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Rural Market Infrastructure and Impact on Rural Transformation: A Case Study in Northern Karnataka

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Abstract

Rural, periodic markets developed as a result of internal demand for exchange of goods and services among local communities are centres for exchange of common goods and services, in both cities and the countryside, all over the world. Held at a regular time and place, these markets link villages to small towns and their surroundings to create grassroots-level networking trade systems throughout the developing world. For impoverished and less-industrialised economies, periodic markets are the logical and appropriate places for peasant families to obtain goods and information. Though the development of rural markets plays an important role in improving socio-economic status of the rural community, it received least attention in many developing countries. In this context the present study was undertaken in northern Karnataka, India in order to analyse the impact of rural market infrastructure on rural livelihood, where rural market infrastructure was developed under various government schemes. The results indicated that the composition of the rural markets differs across the region and the participation of small farmers (60%) is high. Majority of the traders participating in rural markets were from outside (82%) and were found to move across different rural market, thus establishing strong linkage across the markets. The farmers who sold their produce in infrastructure developed markets were found to realise higher income compared to no infrastructure developed markets. The development of rural markets has also resulted in marginal change in cropping pattern in respect of fruits and vegetables. In majority of the markets, the farmers participation in planning of the rural markets development activity was found to be influenced by their income. Age and family size of the farmers had significant effect on farmers participation in rural market infrastructure development.

The results indicate that development of rural markets has certainly benefited rural community in general and farming community in particular. However, the infrastructure maintenance is very poor even though the local government authorities collect revenue from the markets. The policy makers need to focus on development of rural market and should consider the importance of stake holders involvement, periodicity, timing, location and maintenance of these markets.

Keywords: Periodic markets, rural infrastructure development, rural markets, rural transformation