducted (Dictionary.com/browse/market). Originally, a market was a place where provisions and other objects were exposed for sale. Today, the word has been generalized to mean anybody or persons who are in intimate business relation and carry extensive transaction in any commodity.

According to Hodder and Ukwu (1969), a market is an authorized public concourse of buyers and sellers of commodities meeting at a place. More or less strictly limited or defined at an appointed time. They are meeting places of consumers, producers, sellers and buyers. A market therefore is a place of large number of simultaneous person-to- person transactions.

From the above a periodic market can be defined as a meeting place of buyers and sellers of particular localities. It is one of the many systems, institutions, social relations and procedures whereby parties engage in exchange (Oguntade, 2013). It is 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 more or less strictly limited or defined at an appointed time (Hodder and Ukwu, 1969).

### 3. Origin and Development of Periodic Markets

Periodic markets have existed since time immemorial. Economic geographers have traced the origin of periodic markets to centuries ago and have concluded that the evolutionary process of markets is interrelated with many factors and is also associated with human civilization. Before the advent of civilization, the early man or primitive population had no marketing activities. This is because man's wants were limited and were satisfied with the existing resources around. However, with time, man began to experience scarcity to livelihood and was thus forced to move from one place to another as a nomad. But with time, man began to live in groups and hence learnt the art of livelihood. Man, thus learnt to practice agriculture to produce whatever he required for self-consumption. After the satisfaction of self-consumption, man began to exchange the surplus agricultural products with the substitute goods and services he required through the barter system (Jerry, 1971).

Barter was carried out for a long time as a common trade activity. But with time, difficulty in handling goods and fixing exchange value of goods arose and this led to the use of common items like shells, metallic coins made of bronze, copper, silver and gold. Later, this also created problems for the exchange of goods and services and was replaced by money to facilitate the exchange of goods and services. The introduction of money facilitated the exchange of goods and services between surplus and deficit areas. The deficiency and sufficiency areas were responsible for marketing activities and paved the way for the emergence of markets. This shows that the emergence of markets followed a developmental sequence; at first stage exchange was socially carried out, at the second stage, barter system emerged. It was only at the third stage when money entered the economy that market transaction evolved (Berry, 1967).

### 4. Theories of Local Markets

Two divergent views have been put forth by scholars regarding the origin and evolutionary process of local markets. These are the indigenous and exogenous concepts. The indigenous theory is emphasized by Singh, (1962), Webber and Symanski (1973). The theory extrapolates that rural or local markets developed as a result of internal demand for exchange of goods and services among local communities. It particularly opines that rural markets emerged when rural surplus sought their way towards local exchange place periodically. In return, the rural communities needed to purchase day to day consuming commodities. This situation facilitated the emergence of local exchange places in the rural areas at convenient settlements

The exogenous theory which is emphasized by Stine (1962) and Hodder (1969) on the other hand credit external stimuli such as incursion into a local area by long distance traders. Long distance trade was an exploration beyond the limits of the local area. Such exploration involved irregular trading like religious festival. Ritual goods associated with God were collected by merchants and sold in the religious centres. Thus, in the course of time, these religious centres became market centres.

### 5. Evolution and Development of Periodic Markets in Nigeria

It is difficult to say exactly when the first periodic market was established in Nigeria. However, there is a general consensus that the earliest markets were established by the political powers during the pre-colonial Nigeria. During the pre-colonial Nigeria, very powerful chiefs and individuals established markets for their people because the local producers this period were seeking outlets for their goods as well as the means to obtain other commodities. In other words, these markets were established as a result of internal demand for the exchange of goods and services among the local communities. The exchange system initially started with barter deals which later transformed into monetary transactions. Agricultural products and livestock were the most traded in the barter form of exchange.

The early markets were held on a piece of land readily accessible to one or more villages. The formation of many of the markets was influenced by the physical and ethnic environment. Many of the markets were formed because of the availability of specialized products that were influenced by traditional and cultural habits of the communities.

The evolution and development of periodic markets in Nigeria was not only predicated on local demands but also external relations. This is because at the early development of the markets, only a few Nigerians were engaged in producing for the market or selling in the market. With time, the markets began to develop because of external links and influences. For example, Nigeria had long distance trade activities with neighbouring countries like Ghana and with Arabs and Europe. These long-distance trade relations especially the trans-Saharan trade and the trans- Atlantic trade played significant role in stimulating the growth of periodic markets (Aboyade, 2014). In modern day Nigeria, the growth of periodic markets seems to be influenced by the explosion of population, considerable improvement in the transport facilities. In other words, most of the periodic markets have evolved and developed because of the development of infrastructural facilities such as improved roads and communication facilities. Particularly, today's urban demand for rural products has influenced many periodic markets to flourish.

However, the periodicity of the markets varies across communities because of local traditions. For instance, while many of the markets hold on particular days of the week, many others have four, five and even seven-day market intervals. It can thus be discerned that the evolution and development of periodic markets in Nigeria can be explained within the endogenous and exogenous theories of market origin

### 6. Functions of Periodic Markets in Nigeria

Periodic markets play a myriad of functions but in our context attention is focused on four areas as highlighted by Oguntade (2013) namely; social, economic, political, and the physical functions because they are the most crucial of all the functions.

→ *Social function:* As outlets of local products, periodic markets are unique and distinct. They create mutually rewarding link between rural and urban dwellers (Porter, 2005). This link facilitates the maintenance of strong ties. The buying of goods opens up the area where the markets are located by drawing the attention of government. In fact, periodic markets create a framework for cultural

blending (Oguntade, 2013). In other words, people from different cultural backgrounds come together in periodic markets and interact. Periodic markets also enhance the formation of many social groups and associations such as the yam, garri, beans, meat sellers' associations which help in supporting members emotionally and financially especially during weddings and burials.

→ *Economic function*: Exchange of goods through haggling takes place between buyers and sellers in periodic markets. Transfer of ownership of goods is only guaranteed when an agreement is reached between the seller and the buyer over the price. This haggling and final agreement between the seller and buyer ensures that the commodity on sale will not be reclaimed.

→ *Political function*: As already stated, periodic markets facilitate the formation of social groups and associations. In Nigeria, and even elsewhere, these associations have often become very important rallying points and campaign instruments for politicians during election campaigns. From the colonial era to contemporary Nigerian society, literature is replete with evidences of the role played by market associations. For example, during the colonial era market associations participated actively in resisting obnoxious laws by the colonialists. Today, these associations have been playing very important part in the election of many prominent Nigerian leaders such as governors, senators, chairmen/women of local government councils.

→ *Physical function*: Periodic markets serve as bulking centres. It is at the periodic markets that products from different owners are aggregated for joint transportation. On the market days, products are aggregated, graded and cleaned. This enables the buyers to be sure of the quality of the products being bought.

### 7. The Role of Periodic Markets in Rural Development in Nigeria

Periodic markets have been enabling rural people to sell their agricultural products and handicrafts (Kio-Lawson, et al, 2015). The sale of these products provides the producers with cash which they use to meet basic household needs such as shelter, food and clothing, organize their marriages celebrate festivals and purchase next season's crop seeds.

Periodic markets have particularly influenced a strong link between city and village. There is no rural community in Nigeria that has remained unpolluted because the demand for industrial goods has percolated every rural dweller through periodic market. This has brought about profound socio-economic change in the rural areas.

Many periodic markets have attracted some public facilities such as roads, boreholes, public toilets, etc thus increasing their status. For instance, in many communities, roads have been constructed to link some periodic markets with the hinterland thereby increasing the intensity of farming activities. The increasing status of many of the periodic markets has brought into the surrounding rural villages increasing opportunities for development and growth as well as progressive adjustment in well-being (Kio-Lawson, et al 2015).

Periodic markets in Nigeria have enhanced the generation of internally generated revenue (IGR) which is ploughed back for the development and maintenance of clinics, rural feeder roads, schools, etc.

### 8. Conclusion and Recommendations

It is not an exaggeration to say that periodic markets have been playing key role in rural transformation in Nigeria by boosting economic growth which has stimulated production, trade and employment. They have significantly bridged the gap of socio-economic isolation associated with rural areas. They have also helped in integrating local communities into national socio-economic system. It is therefore recommended that;

- 1 Government should encourage sellers and consumers to build rural market centres.
- 2 Roads should be constructed to open up remote areas to enhance accessibility and distribution of goods and services.
- 3 Local communities should contribute to the growth of rural markets by providing social amenities.
- 4 Individuals should engage in businesses to improve their welfare by taking advantage of the periodic markets.

### 9. References

- i. Aboyade, S.A (2014) 'Trade Across Frontiers: An Overview of International Trade Before the Advent of Modern Economic System in Nigeria'. *Historia Actual Online* 35(3) pp 53-60
- ii. Berry, B.J.I (1967) *Geography of Market Centres and Retail Distribution*; Eagle Wood Cliffs: Prentice hall, NJ
- iii. Hodder, B.W and Ukwu, U.I (1969) *Markets in West Africa*. Ibadan; University of Ibadan Press
- iv. Jackson, R.T (1971) *Periodic Markets in Southern Ethiopia*. Makerere University
- v. Kio-Lawson, D; Dekor, J.B and Chika, C (2015) 'Development of Rural Periodic Market Centres: An Effective Strategy for Rural Development in Rivers State'. *Developing Country Studies* 5(12) pp 122-134
- vi. Oguntade, A.E (2013) *Why Rural Markets matter*. Accessed 18/7/2017
- vii. Park, S (2016) *Rural Development in Korea: The role of Periodic Markets*. Online publication
- viii. Porter, G. (2005) 'From Periodic Markets to Supermarkets: What Hope for Equitable and Sustainable Food Markets in Africa'. *Journal of Sustainable Development* 2(2) pp 2-8
- ix. Wankhede, P.V (undated) 'A Review of Periodic Markets of Umred Subdivision in Nagpur District: A Road Towards Rural Development'. *DAWN Journal for Contemporary Research in Management* pp 3-9