A Review of Periodic Markets of Umred Subdivision in Nagpur District: A Road towards Rural Development

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Abstract

An attempt has been made in this paper to study the role of periodic markets in rural development, mainly by using strategies of rural marketing. The periodic markets and their arrangement have a special place and function in rural life. Their functions are responsible for spatial interaction. Rural marketing is one of the most discussed matters now in marketing strategies to capture the widely spread rural market of India. The present paper aims to identify the various unexplored phases of periodic markets. In order to make the issues clear, the periodic markets of Umred subdivision have been taken for consideration. These markets and market functions have become very effective with efficient channels of distribution. Rural marketing has been examined as a special strategy in the paper.

Periodic markets are the lifeline of the Umred subdivision; they are being held in all major villages according to the chronological arrangements. They cover a very large area of the rural market and have thus become a main contributor to rural development. Therefore, it is the need of the hour to study the periodic market functions, market mechanisms and the served and unserved area of each periodic market to reduce the spatial gaps.

Keywords: Rural Marketing, Spatial interaction, Periodic Markets, Rural development, Market mechanism.

Introduction

Rural Development in India is an important segment of economic development. It is not just an economic proposition, but has social, psychological and cultural dimensions, which may well be collectively termed the paradigm of ‘inclusive growth’. Markets are the most widespread exchange system and play a dynamic role not only in the rural socio-economic development but also perform a significant role at the regional level. The need of the hour is thus to study the role of markets in rural development planning. Therefore, academicians, planners and social scientists use these periodic markets in formulating their regional development strategies. They are seen as nodes or hearts of diffusion of development impulses. These nodes become functional landscape features imposed upon the evolved periodic markets.

The 2011 Census estimates that 69% of the country’s total population inhabits the villages. Despite implementing a number of programmes for creating gainful employment opportunities and improving the quality of lives of rural masses, rural development continues to be a key policy challenge. Rural development is essentially reflected in the improved economic well-being of people living in villages. In some way, it is also reflected in the increase in the purchasing power of the rural inhabitants.

Since the 1980s the sheer mass of the rural market has been the ‘one thing’ that has attracted marketing professionals in the Indian
consumer sector. The fact that nearly 70% of the country’s population was unaddressed was enough of an attraction. In recent times this attraction has increased with the additional money that has come into the hands of the rural consumer, primarily on account of sustained rise in agri-produce prices and NREGA spending. No wonder that rural expansion is the buzz word for most consumer product companies today.

Budget 2011 further strengthened the rural story with a plan for additional credit outlay, interest subvention and NREGA getting indexed to CPI inflation. These initiatives are expected to hasten the accelerated shift to brands and premiumization happening across categories in the rural marketplace. India’s rural markets present opportunities that companies seeking to become high-performance businesses cannot afford to ignore. But the size and scale of those markets (three-fourths of the country’s approximately 1.1 billion people live in villages) have been offset by concerns about the profitability of these markets and the durability of rural demand.

India is one of the very few countries that are still predominantly rural in nature. At the beginning of the 21st century, about 70% of Indian population and 75 per cent of total workers lived in 6,380,000 (0.64 million) villages. Rural India is still predominantly dependent on agriculture and the share of non-farm based livelihoods is very low at about 15%. However, there have been wide regional variations in the process of rural transformation, with some regions showing the characteristics of middle level developed countries in South East Asia and some lagging behind sub-Saharan Africa. But one overarching trend is that of growing rural-urban disparities.

In developing countries like India, the periodic market centres are the farmer’s first contact point with the marketing channels and considered as the nerve centres of the economic, social and cultural activities of the rural life of the country. The producer farmers not only depend on these markets for disposal of their produce for cash, but also for the farm products which they do not produce themselves. As a centre of diffusion, they play a significant role in the habitat, economy and life of the people and act as basic building blocks of the complex market place exchange system of the modern world. Development of market centres implies overall economic development. The growth of market centres always follows the development of agriculture, transportation and industries. Market towns are economically most viable and represent the regional pattern of development because they provide trade and commerce service to the region, act as nodal centre for transportation and serve as a growth centre by providing various services to the region.

Thus, marketing systems as well as social structure are always in a state of change both in terms of space and time. Whatever change has occurred in the social structure is the result of multiple factors. Among them marketing is also one of the most important factors and it provides an opportunity of interaction between rural population and urban environment. Hence, an attempt has been made in the present paper to deal with the role of periodic markets in rural development of Umred subdivision of Nagpur district.

**Literature Review**

Many Scholars have focused their study on development of rural periodic markets but very little attention has been paid to the role of periodic markets in rural development. Let us review some of the literature related to the problem selected.

Dev Nathan (2012) has written on “An Overview of Rural Transformation in India”. Fogg (1932), focused on the village, tribal and towns markets and some consideration concerning their development in the Spanish and international zones of Morocco. Deshpande (1941) studied the village markets and periodic fairs of Bombay and Karnataka. Hodder (1961),
contributed significantly to the field of marketing geography by throwing light on the rural periodic markets in a part of Yoruba Land (Nigeria). Taylor (1968), concentrated on Kenya’s rural development strategy in spatial aspects of development. Bromley (1971) throws light on the markets in developing countries and in (1987), examined the periodic markets and their role in rural development policy. Eighmy (1972) has researched the case of West Nigerian periodic markets. Later on he pointed out that the evolving transport networks extend the reach of metropolitan centres; rudimentary urban places evolve from their rural matrix and technological innovations diffuse across areas and down the urban hierarchy. More specific observations have been made by Wanamali (1981), on tribal economies; he also studied the spatial behavior patterns of urban-rural interaction, rural service centres in India, market centres and their distributions and in (1987), focused on the periodic markets, periodic marketing and rural development in India with special reference to Singhbhum district. The most effective and exhaustive work has been done by Dixit (1979), who highlighted the market centres and their spatial development in the Umland of Kanpur. Hugar (1982) analyzed the role of weekly markets in the development of rural area of Gadag taluk and in (1984), concentrated on spatial analysis of market system in Dharwad district of Karnataka. Saxena (2004) observed the role of market towns in regional development of Rajasthan state and focused on regional planning. (2012) Dr. A. A. Mulimani analyzed the regional periodic markets of Haveri district.

British Gazette (1908) has been used to know more about the history of Umred subdivision.

**Study Area**

The Umred subdivision occupies the central and south-eastern portions of the Nagpur district, lying between 20°35’ and 21°11’ and 78°56’ and 79°40’ E. In shape it is a rough parallelogram. The only notable geographical feature of the tehsil is the broad belt of hills, a continuation of Kondahali hills of the Katol tehsil and Keljar hills of the Nagpur tehsil which run from north-west to south-east into the Chanda District. The rest of the tehsil is a broad undulating plain traversed here and there by broken ranges of hills and cut up by several rivers. Its area is 1040 sq.kms. of which 73 sq. kms are government forest.
As far as the composition of soil goes Umred is the most favored of the four tehsils. It has 2% kali, 74% morand, 23% khardi and only about 1% of bardi and retari soils. Four-fifth of its land is capable of producing wheat. Its rainfall too is usually in excess of the District average. Nevertheless, due to unexplained reasons the Umred tehsil is the most backward in the district and always suffers most in bad seasons. The explanation may lie in the unusually large number of streams and nullahs which cut up the surface of the plain in all the directions and render the drainage undesirable, in an area devoted largely to rice and Rabi crop. The total area of the tehsil at last settlement was 618,000 sq. m. of which 433,000 sq. m. were occupied and 340,000 were under cultivation. The remaining 30% of unoccupied area consists of 2/3rd forest and grass and 1/3rd uncultivable land.

The land-revenue demand per acre works out at Rs. 0-11-6, the lowest rate of the four tehsils. The following groups were formed at settlement: Waroda (with 36), Bela (28), Titur (31), Jaoli (56), and Sirsi (81), all of which are wheat areas; Kuhi (62), Mandhal (46), Veltur (78) and Umred (69), in which both wheat and rice are grown; Bhiwapur (54) ,a rice tract; and Makardhokra (77) and Chimnajhari (33), which are jungle and hilly groups.

Objectives

- To study the periodic markets of Umred sub-division of Nagpur district.
- To study the influence of periodic markets on rural development.

Data Base and Methodology

The present data is mainly focused on secondary and primary sources of information. The secondary data consists of all the recordings about the periodic markets in the subdivision, their transactions, market attributes, acquisitions etc. It also consists of proceedings and research data done by delegate authors. Rural development models are also discussed in the paper. The primary data adds to the contributions i.e. the interviews with participants of periodic markets in this subdivision, discussions with the customers and the vendors of these markets.
Periodic Markets

The economic development in India followed socialist-inspired policies for most of its independent history, including state-ownership of many sectors; extensive regulation and red tape known as "License Raj"; and isolation from the world economy. India's per capita income increased at only around 1% annualized rate in the three decades after Independence. Since the mid-1980s, India has slowly opened up its markets through economic liberalization. After more fundamental reforms since 1991 and their renewal in the 2000s, India has progressed towards a free market economy.

In the late 1990s, India's growth reached 7.5%, which doubled the average income in a decade. Analysts said that if India pushed more fundamental market reforms, it could sustain the rate and even reach the government's 2011 target of 10%. States have large responsibilities in context of their economies. Maharashtra has proved to be a major contributor in boosting the economic rise since independence.

Nagpur is the second capital of Maharashtra state. The economy of the district is largely contributed by its rural part. Umred subdivision holds the major share of this part and is a richly developed rural area. The Periodic Market in Umred Subdivision are – Umred town (Monday), Kuhi (Wednesday), Sirsi (Wednesday), Champa (Saturday), Makardhokda (Friday), Bhiwapur (Friday), Nand (Sunday), Bela (Saturday), Mandhal (Tuesday), Panchgao (Thursday). As we can notice, the periodic markets are held from Monday to Sunday. The rural periodic markets can be categorized in two forms: Traditional and Alternative models.

Periodic markets provide an outlet for rural produce, a source of local supplies, and a focal point for periodic service provision where a full range of fixed services would not be viable (Clark, 1968). In order to ensure a balanced development process in rural as well as urban areas, it is necessary to provide basic services in rural areas to stimulate the rural economy and the levels of incomes and employment opportunities in the same. Such a development strategy requires the establishment of rural service centres as basic nodes to boost the rural economy and to link it to the national hierarchical order of settlements. The settlements which are rapidly emerging as central places are those which have markets on or near by them. Without markets the settlement cannot grow to the expected level. Therefore, the spatial hinterland gap may exist between the settlement and market. The establishment of a successful periodic market in a suitable location provides a basis for the development of an integrated rural service centre incorporating both fixed and periodic service facilities and growing into a substantial nucleated settlement. Without a market, many other services are unlikely to be established, and if they are, they may fail or languish for lack of custom (Taylor, 1968 and Bromely, 1987).

Functions of Periodic Markets

Analysis of market functions is a very important aspect of marketing studies, as it helps us to understand the magnitude of markets for spatial interactions. The importance of the market
centre reflects the number of quality functions which it performs for a region. Therefore, the functions of periodic markets in the study region are considered on the basis of location characteristics. Generally, these periodic markets are located at the centre of the rural communities or in the very heart of the village in the open space or along access roads adjoining the Grampanchayat office or around any religious centre, where buyers and sellers meet on a specific day and time. It is observed in the study region that the typical characteristics of semi-malnad and maidan region have paved the way for emergence of many periodic markets. As a result, the nodal centres and contact zones are responsible for emergence of periodic markets with heterogeneity in their functions.

All three talukas in the subdivision perform the wholesale and retailing activities in the market attracting both buyers and sellers from the surrounding villages or the immediate vicinity of the village. The variety of commodities essential to the rural communities are brought for sale in the market places and are mainly textiles, readymade garments, food grains, vegetables, fruits, ornamental goods, bangles, stationery items, spices and other finished / manufactured goods. These market places serve as convenient channels for distribution of agricultural and other products and for providing services of artisans and craftsmen. All the 10 periodic markets are well served by the mobile traders who bring seasonal commodities, specialized products as well as vegetables, fruits and sweets. Apart from this, the produce sellers, service sellers and the part time traders equally participate in the marketing activities and play their vital role as important market functionaries. The balance between all the market functionaries leads to effective functioning of the market centres.

**Five reasons for greater business confidence in rural India**

(a) Rural spending now is less dependent on farm income, which constitutes less than 50 % of the total rural income. Income remittances from migrant rural populations and increases in non-farm activities such as trading and agro-processing are boosting rural income.

(b) The increase in procurement prices (the minimum price that farmers earn on produce sold to the government) is putting more money into the hands of the rural population. A series of good harvests, on the back of several good monsoons from 2005 to 2008, has accelerated rural employment in agricultural and allied activities.

(c) The government has increased spending in rural areas, from US$9 billion for the financial year ending March 2007 to an anticipated US$16 billion for the financial year ending March 2010.

(d) Improved access to finance and institutional credit has brought greater cash inflows to rural households. Institutional credit to the agriculture and allied sectors has increased from INR 695.6 billion (US$14.5 billion) in 2002-03 to INR 2.6 trillion (US$55 billion) in 2008-09.

(e) Policy measures such as the US$13.9-billion waiver of agricultural loans and the National Rural Employment Guarantee Scheme (NREGS), which guarantees 100 days of employment to one member of every rural household, have helped to reduce rural underemployment and raised wages. The official minimum average per-day wage paid under NREGS has increased from Rs. 65 (US$1.4) in 2006-07 to Rs. 84 (US$1.8) in 2008-09.

(Source: *Agricultural Economics Review*)

**Conclusion**

It is concluded in the light of the present study that the identification of served and unserved area of the periodic markets and functions of periodic markets are responsible for spatial interaction and rural development. Therefore, an attempt has been made to identify the number of settlements served by all the ten periodic markets and also the number of settlements.
served by more than one periodic market in the study region. In addition to this, an attempt has also been made to identify the unserved area with settlements to reduce the spatial gaps and take them in the fold of served area by proposing new periodic markets from temporal point of view. As a result, it has been proposed that the market be held in some villages of Kuhi and Bhiwapur on Tuesday, Thursday and Sunday. If the proposed markets are to be established, it may be hoped that the area will enjoy better marketing facilities and other dimensions of rural development. Therefore, it is a need of the hour, to strengthen the marketing activities by providing the necessary requirements to the proposed markets.

Reference


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