

CHAPTER – I

INTRODUCTION

1.1 Background

The origin and development of market places are closely associated with the development of human activities or in other words with the history of civilization. In different times and different locations when human beings began to live in groups they began to start trade. The development of trade first of all between individuals then between communities, cities and ultimately between countries. The system of exchange and process of distribution bring the producers and the consumers together. The exchange takes place in the market center and market exists only when a number of buyers and sellers communicate. “Traditionally the immediate goal of business has been to sell whatever they produce. Selling of product has been the main focus for making profit” (Agrawal, 1982).

Consumer is the most important factor in modern marketing. “In primitive marketing system believed that the producers were more knowledgeable than consumers about the product and quality. This type of marketing is still practice in the developing countries where consumer forced to buy what is available and not what they want” (Niraula, 1986).

“The word 'market' generally means a place or area where goods and services are bought and sold. In economics, the word 'market' is used in rather abstract sense. The market means a system in which sellers and buyers of a commodity interact to settle its price and the quantity to be bought and sold. The sellers and buyers may be individual, firms, factories, dealers and agents” (Dwivedi, 1997).

The more beneficial aspect of market is, as it goes on extending transactional activities it proves to be a good service to generate revenue for the government. A market = people with needs and/or wants + money to spend + willingness to spend it.

“Rural market” or what we call ‘Hat Bazaar’ may be defined as periodic market run either bi-weekly, or weekly or fortnight especially in a given location of rural area where rural farmers and artisans come from different points to dispose, their products whatever they want to sell and also to buy different goods especially of daily necessities” (Uprety, 1986).

“Basically a local trading center serves rural farmers and artisans to sell their surplus products on one side and buy whatever they need for household consumption in the nearby markets on the other side. So the importance of rural markets is still valuable in Nepal. Small towns and market centers are spatial manifestations of these linkages between the large city and the vast rural hinterland. In the context of Hindu-Kush-Himalayas they can play a multiplicity of roles” (Sharma, 2001). Small towns and market centers can act as effective and generative links between urban centers and the rural hinterland.

Market centers provided basic needs to the surrounding villages and also acts as the collection of centers of hinterland production. Market centers in Nepal perform beneficial function essential to rural development. The market centers integrate rural economy with the other centers. These centers establish functional interrelationship with the rural hinterland area as well as among themselves. There used to have reciprocal relationship between market center and the hinterland and it is very important to examine such relations for planning the market in a sustainable ways. “Market center exists in an area to provide certain level

of function and services to the people living in its surrounding areas. Hence market center has an area over which it exerts its influence. This influence area of market center is termed as hinterland area” (Pradhan, 1998).

The role of market has been increasingly realized to achieve higher level of employment, to give proper chance the maximization of consumer utility, to creation competitive environment. Markets are being widely situated in all over our country as regulators of economy for desirable effects on per capita income, gross domestic product (GDP) and employment. Each and every market try to give suitable facilities to their consumers. The role and responsibility of market is greater in least developed countries (LDCs) than in developed countries. In most of the developed countries private sectors are performing the best for economic activities while in the underdeveloped countries there is a greater lack of entrepreneurs. Private sectors are shy, risk avoider and timid.

On one hand there is a lack of capital resource in the private sector while on the other the small numbers of investors like to invest on those sectors where profit can be earned very soon. They prefer invests which take least gestation period for return. So that small trading centers are the important social and economic institutions for the developing countries. They are considered engines of growth for the benefit of their vast rural hinterland by providing goods and services and other facilities and by facilitating the marketing functions for both rural and urban products.

Market centers play a vital role in integrating the rural economy with the trade centers. Location of the trade center, functional composition and extent of hinterland gives basic guideline to rural and urban planners because they need to have a broad geographical knowledge before they go ahead. A place is termed as market center,

which provide various services and marketing facilities to surrounding places. Where the people of surrounding places sell their surplus production and buy goods to satisfy their wants.

The main function of trade collection and distribution, interlink in a complex web of exchange. Thus, collection and distribution may involve several steps including both wholesale and retail of any trading and marketing centers. The function of major trading centers are not only to collect and store the goods but also wholesaling to the small surrounding markets and retailing to local people who purchase for their daily uses. Trading activity is the main function of the city and town located in particular place that provides a convenient point of focus for consumers who visit for the goods and services.

General objectives and functions of a marketing system are to provide sufficient coverage to the producers to increase their productivity as well as production. It provides a chance for the mobilization and development of resources by which increases the country's economic growth. So, the trade plays a significant role for the development of the country. On the one hand it satisfies the human wants and on the other it can mobilize the resources of country and helps to develop the industries also. In most developing countries the origin of market centers are associated with route linkages and effective political and administration centers. In Nepal, the emergence of long distance traffic has played an important role in the development of the local trading centers as well. After the construction of modern roads, rural market centers develop as services centers for surrounding population and providing functional linkages to the large urban centers such highway oriented market centers or highways. Oriented ribbons are natural developments comprising

functions such as hotels, retailing, catering, retail industry or services functions etc.

Trade has played vital role in Nepalese economy but there has been vast difference in various aspects of Nepalese life and economy before and after the construction of transportation and communication network because transportations and communications are one of the most dominant factors for changing the trading and its other aspects. “Availability of transport has an important bearing on the question of access to employment and markets” (Vanderschueren, 1996). “Transportation and communication networks offer economic opportunities to all countries especially in the developing countries” (UN, 2001).

Trade in rural parts of Nepal is still at the Primary stage. There is very little consciousness for consumer satisfaction with social responsibility. Thus, trade is not much helpful for accelerating the pace of development of Nepal. Trading centers in Nepal are scattered in different parts of the country. The village market centers are located in some main villages around which a number of small villages occur. Such a center has transportation facilities or at least a mule track to connect with the district market center. Some districts marketing centers are developed along highways to the extent that where they could provide various kinds of economic and social services to the village market centers. So, the district market centers are the base for providing economic and social services such as banking, co-operative, storage, transportation and communication services, health, education, agricultural extension services, trading exhibition, distribution of agricultural inputs. By this cause the market centers sphere of influencing are extending in the periphery by linking the track roads with highway.

Functional characteristic of a trading center is to provide social and economic services to peripheral areas to the center itself because of these factors play significant role for the extension and expansion of their hinterlands. So, functional characteristics of the market centers are usually related with social and economic circumstances of the locality, the size of the market center, transportation linkage or accessibility, governmental policy etc. Nepal is the nation with very low degree of urbanization both in terms of urban population and number of town. About more than 80% of the total population of the country is leading rural agricultural life. This indicates various meagre development of commercial establishment in the country. There is dominance of agricultural and rural characteristics even in those very few numbers of market centers of the country.

1.2 Study Area

Sanfe Bazar is one of the famous places of Achham district. Trade area of Sanfe Bazar has extended to Bajura, Kalikot, Mugu, Humla and some VDCs of Bajhang district. There are two hundred and fifty four shops stalls. All shops are categorized into only four broad classes according to their function and characteristics such as whole sale, retail, hotel and catering and retail sales and services. This trading center provides goods and services to the local inhabitants within the area as well as to the people of outside the district. People from the surrounding districts come to this trading center all around the year for different types of goods for their use or further sell. As a result, both the wholesale and retail trade has developed in Sanfe Bazar. Mainly in the winter season the market uses to provide goods to consumer in large quantity like salt, cloth, utensils, and oil etc. for the neighbor districts. These different districts consumers have played important roles to the growth to the

wholesale trade in the Bazar. The development transport network has positive impact on the development of the trade functions in the Sanfe Bazar. It has also changed the pattern of trade area of this Bazar. The significant growth of Sanfe Bazar took place significantly only after the construction of Silgadhi (Doti)-Sanfe (Achham) highway (HW).

The construction of the Silgadhi-Sanfe road has explored a new prospect and opportunities in the region. Various centers started to develop gradually along the road. Then after the construction of road and the establishment of market centers, the mobility pattern has increased. When the mobility increased, changes have gradually seemed in the characteristics, volume, purpose of the movers and a dramatic change has found in the case of goods. People have started to think from the marketing perspectives. Economic importance of resources has been realized and people have started to sell their products in the market. Thus, the volume and item of goods have been remarkably increased.

1.3 Statement of the Problem

“The planning and development of small center is not only essential to provide basic lower order goods and services to the population but also act as center of modernization and rural industrialization” (Pradhan, 1998). In our country, market centers play a vital role in integration the rural economy with the trade centers. There is great possibility of diversifying local products if better marketing facilities are provided to the rural people. Market centers provide marketing facilities and employment opportunities to the people within town as well as its tributary area. The promotion of market centers stimulates economic growth in the rural region.

The development of infrastructure especially land transportation network has opened a new avenue of development in Nepal.

Transportation network has connected several places where there have been different types of resources and opportunities operating in isolation in the past. Due to the lack of access the exchange network was very poor and very limited people used to involve in the movement. Besides, very limited items of goods were involved in the exchange network. Different resources of rural areas have no market due to the lack of transportation and information exchange network. The case of far western region especially in the Seti and Karnali Zone was not differing.

The development of transportation network has positive impact on the development of the trade function in Sanfe Bazar. But the giant problem of this trading center is Silgadhi-Sanfe gravel road. The road has been proved as a lifeline for the local people and the trading center. The 67 KM long and narrow road is not regular in every seasons. In rainy season the road is blocked by the mud and landslides which affect a lot for the transportation of goods to the trading center. This trading center gave many facilities to the large number of consumers of this area but this market is facing many problems. There is no any physical facilities viz. drinking water, toilet, bank, hospital etc. There is not similarity in sells price, which make the consumer very confusion.

1.4 Objectives of the Study

- 1) To study the importance of road transportation in the economic development of Sanfe Bazar trading center and surrounding areas.
- 2) To examine the sources of trading goods and means of transportation in the Sanfe Bazar trading center.
- 3) To study the major problems of Sanfe Bazar trading center.
- 4) To show difficulties of Silgadhi-Sanfe road.
- 5) To study the overall benefits of the Sanfe Bazar trading center on consumers.

1.5 Justification of the Study

Market centers play an important role in the economic and social life of the people in the services area. Non-agricultural functions also play a significant and vital role in the process of urban development. Road network has been responsible for the development of any place of the country. But trading in this part has been pronounced least. Most of economists and planners have ignored to explain in nature and significance of this part. What impact has it made on national economic growth regional development and gross domestic product (GDP)? No in-depth study of this kind has been made in this part.

The specific objective of this study is to examine the sphere of influence of Sanfe Bazar before and after the construction of Silgadhi-Sanfe road. The study of market centers in terms of central function lead the understanding of the rural-urban linkage/relationship upon which the entire social economic life depends. Undoubtedly, each and every types of study carries some significance in their field. This study helps in the development of marketing system and trading commodities through local trade. The present study having detail information of the market center is of substantial importance to economists, geographers, planners, and administrators in practical aspects of planning principles.

1.6 Limitations

The study of Sanfe Bazar as a trading center and its impact on the trading activities of the local and surrounding people is a first research attempts by researcher. The study was based on the information provided by shop owners and consumers. This study has included wholesale and retail trade to determine the service areas of Sanfe Bazar trading center. The study of the trading center was based on primary data. Since there was no chance to found any previous data and information about the

trading center. This study does not include administration units, and service units. Extensive quantitative analysis was not possible due mainly to lack of adequate variable. This is a case study which mainly covers the Sanfe Bazar trading center in the hilly region of Seti Zone. So the findings of the study may not be applicable for wider generalization.

CHAPTER II

LITERATURE REVIEW

One study has examined the pattern of central places along the Arniko highway in Nepal, which provides useful information on the hill side central place schemes in Nepalese context. It has also studied the changing pattern of sphere of influence of Bhaktapur and the spatial pattern of relationship of urban complexes in which he has shown the influence of Siddhartha highway on local market center like Syangja and Tanahun. The another published report of Shrestha is about the pattern of spatial integration in the Arniko highway area. In this study, he has shown the shaping of various order of central place developing along the Arniko highway, and the spheres of influence of central place located at the part of highway on the basis of retail and wholesale trade units. Similarly, other different writers have studied about the spheres of influence of the towns and cities of different countries of the world (Shrestha, 1973/74).

The spheres of influence of the city of Kathmandu was studied by Poonam Thapa. She has delineated the tributary areas of Kathmandu city in terms of supply of fresh green vegetables, fresh milk and wood-fuel by interviewing the shopkeepers as well the farmers who brought products to the various market centers of Kathmandu (Thapa, 1976).

Another study entitled, "the Banepa as a trading center" has delineated the sphere of influence of Banepa before and after the construction of Arniko highway. This study is based on the information provided by local retailers and wholesalers (Shrestha, 1978).

Shrestha and Rizal have studied the spatial pattern of periodic and permanent market center in Nepal. They argued that periodic market is

dominant feature of eastern part of Nepal whereas permanent market are main characteristics of western Nepal. In joint paper, they also mentioned the growth pattern of market center. To analyze location arrangement, they applied nearest neighbor index and found that the clustering of the periodic market is closely associated with population density. Whereas that of the permanent markets are linked with the traditional trails (Shrestha and Rizal, 1979).

Basant has stated in his study of "Tansen as a trading center, "that the trading activity of Tansen has changed from traditional to modern one, due to construction of Shiddhartha highway. He also pointed out that the trading activities of Tansen have expanded tremendously with high prospect as trading center. He has also studied "Impact of Tansen – Tamghas road on the trading activities of local people." In the author's words "The consumers are the important and component parts of trading activities and in the absence of the consumer, the trading activities can not be operated with smooth function. The traders are specially for consumers and the later are only for traders. These two are highly correlated and mutually interdependent between them. The distance between the trader and consumer plays an important role in function. The distance between them is like a bridge over the giant river which connect them. The distance is minimized by a transport (Basant, 1979/85).

K.C. and Pradhan have studied the functional structures of six market centers which appeared after the construction of Shiddhartha and Prithvi highways. This study had been prepared on the basis of the information provided from shopkeepers of market centers in 1978. The study has been able to show the positive relation between population size and number of central functions and level of market centers and areal

extent of hinterland. The hotel, catering, retailing, retail industry (tailoring hair dressing, repairing) are regarded as central functions. The other central functions included in the study are wholesale shops, banks, social service government offices and public building. The study has tried to deal with all the six market centers simultaneously and has attempted to establish relationship among varieties. Importance of the function is measured on the basis of employment proportion in particular function of the total employment. The present study attempts to reveal the structures of market functions of single urban center which has developed in response to the demand of local as well as surrounding population (K. C. and Pradhan, 1980/81).

Shipchandler, Zoher E. in his paper "The Role of Marketing in the economic development of Nepal," has emphasized the potentials of marketing. He has also given an example of tourist industry to highlight the fact that marketing can benefit Nepal's developmental efforts. In the author's words "marketing is a key factor in the success or failure of industrialization programme." Marketing can play a strategic role in optimizing the utilization of capital resources that are in scarce supply in developing countries (Shipchandler, 1982).

The growth pattern of shopping centers in the city of Kathmandu was studied by Joshi and Shrestha. They analyzed the changes that had taken place in the system of shopping center in the city, assessed the changes of shop types in the shopping centers and analyzed the changes in the locational arrangement of retail units in different shopping centers in the city during 1961, 1971, 1981 A.D. respectively. The rank hierarchy of shopping centers had been basically identified on the basis of sources of customers (Joshi and Shrestha, 1982).

A macro study of 51 market centers in Nepal was carried out by CEDA. This research identified a few market centers in mountain whereas the market central town in the Terai was very high and growing rapidly due to the road construction, dense population etc. Regarding their functional compositions in general six categories of shops are found in almost all the market centers. The trade areas of shops are found obviously larger in the Terai compared to other market centers in mountain region (CEDA, 1989).

Pradhan and Routray have studied on market centers and rural development in Chitwan district of Nepal and found that the development of market centers in Chitwan has indicated that the spatial hierarchy of market centers is correlated with distance from the nearest larger center. A few informal centers developed at considerable longer distance where transport facilities were primitive and great time and effort were stent to reach and trade center by cart or on foot. Thus hinterland relation is also depend upon road network (Pradhan and Routray, 1992).

Shrestha and Manandhar has found some changes in activities of some market center viz. Kirtipur, Thimi and Lubhu from their primary activities to tertiary. It is due to their locations in close proximity to greater Kathmandu metropolis. They mentioned that the most local market towns are highly dependent largely on agriculture for sources of employment (Shrestha and Manandhar, 1994).

Using Ghorahi trading center as a case study Sharma has classified the retail shops into five categories. General stores, groceries, retail services, catering and personal professional services. The study is based on the information provided by shopkeepers in the study area. He has tried to delineate trade area of the market town. He concluded that administrative status of Ghorahi as a district headquarters of Dang district

has stimulated the growth of commercial units in Ghorahi but development of transportation network has both positive and negative impact on the Ghorahi market center (Sharma, 1995).

Khanal and Sharma have made a comparative study of market towns in four countries China, India, Pakistan and Nepal. They have shown the significant role of market towns in rural development. They found in their study that the development of road network has significant role in the growth of market (Khanal and Sharma, 1996).

Pradhan has studied, "market center and hinterland relation in Lalitpur district," Nepal and focused on the development of market center and the linkage patterns between market centers and hinterlands. He found that market centers have not developed significantly along with the pace of time. The agricultural pattern is of diverse types and the farm households can choose among a number of marketing possibilities. The study regions are such circumstances as irregular terrain variable population density or administration boundaries are quite contrary to crystalline hierarchical pattern of evenly spaced centers. The relationship between the total numbers of central functional establishments located in the market centers and their trading areas appears to have been linear and close (Pradhan, 1997).

Sharma has studied the development trend and pattern of small towns in the Hindu-Kush-Himalayan region. He has focused the urbanization process in the mountains and strategic issues for the promotion and development of market towns in Himalayas (Sharma, 1998).

Gokarna Jung Thapa has studied, "the Role and growth of Bardibas market centers". He has studied the growth trade of Bardibas market center and the factor responsible for it. Furthermore, he has delineated

the spheres of influence of the market on the basis of information provided by shopkeepers in the town. He concluded that after the eradication of malaria and completion of east-west highway, Bardibas has been growing rapidly and the hinterland of the market center is increasing over the time (Thapa, 1999).

Adhikari has study “the road development evolution of market centers and analysis of mobility pattern of goods and people along the Rank-Ravi-Chisapani road”: A Case Study of Panchami Market Mechi Zone. The study has focused on the mobility pattern, inflow and outflow of goods and people from their origin destination and its volume and demographic and socio-economic features of the movers etc. and also examines that how the new market center emerges along with the development of road (Adhikari, 2000).

Pokharel has studied “comparative study of Khimti and Manthali market center”. The study attempts the comparative study of Khimti and Manthali market center of Ramechhap district. The study includes socio-economic condition, historical development, their functional characteristics, sources of goods, sphere of influence and future prospect of the market centers (Pokharel, 2002).

Neupane has study “the road infrastructure market centers and population mobility in Nepal”: A case study of Waling-Huwas road in the western hills. In his study road transportation can bring drastic change in the socio-economic scenario of any social and economic realm. For the least developed, landlocked and mountainous economies like Nepal road development plays a major role in attaining the development goals (Neupane, 2004).

Role of Market/trading centers have been emphasized by the development plans as well. A Regional approach to development was

first proposed in the Fourth Five-year Plan (1970-1975). It envisaged development of four growth axes running south to north following the tradition of trade routes. A series of growth centers was identified along the axes that were to experience induced growth mainly through government investment and intervention. The assumption was that the growth centers would induce 'spread effect' to the surrounding areas. Growth centers identified along the axes were mostly small town/market centers (NPC 1970).

The Seventh Plan (1985-1990) for the first time articulated a policy of urban development that was seen as complementary to rural development. It envisaged the development of a three tier urban hierarchy- regional urban center, sub-regional urban centers and service centers (NPC, 1985).

The Eighth Plan (1992-1997) has also adopted the service center approach with some minor modification for rural development. In addition to this one of the objectives for the market centers development proposed in the Eight Plan is to promote under development in view of the need to develop. Urban-rural inter-linkages as well as the need for balanced regional development. At the policy level, the following guidelines have been formulated.

1. To improve the relationship between cities and villages by developing small markets towns and market centers.
2. To take necessary steps towards the development of urban areas on a planned basis at suitable locations along the east-west highway and north-south link roads in the context of growing pressure of urbanization and to promote small town developments in other suitable areas with a view to support the rural development.

3. To determine appropriate distance to service centers in terms of command area with a view to provide necessary service to the rural communities and to carryout welfare programs for underdeveloped areas backward commodities (NPC, 1992).

The Ninth Plan (1998-2002) stresses the need for local development through the promotion of small towns and market centers and includes a program to identify potential market centers in selected districts (NPC, 1998).

The Tenth Plan (2002-2007) did not break any new ground regarding the development of small towns and market centers. There is reference to the important role of market centers for rural development and economic development in our country but this not backed by any programs. In Tenth plan, social sector development is emphasized to upgrade the quality of life pattern and to develop infrastructures as a fundamental basis for rapid economic growth. The sub-sector of social sectors such as basic education, health and safe drinking water etc. are accorded special priority because of their significant roles in human capacity development and their determining position in human development which directly affect poverty alleviation. Economic utility aspects and qualitative improvements of services sectors are duly considered while developing infrastructures (NPC, 2002).

CHAPTER - III

METHODOLOGY

Methodology is the way to come into conclusion in a study. It depends partly on the nature of the study area, the field and the purpose of the study. The research design has also some effect in selecting appropriate methodology. Methodology acts throughout the study. It means that methodology is applied from designation for data collection on a number of facts has been essential.

3.1 Research Design:

This research is an exploratory. It has attempted to see out the evolution trend of the trading center particularly with the view of consumers, wholesalers, and retailers, changes in pricing system and functional unit's increment, impact on consumer's social and economic status. It has given a view over the part of influence of the trading center. On other words, the area which serve the trading center and area served by the trading center are postulated on the map.

3.2 Data Sources:

In fulfilling the objectives data are gathered from various sources applying different methods of the study. This study is mainly based on field survey that primarily includes Sanfe Bazar trading center area of Achham district so that most of the data were collected from primary sources. Some data are supplemented by secondary sources of data based on various reports, documents, records, maps etc. In order to collect relevant primary data various consumers and traders/business units were interviewed. The Sanfe Bazar trading center is highly likely to impact significantly the economic and social lives of people in a total six districts

(including Achham). The main sources of data are the trading units, services establishment, governmental authorities, non-government services units, local elites and consumers of the six districts namely Achham, Bajura, Bajhang, Humla, Mugu and Kalikot respectively.

3.2.1 Primary Data Collection:

Primary data collection has been a significant method in the present study. During the field survey, information of location characteristics of the trading places was acquired first. This was accomplished through topographic sheets, aerial photographs and informal discussion with the local people. Since the present study was concerned in examining the contribution of trading center and their potential as service center, it was necessary to enumerate all functional units at the trading center.

The observation was followed by interviews using structural questionnaires separately for shopkeepers and consumers commuting to the Sanfe Bazar trading center. In the shopkeepers questionnaires survey the following information were gathered sources of origin of goods, volume of transaction, price structure, consumers characteristic, development factors and structural change of trading center, places of origin of consumers, export goods and problems and prospects of trading center development.

The consumer survey generated information on place of origin, consumer behavior frequency, purpose of visits, occupation, pricing system, choosing facilities, any change on economic and social status, purchase of items at trading center and difficulties.

3.2.2 Secondary Data Collection:

In addition to primary data some secondary data and information were collected from various studies, such as Population Census 2001, Road Statistics of Nepal, recent published booklets and

documents as well as district office, village development office and Sanfe Bazar Byawasthapan Samiti.

In addition, informal discussion was held with local people, intellectuals, local political leaders, administrators, teachers, social workers, traders selected from the judgment the researcher. These types of discussion was useful to obtain information on historical development of trading center, current problem and prospect of the trading center, impact on consumers, concerning various issues in trading and related development.

3.3 Data Processing:

After completing the data collection and field survey another steps of research study is data processing. In the present study, data processing was performing through grouping, clustering and tabulation. Tables were constructed and edited to present the numerical information. Computer Software such as excel was used to process the collected data. Several charts and figures were prepared accordingly.

3.4 Method of Data Analysis:

In this study both quantitative and qualitative methods are used for data analysis. The qualitative data were gathered based on interviews with wholesalers, retailers and consumers. Next completed questionnaire were processed and tabulated. Simple quantitative techniques such as calculation of percentage and ratio have been used.

CHAPTER - IV

GROWTH AND DEVELOPMENT OF TRADING CENTER

4.1 Historical Background:

The development of settlement and trading occupancy of any place seem to be influenced by physical relief, drainage, social and economic condition, public policy, transportation of the locality and other cultural factors. In the selection of settlement sites man is usually guided by both the attractive and restrictive forces of physical setting. Through geology, relief and drainage are not the direct restrictive forces for the distribution of human habitation. In the study area but their indirect effect creating material climate is note-worthy. Along with public and transportation policy has directed in the development of human settlement and trading activities. It is well known that hill and Terai migration in the country in the past was conditioned by the prevalence of malaria in the area below 4000 feet from sea level.

Due to high population pressure in hill and malaria eradication program, people migrated not only to Terain, but also to Valley, Tars, River Basin of the country have covered by the migrated people and practiced trading activities, agriculture and other types of activities in those area. Sanfe Bazar is also River Basin settled by migrated different ethnic group due to the population pressure and various other factors in the hill areas.

Since the early history of Sanfe Bazar, it is performing an important commercial function for the some part of the western hilly regions of Nepal. According to the historical evidences, trade activities of Sanfe Bazar are flexible. At this moment, my main purpose of study is not about the history of trade development and origin morphological

evolution of Sanfe Bazar but to have a clear picture of its historical evidences which may be very helpful to get a systematic knowledge of its trade activities. The growth and development of any subject is greatly reflected in its past historical evidences.

So far as the name and origin of Sanfe Bazar and its trade development is concerned different people have different versions. Historical origin of Sanfe is concerned in the year 1939 AD. Commercial activities in the far western hilly area are underdeveloped yet. Hat Bazaar, which are common in areas of eastern Nepal, are not found in far western region and Karnali zone. The absence of such market is compensated for to some extent by moving traders (Byansi, Mule owner, Bhote), a few shops and village Melas (fairs) which occurs fairly frequently.

The external commerce of this area was primarily with India. The foot path between far western region-India dates back to ancient time but the accurate and fix date can not be point out exactly. Almost all manufactured goods came from India and what little the area exports generally goes to India. Goods imported to the far western area exports generally came from India (Jhulaghat, Tanakpur, Gaurifanta, and Rupadiya). Some trade was carried on with Tibetan region of China, but this commerce has virtually ceased to exist. The decline of the Nepal-Tibet trade has resulted in a reduction of commercial activity in the area back to a rudimentary level. Dhuli is located boarder area of Bajhang district with Tibet, now there is not sufficiently trade on each other. Some Bajura district consumers are also going to Tibet. But Nepali consumers have not sufficient purchasing power. Thus many people of this part are going to India to earn money. When they return from India they purchase their necessary goods in India or other parts of Nepal. Sanfe Bazar also a facilitated trading center for them.

Hat bazaar which are common in eastern Nepal and in the Terai areas are not found in this areas or else where in the any districts. In the western part of the country marketing is an annual feature that involves long distance travel to permanent market for goods and services. Trade is instead carried out through stationary shops at periodic local festivals (Melas) and by wandering merchants (Byansi). The periodic village festivals of the area provide occasional opportunities for trade. The major item sold however tend to be food items such as tea, snacks and alcoholic beverages. A very minor trade in cereals and other goods takes place on these occasions.

A far more important role in area commercial was played by wandering merchants called “Byansi” (the name is derived from the area of Byans Himal which includes Darchula district of Nepal and Dharchula district of India, most of the traveling merchants were visiting the Baitadi, Bajhang, Darchula, Dadeldhura, Doti, Achham area). Byansi import all kinds of processed and manufactured goods into the area especially salt from Jhualghat in India. Commodities were transported on sheep and sold both to in this area shopkeeper and to individual households. Byansi were formerly the sole source of salt and Gotti, Gud (brown sugar) for this area. With the increasing frequency of trading trips by area trader and consumer to India and other parts of Nepal (Dhangadhi, Mahendranagar), this role has closed in recent years.

Another significant role in area commerce was played by Mule owner (Khachchar Wala). They were not wandering all part of this area. Mule owner sold their clothes and kirana commodities on to shopkeepers of this part. In recent time, in many districts of this part were touched by road but now mule is an important means of transportation for many hilly parts.

Bhote were another important trader in far western region and Karnali zone. Generally they exchange salt with rice and other villager products. Transaction between Bhote and private families were generally on a barter basis with grain usually being traded by area households for the commodities they require. Barter exchange rates vary with marketing conditions, generally the rate of rice to salt, for example is one to one by volume, but Bhote have changed double, treble that rate (i.e. four pathi of rice for one of salt) on occasion. The barter systems are particularly common in intra and inter village trade as well as in transactions with the Bhote. Cash plays a prominent role only in purchases made at area shop. The exchange systems salt with rice at now continues in hill side area in many far western districts and Karnali zone.

4.2 The Development of Sanfe Bazar as a Trading Center:

The date of the actual evolment of the settlement in Sanfe Bazar could not have been ascertained however it has been identified from the research that the settlement was into existence since only 1939 AD. According to matured people, since 1939 AD Sanfe Bazar is a commercial center enjoyed a limited number of functional units and served only the local people. Many of the shops and individual involved in trade and retailing in the area extended credit to local consumers and in some cases obtain varying proportions of their goods on credit. During the recent and past periods of food shortage, the demand for credit has increase and the ability of existing debtors to repay has rapidly decreased. Particularly for smaller stores with little capital receiving goods on credit from large stores. The trade history of Sanfe Bazar is started only after 1939 AD. It became an important trading center for Bajura, Achham and some places of Humla, Kalikot and Mugu districts of Nepal. In past time, many people of this part were going to Rajapur of Bardiya for salt and

kerosene. The expansion of road in far western hilly regions the markets were established in highway side. And people of this part got some facilities. After Rajapur the market start in Malakheti (Atrariya) of Kailali, Sahajpur and Phalture of Kailali, Syaule of Dadeldhura, Samuhgadha, Pipalla, Uditola and Sajghat of Doti and last point is Sanfe Bazar of Achham district respectively. Till 1995 AD many people of Karnali zone were going to Chisapani of Kailali. Later on during the period of 1996 AD when the moter service was extended to Sanfe Bazar, it attained peak development. It captured markets of many districts. A great number of potential consumers are now visited Sanfe Bazar trading center. This place became more accessible to the people of six districts. The disintegration of economic association of Doti with the market center of the far western was due to the extension of motor service to Sanfe Bazar, which then emerged as an important trading center because of its direct link with many main cities of Nepal and it also became integrated economically with other districts market center. Due to the direct accessibility to many other cities, Sanfe Bazar trading center began to depend upon other city rather than Doti. Sanfe was a major shopping focus for the people of Bajura and Achham district before the construction of the Silgadhi-Sanfe road. It was the main collecting center of the various farm products exported to Dhangadhi, Nepalgunj and Mahendranagar. As such Sanfe Bazar performed an important wholesale trade of rice, beaten rice, soybeans, pulses, ghee etc.

4.3 Factors Responsible for the Development of Trading Center:

People in the past believed in self sufficiency and had no ideas either of exchange or trade. Their limited wants were satisfied either by his immediate environment or by the place he used to move in search

of food, water, favorable climate, culture etc. or remained unfulfilled with the growth of social contact and when man started living in groups he begin the practice of exchange of commodities. Consumer is the most important factor in modern marketing but in primitive marketing system believed that the producers were more knowledgeable then consumers about the product and quality. This type of marketing is still practice in different parts of Nepal where consumer forced to buy what is available and not what they want. In this section examines the growth of Sanfe Bazar trading center as the distribution center for consumer goods as well as collection center for the agricultural production. There is only on reason behind the growth of Sanfe Bazar trading center. The growth of the market center started only after the construction of Silgadhi-Sanfe road. Now the trading center is located at the cross road and linked with plan road such as Sanfe-Mangalsen, Sanfe-Martadi (under construction) road.

About 70 years ago there were very few households in this area. There was not any shop in this area. They used to go to nearer market centers either in India or Dhangadhi/Mahendranagar for fulfilling their needs. At that time the inhabitants had limited needs. Particularly, people of that part were used to go to India or Tibet. There is an accurate record of the establishment of shops in Sanfe since 1939 AD. Then after, slowly Sanfe Bazar developed and important trading center for Achham and Bajura districts consumer. Trade started significantly only after the construction of Silgadhi-Sanfe road. Before the construction of the road there were few shop stall. Specially, the existed shops were either tea shops with partially kirana shops or hotel and some cloth, readymade, utensil shops also. After completion of initial phase of Silgadhi-Sanfe road the trend of establishing shops remained high. The growth of the

center was largely due to migration of professional traders from the other places. It indicates that very few out of the total enterprises of local people are engaged in business activities.

4.3.1 Marketing:

Trade can be defined as the performance of business activities that direct the flow of goods and services from the producer to the consumer so that they may reach the consumer, at the time, place and in the form he wishes and prices he is willing to pay. The degree of development of trading center is dependent on the trading capacity of the existing market. Agricultural products are the main sources of marketing in the market from its hinterland and processed in local mill and sells it either to market center are not there people of hinterland would not succeed to get additional income by the farming. Instead of these people of its surrounding villages achieve many essential goods that they needed. In recent times, the number of shop and types of functions have increased and people were achieving different needed from the market is another important feature. There is not another market center such as Sanfe Bazar which can provide many services. Due to the absence of such types of market in surrounding place, Sanfe Bazar market is developing over the time. In recent year construction materials, clothe, salt, oil and agricultural input are the important types of shop and use of these types of goods is very high. The dependency of the people of influence area in the market center is increasing over the time. Therefore, market based an agricultural products and non-agricultural products which serve in collecting and distributing the agricultural products of hinterland villages. The villager, mostly sell their products in the villages themselves and remaining stock is sold in nearly market center. This trading center serves

various basic commodities such as construction material, clothe, oil, salt and stationary besides agricultural products.

4.3.2 Transportation:

The efficiency of marketing as well as the ability to increase productions is closely associated with an adequate transportation system. With out adequate transportation facilities it is not possible to bring about an economic transformation of a region because the needed impetus for such a change cannot be effective without adequate transportation. For lack of transportation means that costs are high, marketing possibilities are uncertain and incentives to produce a low. Sanfe Bazar is a market developed along the highway, moreover after the construction of Silgadhi-Sanfe road. The businessmen from outer areas started to come for business purpose after construction the Silgadhi-Sanfe road. Adjoining, rural areas which have easy access to Sanfe Bazar have consolidated it. Now mule porters, sheep, are transportation means can be used for carrying goods from Sanfe Bazar to the hilly parts. Presently the Silgadhi-Sanfe road has been continual flow of transportation means has run. The people of hills and neighbor districts use this way for traveling other parts of Nepal and India. The crowd and gathering of travelers flock hotel/lodges benefiting them.

4.3.3 Administrative:

The extent of service area of a largely depends upon the existing trade and service patterns in the area, distance, time and money inputs needed in reaching the road population densities, levels of economic activity and the composition offered by other modes of transportation. The central place scheme refers that market center can developed in administrative center. The service area of such type of administrative center is larger than other market center. There were very few offices in

Sanfe Bazar up to 1996 AD. After the completion of Silgadhi-Sanfe road many offices such as Department of Road, NGO and INGO offices etc. are established in Sanfe Bazar.

4.4 Influence Area of Sanfe Bazar:

The aerial extent of the spheres of influence of town and cities are not fixed one. The growth and development of transportation and other various activities have brought contrasting diversification in the orientation of place of urban services. These are the most important factors to change community structure economically and socially, which can produce both desirable and undesirable results to its hinterlands. The urban centers of the world can responsible for their growth. The origin of such towns and cities are due to the high demand, their existence to discharge central service from the various parts of the surrounding area.

Cities do not grow up themselves, country sides set them up to task that must be performed in central place. Thus, market centers cannot survive by themselves. The existences of such centers are dependent in the demand level of the peripheral areas. The sphere of influence is defined as the area surrounding a town of city with in which that urban center has major cultural, social and economical influence. The existence of the towns and cities is dependent on the demand level of surrounding areas. The spheres of influence of towns and cities are not fixed because the growth and development of modern means of transportation and change in other economic, social and cultural activities play a very significant role for the diversification in orientation of places of urban services. Along with these, the functional characteristic of the market centers is equally important in shaping the extent of influence of urban centers. Larger the city, the more complicated are its functional characteristics and relations with its hinterland.

During the last few years due to the growth and development of transport facilities and other activities came change a different ways in the hinterland pattern of most of the Nepalese towns. Generally larger the city spatial extent wider is its hinterland pattern. But this sort of pattern is not true in case of Sanfe Bazar though it is a small town, as compared to other towns of Nepal. Now Sanfe Bazar is the important trade center having wide hinterland in the far western hilly regions and Karnali zone of Nepal. Now its spheres of influence extended up to Bajura, Achham and some VDCs of Bajhang districts of Seti zone and Humla, Mugu and Kalikot districts of Karnali zone. These three districts of Karnali zone and some districts of Seti zone are economically linked with the Sanfe Bazar. The people of that part carry baskets filled with medical herbs, hashish, hand-knit sweaters, blankets, pulses, ghee, cash grain and come to Sanfe Bazar to sell them. They also collect silagit and take it with them to sell there. After selling their goods with that money they buy cotton cloth, salt, sweet, aluminium, ironware, spice and jewellery and they return home.

Before the construction of Silgadhi-Sanfe road, the main consumers from Achham and Bajura and some consumers were from Humla, Mugu and Kalikot districts commuted to Sanfe Bazar for trading purpose. And most of the consumers of Karnali zone were going Tibet and Chisapani of Kailali. As a trading center, the hinterland of Sanfe Bazar is spread over many parts of the Achham district. During the last few years due to the socio-economic change, the hinterland of Sanfe Bazar trading center has changed markedly. The change is remarkable after the development of road network. Trade of Sanfe Bazar in northern parts has extended six districts.

Table 4.1: Outflow of Goods from Sanfe Bazar Trading Center to Different VDCs

S.N.	Name of District	Numbers of VDCs
1.	Achham	75
2.	Bajura	27
3.	Bajhang	5
4.	Mugu	20
5.	Humla	25
6.	Kalikot	24
	Total	176

Source: Field survey 2006

Table 4.1 shows, the flow of goods, services from Sanfe Bazar trading center to all of 75 VDCs of Achham district. Similarly to all of 27 VDCs of Bajura, 5 of Bajhang, 20 of Mugu, 25 of Humla and 24 of Kalikot respectively. VDCs of Bajura and Achham district are 100 percent influenced by Sanfe Bazar trading center and Humla, Mugu and Kalikot districts are also significantly influenced by this trading center.

The commodities supplied from Sanfe Bazar trading center are mainly food grain, clothes, kirana goods, salt, kerosene, oil, utensil etc. in winter season large quantity of salt and clothe items are supplied. Generally the trade linkages of Sanfe Bazar with those area was of a gradient nature, the general nature was to decrease the frequency and intimate association with the increase of sphere of influence of Sanfe-Martadi, Sanfe-Mangalsen road and Karnali Rajmarga will lost all its important spheres of influence of the present. In future, it has very limited spheres of influence with in Achham district. At present the important

centers of Achham district such as Sanfe Bazar, Mangalsen, Bayalpata, Jayagadha, Mujabagar, Mellekha, Binayak, Dhakari, Turmakhad, Thanti, Chaurpati, Chaukhutte, Kamal bazaar etc.

Sanfe-Mangalsen and Sanfe-Martadi road will have been negatively affected the development of Sanfe Bazar trading center. Before the construction of these roads, various parts of Seti and Karnali zone were under Sanfe Bazar sphere of influence. But in future, these parts will not under its service area. Bajura, Mugu and Humla are mostly served by Martadi. Eastern part of Achham will be served by Mangalsen market and Kalikot will be served by Karnali Rajmarga. Despite the negative situation, Sanfe Bazar continues to serve extensive hinterland. This is particularly due to its location as the central parts of many road links, air transportation facilities institutional center.

Table 4.2: Outflow of Goods from Sanfe Bazar to Different Market Center of Seti and Karnali Regions

S.N.	District	No. of Market Centers Receiving Goods from Sanfe Bazar
1.	Achham	13
2.	Bajura	6
3.	Bajhang	1
4.	Humla	1
5.	Mugu	1
6.	Kalikot	1

Source: Field Survey 2006

Table 4.2 shows that Sanfe Bazar supplies goods to different market center with in Seti and Karnali zone. Achham and Bajura districts are very important for receiving trading goods from Sanfe Bazar trading

center. In total 13 market centers in Achham district. All of these 13 market centers are obtaining goods from Sanfe Bazar trading center. Bajura also a more important and obtain goods from Sanfe Bazar to its 6 market centers. Mugu, Kalikot and Humla districts have only one large market center in district headquarters respectively. According to consumers who come to Sanfe Bazar for business purpose, other parts of these districts have some small shops like tea, snacks shops only.

CHAPTER - V

STUDY AREA AND ECONOMIC PROFILE

5.1 Introduction to Study Area

The importance of town and cities is increased by the various functional units like wholesale and retail activities. Sanfe Bazar trading center is also a well known market center having numerous business activities. This is a trading center for three districts of Seti zone and three districts of Karnali zone. For most of the goods and services are imported from Dhangadi, Mahendranagar, Nepalgunj, Kathmandu and different places of India.

Achham district lies in the Seti zone of the far western development region. It is bordered by Bajura and Kalilkot in the north, Dailekha in the east, Surkhet in the south and Doti in the west. Administratively, the district is divided into 75 VDCs. Mangalsen is the district headquarters. The land area is 1680 KM². Almost 90 percent of the district lies in the middle mountains and 10 percent lies in high mountains. The district has sub-tropical, mid-temperature. The average maximum temperature is 23⁰c and the average annual rain fall is 1791 mm. Life expectancy of at birth in 1996 was 49 years; life expectancy for women was 42.2 years. About 83.3 percent of the population over 10 years old is economically active. The dependency ratio is 103 per 100 people of active age group (15.59). The annual per capita income in 1996 was NRs. 5035. Annual per capita gross domestic product (GDP) in 1996 was US \$778. In 1996, Achham ranked 68 out of 75 districts in Nepal's human development index (HDI).

75 Village Development Committees are included in this district, and Siddheshwar VDC is one of those. Sanfe Bazar trading center lies on

word no.1 of this VDC. The total population of this VDC is 4355 out of which 2142 (49.18) are male and 2213 (50.81 percent) are female. Total number of households of this VDC is 1033 and average households (AHHs) size 5.58. The major inhabitants of the VDC are Chhetri, Damai, Sunar, Bhul, Brahamin, Tiruwa, Koli, Kadara, Luhar etc. The geographical situation is bounded by Budhiganga river to the east, Budhakot VDC is situated west, Jalpadevi VDC is south and Ghunghurkot VDC is situated northern part.

5.2 Economic Condition:

At present, Nepal is facing a several problems related to economic. There is not only the shortage of natural resources and capital but also these has been underutilization of manpower a good resources for economic development. The present stage of economy is such that it calls for a careful, continues and sincere effort to utilize the available resources more wisely and effectively in order to ensure better standard of living to the people. Every society today needs minimum economic guarantee in terms of balanced diet, better health, education, and housing facilities.

The basic factors affecting economic conditions in the hills are the limited amount of cultivable land, the wide spread lack of a water for irrigation purpose and the increasing number of people attempting to produce food. Due to the almost total lack of cereal grain production in many areas of the hills, particularly on low quality lands, poor families, many already in debt were forced to borrow in kind or cash from available sources to obtain food. Repayments on outstanding loans become extremely difficult as any income from employment in Terai or India generally went directly for food or to pay off newly assumed loans.

There is clearest indication of economic disparities among the various sub-groups of the study area in the distribution of landholdings.

Land is unequally distributed among high and low caste communities. High caste groups owning more than eighty percent of the cultivable land. This indication shows that high caste households are generally well off.

Income with which to meet all these cash requirements is presumably derived from seasonally wage employment by households members outside the far western region (on occasionally with in) and from remittances from non-resident members. Agriculture labor performed for in kind by payment of grain. Although over eighty percent of the households of the far western region identify agriculture as their primary sources of livelihood. Very few of these households are compelled to supplement their agricultural incomes with income from other sources. A number of these secondary sources of income area local in nature including such activities as pottering, retail trade and cottage industries.

In compares ion to import goods and commodities the export goods and commodities are very limited in different villages of Achham district. The people have no such cash commodities and goods to gain much money. Almost all trucks and other transportation means are come back from the Sanfe Bazar trading center. Whole area of far western are not a surplus area of food crops and even the food and cereal crops are of subsistence types. Due to the hill side location this district has rugged topography with a mountainous terrain where the flat and fertile agricultural limited land. Even the limited animal husbandry has not developed and improved as commercial type in order to increase the income. Some domestic and cottage small industries are not so productive. Only primitive and traditional type on accompanied with modern training and technology.

People have very limited export items of goods. Even the government sector is inactive and ineffective to make this region fruitful for the export items. Therefore this region cannot afford and make a return for the importing goods out of the daily returning trucks from Sanfe Bazar to Terai district even one truck is not found as loaded with export goods. It is clear from this track that the export trade of Sanfe Bazar is very limited not enough to meet the importing deficiency of this area. This is a major and burning problem not only for Achham but also for the many hilly area of Nepal.

The economy of this area is not developed and therefore it is not so productive in order to afford the importing valued. Even the subsistence agriculture is traditional and primitive which not enough to meet the demand of the local people. The area around Achham, together with most of the far western hills is characterized by normally marginal cereal grain production, very inadequate sources of cash income, a high degree of dependence on long term and seasonal employment in the Terai and India for cash income. According to baseline survey report Achham district 2000, UNICEF, 60 percent households depend on agricultural and 22 percent on service (jobs) as main income source. Thus only 18 percent of households have other sources of income, 10 percent wage labor as income source. About 8 percent of the household's occupations inherited from their forefathers or defined by castes-such as cobbler, black smith, tailoring as income sources.

5.3 Population:

Human resources are as much significant as material resources for the economic prosperity of a region. It is because human being play active role on passive resources. On other words, the balanced development of the regional economy depends largely on the suitable size

and quality of population. The people are active agent of working the material resources existing in the region. Ultimately, the success of economy planning is mainly determined by the efficiency and nature of the people. As such population is of vital significance to the rapid prosperity of the regional economy.

We generated many problems in far western Nepal. We see too little cultivated land and too many people, while the available land is limited the possibility of an increase in population is without doubt. As a result, the task of feeding the rapidly growing population from the ever shrinking crop and, even at the present level of minimum subsistence has become the challenge of the day. According to the Central Bureau of Statistics (CBS), the population of Achham district is 231,285 of which 122,287 (52.87 percent) are females and 108,998 (47.12 percent) are males. The sex ratio is 89 males per 100 females. This population is distributed in 44,005 households with an average household size 5.26 individual. The population density is 138 persons KM². About 44.2 percent of the population are under 15 years old, and 6.5 percent are 60 years and over. The district is diverse in terms of ethnicity and mother tongue.

According to the 2001 census, there are 64 castes/ethnic groups, these include Chhetri (53.2 percent), Brahmin (10.7 percent) and the occupational castes of Sarki, Kami and Damai (22.4 percent) other castes/ethnic groups, each consisting of less than five percent of the population.

According to the 2001 census, 20 languages are spoken. The most prevalent is local Nepali (99.3 percent). There are several religions recorded in the 2001 census, however, 99.8 percent of the population are Hindu.

5.4 Education:

The role of education is vital for the overall development of a nation. Educated and conscious citizen can drive the nation towards the path of progress. In the sphere of education the people of the study area are not advanced as compared to the people of other region. The literacy rate of the Achham district is 33 percentages. In total males are 52 percent and females are only 14 percent educated. There are altogether 345 school including 4 higher secondary school and 35 secondary schools excluding two collages.

5.5 Employment:

Agriculture and agricultural labor predictable were the primary sources of livelihood for the over whelming majority of far western region and Karnali zone. Although over eighty percent of the households of this area identify agricultural as their primary sources of livelihood, very few of these households are able to meet their annual requirements exclusively from the land. Virtually all households are compelled to supplement their agricultural incomes with income from other sources. A number of those secondary sources of incomes are local in nature, including such activities as pottering, retail trade and cottage industries.

salariated employment as teachers are the major sources of income from non-agricultural sectors and the single most important secondary income sources and employment out side the districts are generally in India. Un-employment in the rural area is vital problem and seasonal unemployment is leading to poverty. Therefore most of the people of this area have no higher income and higher standard of living. After the established of this large trading center it has brought a new dimension in the socio-economic field in the local people. In the field of the trading and commercial activities this trading center has played a leading role for

the upliftment of employment standard. Due to increase in the private sectors participation in the economy the situation of employment is improving in this area. Silgadhi-Sanfe road and Sanfe Bazar trading center have created a lot of jobs for the locals. Large number hotels are opened here in recent years and have provide lots of jobs directly or indirectly.

It was mentioned previously that approximately 30 percent of households had one or more members who regularly left the hills during the winter to seek employment in the Terai or India. The estimates obtained during the course of field work tended to include this group with a group that was also motivated by the need not only to earn cash, but to obtain a source of food for the winter months. The rough estimates tended to Achham district the area highest in seasonal migration. These estimates were usually in terms of the proportion of the total population that tended to leave the hills during the winter.

Before the establishment of Silgadhi-Sanfe road there were so many un-employed and underemployed people in the surrounding areas. But the establishment of Silgadhi-Sanfe road opened a new gate of employment opportunity to those un-employed and underemployed people. It has given directly and indirectly a great employment opportunities to the people.

5.6 Occupation:

Occupation refers to the type of work done during the reference period by the person employed, irrespective of the industry or the status in employment of the person. Information on occupation provides description of a person's job. In the present context a job is defined as asset of tasks and duties which are carried out by or can be assigned to one person. The major occupation noted for the respondents constitute

farming, business (shopkeepers), labor in Nepal, labor in India etc. among others the Dalits were found to practicing their traditional occupation like blacksmithing and tailoring.

115 persons were interviewed in Sanfe Bazar area. In that place the number of people engaged in hotel business, shopkeeping is found to be increased after Silgadhi-Sanfe road. While engagement in non-productive activities such as wine making/selling, traditional agriculture etc. is found to be reduction significantly in Sanfe Bazar area. The breakdown of expenditure shows that respondents found to spend more of their incomes on food (as opposed to the trend of urbanization) and then in clothes and others. The expenditure before the road construction was rather smaller. But it may be due to numerous other reason rather than direct effect of road construction. Compared to other spending the expenditure on vehicle cost is significantly decreased.

Table 5.1: Occupational Status in Achham

S.N.	Types of Occupation	Population	Percentage
1.	Business	510	0.46
2.	Hotel business	149	0.13
3.	Tailoring	914	0.83
4.	Mechanics	85	0.07
5.	Health service	192	0.17
6.	Labor	574	0.52
7.	Cottage industries	552	0.50
8.	Government service	1786	1.63
9.	Abroad (specially in India)	38717	35.46
10.	Agriculture	65690	60.18
Total		109169	100.00

Source: District Profile, Achham 2003

Table 5.1 shows that main occupation of Achham district is agriculture and the secondary or non-agriculture sources of income is from India. In the government service sector teachers are playing most important role. They are the major sources of income from non-agricultural sectors in the local area.

CHAPTER - VI

FUNCTIONAL COMPOSITION AND SOURCES OF GOODS OF SANFE BAZAR TRADING CENTER

6.1 Functional Composition:

The word “function” is used to mean an activity. It embraces all commercial, social, financial, developmental and administrative activities, which are associated with central places and therefore they are central functions. Functional characteristics of a trading center are providing social and economic service to its peripheral areas and to the center itself. Social -economic factors plays a significant role for the extension and expansion of their hinterland. So functional characteristics of the market center are usually related to social and economic circumstance of the locality, the size of the market center, transportation linkage or accessibility governmental policies. Functional structure or the central functional is the outgrowth of the relationship between a central place and its establishments that have the basic function for providing goods and services to the people living in their surrounding hinterlands.

“Nepal is a nation with very low of urbanization both in terms of urban population and number of town”. About more than 80 percent of the total population of the country are leading rural agricultural life. This indicates low development of commercial establishment in the country. There is dominancy of agricultural and rural characteristics in these market centers of the country. Every settlement provides some kinds of goods and services to its surrounding areas and within it as well. They may perform some manufacturing activities. Urban settlements are particularly more important than the rural settlements with the functional point of view. They are also more complex in functional composition. They are the center for collection and distribution. Which eventually

generate higher intensity of people movement? It gives breath to service oriented functions. Production method varies from primary to tertiary. They offer a number of facilities. Commuter movement is usually high.

The main functions of a market center consist of trade, collection and distribution of goods interlocked in a complex web of exchange. Thus collection and distribution may involve several steps including both wholesale and retailing. Trading activity is the main function of the city and town located in particular place that provides a convenient point of focus for consumers who visit for the goods and services. The functional analysis of settlement gives new insights into the current social, economic and political structure of the market and its surroundings are best displayed by the functions of the market. Greater number of educational establishments, sanitation facilities, shops varieties, over arrangements, higher order functional establishment etc. are all symbolic features of social, economic and political standard of the place. This chapter deals with functional morphology of the market centers. The kinds and number of function, classification of the functions and the characteristics of the functions are the main subjects that are going to be examined in this chapter.

6.2 Evolution of the Trading Center:

Evolution of a town mean as the extension of built-up area, growth of population by means of natural increment and migration, establishment of new enterprises in a gradual process, increment of traffic volume and consolidation as well as increment of non-productive secondary functions. Sanfe Bazar trading center under this study was thoroughly observed and surveyed to find out as what its former condition was and how they have come a long way into present condition. Sample survey was carried out for interviewing some selected persons who had come to

this place earlier. They were asked to tell about the number and nature of establishments in different periods of time. It has also been helpful to the identification of built up area in different periods.

The information about the number of function unit and years is entirely based on the answers provided by the sample respondents. No readymade recorded and official data were available in this regard. The calculation of percentage increment of functional establishment, since 1939 AD. Mule track and plane runway constructed then after functional units were increased. Sigladhi-Sanfe road is constructed later and functional units are increased, therefore it is hoped that the percentage will depict the impact of the Silgadhi-Sanfe road on the evolution of this trading center.

Table 6.1: Evolution of the Sanfe Bazar Trading Center

Functional Units	Years (AD)
1	1939
9	1963
51	1995
113	1996
254	2006

Source: Field Survey 2006

Table 6.1 shows that the increment data of functional units in the different periods. The functional unit increment ratio found increases significantly only after the plane and road transportation.

6.3 Functional Composition of Sanfe Bazar:

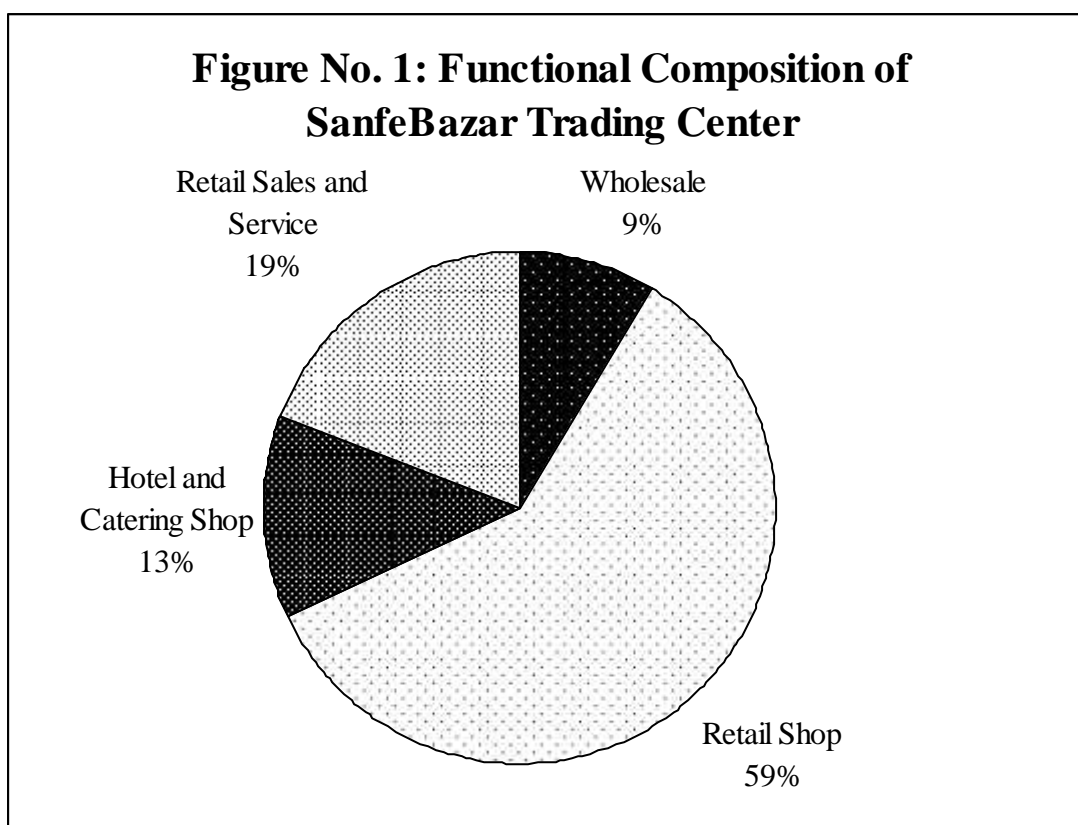
With the development of transport network, wholesale establishments are increasing gradually. There are altogether 22 large

wholesale units in Sanfe Bazar trading center. This trading center has a variety of wholesaling establishments. The most important wholesale types are food grain, kirana, clothes, utensils, medicine, footwear, construction material, stationery units. These all shops conduct wholesale trade as well as retail trade. There are six districts localities of market establishment in Achham. The establishment of shop in Sanfe Bazar is increasing rapidly. People from outside and some locality started to establish shop stall with the large investment with the increased number of shop the hinterland area has also extended. Wholesale establishment of Sanfe Bazar supplies their goods to many market centers located in Humla, Kalikot, Mugu, Bajura, Bajhang districts. Businessmen of different market center come to obtain their trading goods in this trading center. Basically rice, cloth, oil, salt, kerosene, sugar, utensils, cement and construction materials are supplied to the other market centers and consumers. Sanfe Bazar, Mangalsen, Bayalpata, Jayagadha, Mujabagar, Mellekh, Binayak, Dhakari, Turmakhad, Thanti, Chaurpati, Chaukhutte and Kamal Bazar are the major market centers in Achham district. In Bajura Maure, Martadi and Kolti are the major market centers. Similarly in Bajhang, Chainpur and Sunkuda are the major market centers. Other influenced districts have only one major market center in district headquarters. Many districts businessmen and consumers used to come to this market center to bring trading and consumption goods especially rice, cloth, kirana, salt, oil, utensils and consumption materials. Large number of consumers used to come to this trading center to bring consumption goods especially rice, salt oil and kerosene in winter season. Few years ago Sanfe Bazar trading center had served in supplying goods to Achham and Bajura district only. In recent year, the volumes of goods supplied in the other neighbor districts have expanded. The functional characteristics and shops grouping of Sanfe Bazar are shown in table 6.2.

Table 6.2: Functional Composition of Sanfe Bazar Trading Center

S.N.	Types of Shop	No. of Shop	In Percent (%)
1.	Wholesale	22	8.66
2.	Retail Shop	151	59.44
3.	Hotel and Catering Shop	32	12.59
4.	Retail Sales and Service	49	19.29
	Total	254	100.00

Source: Field survey 2006



In table 6.2, all shops are categorized into only four broad classes according to their function and characteristics. Wholesale includes big store like rice, oil, clothes which supplies for the retailer. Retail shops include cloths, fancy goods, and food grain, hardware goods, utensil, which consist highest percentage of the total number of shops. This

shows most of the shops are generally mixed in nature is called kirana shops. The kirana shops deal varieties of shops, which indicate shopping behavior of the people that like to buy varieties of goods for shopkeeper. The retail shops constitute about 60 percent of the total shops.

Hotel and catering includes hotel/guest house, lodge, teashops etc, which consists 12.59 percent of total shops. After the retail sales and service shops highest number of functional class is represented by this group. This means there is high interaction of people of different part. Retail sales and service types of shop include those shops which sell and after service relating to the goods product by small enterprises. Doko-Namlo, tailoring, shoes repairing, gold smithing, hair cutting, furniture dispensary, vegetable, photo studio, watch and radio repair, small kirana shops are include this category which consists 19.29 percent of the total shops.

6.4 Sources of Goods:

Any market center cannot exist by itself. So various factors are responsible for the existence and growth of the market center. Supporting towns or cities or source of goods for the market center is one of the important factors. So every market centers must have its source places of supply from where goods and easily be derived. Transportation facility plays a vital role for the existence and extensions of trading activities of any trading center.

Before the construction of Silgadhi-Sanfe road the Sanfe Bazar was standing with few shops facing great transportation problem. The goods for this trading center had to be brought by plane, porters, mule and sheep. It is obvious that in such condition price of the commodities rises notably with increasing distance of the place of supply from market center. Consumers have to pay high porters transportation cost. After the

construction of road sources of goods supply to Sanfe Bazar changed and number of shops and service areas increased notably. The table below shows the detail information about the sources of goods supply to Sanfe Bazar.

Table 6.3: Sources of Goods for Sanfe Bazar

S.N.	Source Places of Goods	Volume (%) of Goods Supplied to Sanfe
1.	Kathmandu	8
2.	Dhangadhi	70
3.	Mahendranagar	1
4.	Nepalgunj	15
5.	India	6
	Total	100.00

Source: Field survey 2006

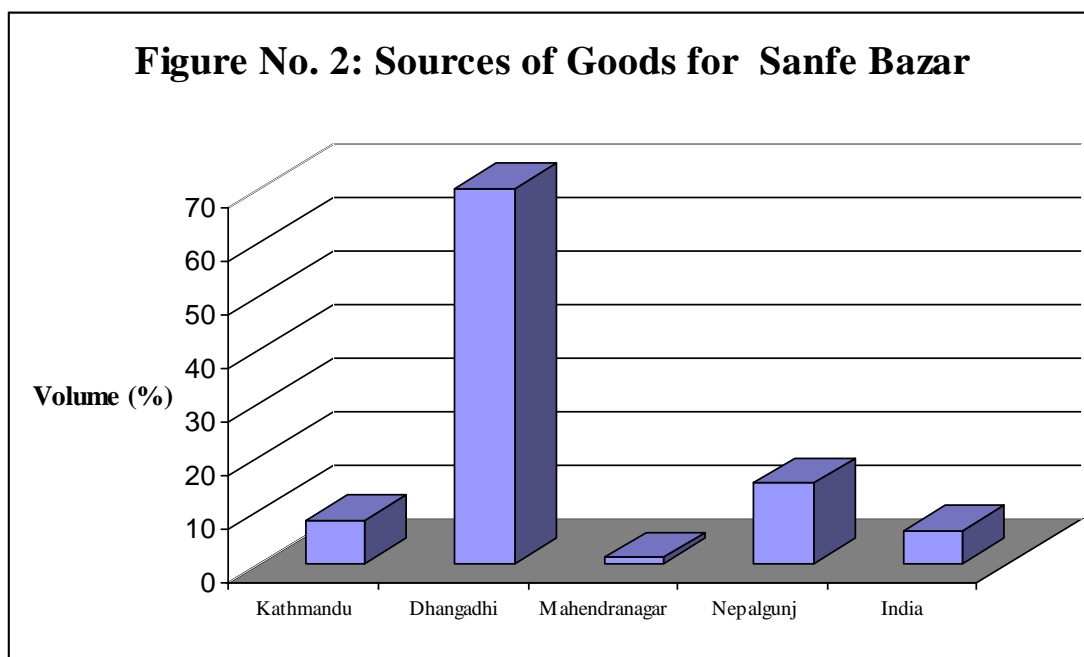


Table 6.3 shows that Dhangadhi, Nepalgunj are the major suppliers of wholesale goods to Sanfe Bazar trading center accounting for

70% and 15% respectively. Remaining about 15% goods are supplied from other market centers like Kathmandu (8%), Mahendranagar (1%) and from India (6%). The goods supplied from Dhangadhi are kirana goods, salt, sugar, kerosene, fertilizers, cement, construction materials, iron spice, rice and many daily used goods. From India are clothes, stationary, sweets, hardware, medicine, cotton clothes, suiting shirting clothes, utensils, fertilizers, tobacco etc. The goods supplied from Kathmandu are clothes, shoes, sandals, and readymade, fancy goods. Similarly from Nepalgunj are clothes, construction materials, shoes, readymade etc. and from Mahendranagar only clothes are supplied.

6.5 Employment in Trade:

The shops provide employment to the large number of people. There are directly above 500 employees engaged in the various types of trade.

Table 6.4: Employment in Trading Shop by Types

S.N.	Types of Shops	No. Of Shops	No. Of Employee	Volume (%) of Employee
1.	Wholesale	22	122	23.82
2.	Retail sale	151	219	42.77
3.	Hotel and Catering	32	94	18.35
4.	Retail sales and service	49	77	15.03
	Total	254	512	100.00

Source: Field Survey 2006

Figure No. 3: Employment in Trading Shops by Types

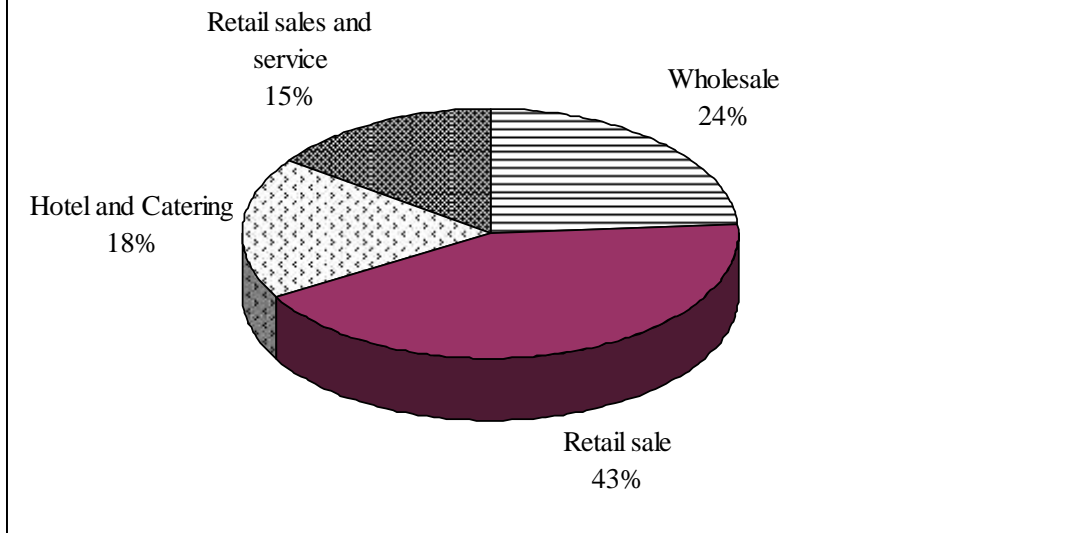


Table 6.4 shows that wholesale trades provide employment to a significant number of people. Retail shops or mixed shops provide the employment to the large percentage (42.77%) of total employed population. Wholesale trade (lager kirana shops) has occupied the second position with 23.82%. Hotel, catering, small retail shops are provides the employment to 18.35% and 15.03 respectively.

6.6 Means of Transport:

Before the completion of this road, mule, porters, sheep and plane were the major means of transport to supply the goods from many parts of Nepal and India. With the completion of this road, bus truck and tractors are the major means of transport. Because of the development of transport network, there are frequent bus, truck, and tractor service from the important town or market centers of Nepal. In recent porters, sheep and mule, yaks are means of transport of hilly parts. Sometimes mule and porters are used to means of transport when irregular the road. The following table clears about the means of transportation and their volume.

Table 6.5: Means of Transportation for Trade Goods

S.N.	Means of Transportation	Volume (in %)
1.	Bus	10
2.	Truck	80
3.	Tractor	5
4.	Porter	5
	Total	100.00

Source: Field Survey 2006

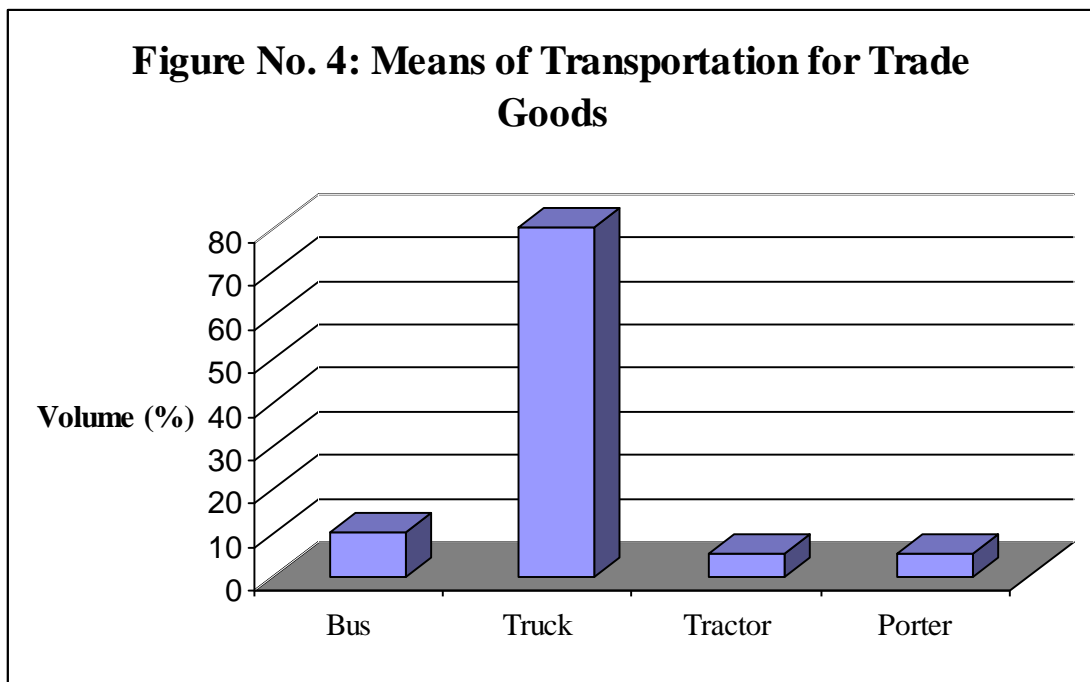


Table 6.5 shows that truck is the main means of transport in trade accounting for 80%. Then bus, tractor and porters are the means of transport accounting for 10%, 5% and 5% respectively. Buses are used to provide the portable and luxurious goods. But these are possible from only the market, which have regular bus service to Sanfe Bazar. Trucks are used to carry heavy goods, salt, rice, oil and constructing materials etc. Tractors mule and porters are used to carry goods if irregular the

road. In present time mule, porters, tractors are used to means of transport for other market/parts where the road transport has not developed properly yet. And many consumers also carry their goods on foot from the Sanfe Bazar.

6.7 Monthly Trade Volume in the Trading Center:

Flows of goods are measured in terms of trade transaction with monetary values. Trade transaction is the absolute indicator of goods outflow of trading center.

Table 6.6: Average Trade Volume in the Trading Center (Monthly)

Trade Volume	Numbers	Amount (in %)
Less than 50,000	149	58.66
50,000-1,00,000	63	24.80
1,00,000-5,00,000	19	7.48
5,00,000-10,00,000	11	4.33
10,00,000-50,00,000	8	3.14
Above 50,00,000	4	1.57
Total	254	100.00

Source: Field Survey 2006

Table 6.6 shows that, the variation trade volume of the trading center. Among the survey businessmen, volume of trade is less than 50,000 per month identified high percent, which is about 60% of the total sample shopkeepers; only 4 have performed their trade above 50,00,000 per month. The shopkeepers with trade volume of less than 50,000 per month are supposed to below class businessmen. Small tea shop, repairing, tailoring can be grouped with the low class business. According to the table, the second low levels of shopkeepers are found about 25% in

Sanfe Bazar. In this way it can be said Sanfe Bazar is one of the large trading center according to the trade transaction.

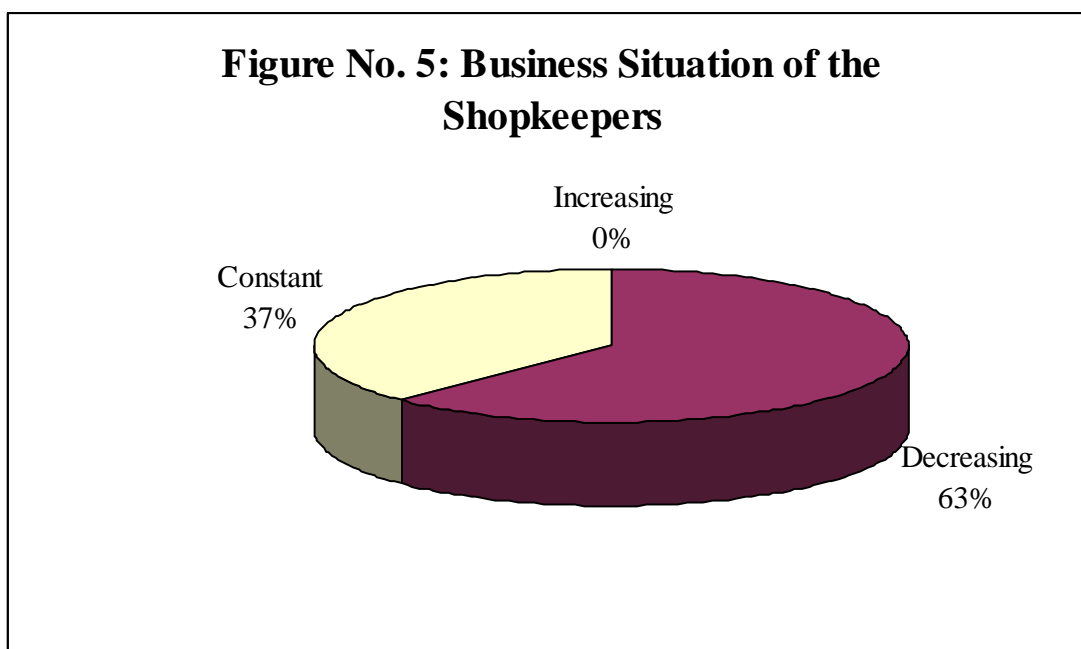
6.8 Business Situation of the Shopkeepers:

Business trend is another important features of functional development of the market center. The below table show the business trend of the shopkeepers.

Table 6.7: Business Situation of the Shopkeepers

Trend of Business	Numbers	In Percent (%)
Increasing	0	0
Decreasing	72	62.60
Constant	43	37.39
Total	115	100.00

Source: Field Survey 2006



According to the table majority of the shopkeepers in the market center that express their business activity either decreased or remained

constant. The ratio of decreasing is more in Sanfe Bazar of the 115 sample shopkeepers, most of their trade declined. Moist insurgency and the road expansion process in other parts are the main factor for decreasing the trade activities in Sanfe Bazar trading center. The sample shopkeeper consisted of 111 male and 4 female of these 93 represented from the age group of 25-50, below 25 and above 50 are 9 and 13 respectively.

In this survey, only those shopkeepers were taken under consideration that dealt specifically with trading activities like retailing, wholesaling. This selection was made so as to fulfill the study concern about the function and structure of market center in terms of hinterland development. In this regard, functional units dealing with catering services, such as tea or sweet shops, hotel and lodges and personal services such as hair dressing and the like were observed but not include for sampling selection.

6.9 Export of Goods:

Over 80 percent of the households of the far western region identify agriculture as their primary source of livelihood. Very few of these households are compelled to supplement their agricultural incomes with income from other sources. A number of these secondary sources of income are local in nature including such activities as portering, retail trade and cottage industries. In comparison to import goods and commodities the export goods and commodities are very limited in different villages of Achham district. The people have no such cash commodities and goods to gain much money. Almost all trucks and other

transportation means come back empty from this trading center. Whole area of far western hilly is not a surplus area of food crops and even the food and cereal crops. Due to the hill side location in this district has rugged topography with a mountainous terrain where the flat and fertile agricultural land are limited. Even the limited animal husbandry has not developed and improved as commercial type in order to increase the income. Some domestic and cottage small industries are not so productive only primitive and traditional type on accompanied with modern training and technology.

People have very limited export items of goods. Even the government sector is inactive and ineffective to make this region fruitful for the export items. Therefore, this region cannot afford and make a return for the importing goods out of the daily returning trucks from Sanfe Bazar to Terai districts even one truck is not found as loaded with export goods. It is clear from this track that the export trade of Sanfe Bazar is very limited not enough to meet the importing deficiency of this area. This is a major and burning problem not only for Achham district but also for the many hilly areas of Nepal. The hilly districts have very few export goods with the exception of ghee. Other export goods from the hill areas such as hides and skin, wool, livestock, locally produced paper and medical herbs etc. are much less importance. The only significant export from the area at this time is labor and ghee.

Table 6.8: Exports of Herbs

S.N.	Types of Herb	Units	Export Quantities (In 1,000)
1.	Rittha	Kg.	171.43
2.	Amala	Kg.	363.20
3.	Vyakur	Kg.	0.20
4.	Boke Timbur	Kg.	0.50
5.	Silajit	Kg.	0.05
6.	Sugandhawal	Kg.	5.05
7.	Bojho (Jara)	Kg.	2.00
8.	Jhyao	Kg.	42.60
9.	Sugandhawal Ko Pat	Kg.	0.50
10.	Sallako Khoto	Kg.	1116.31

Source: Achham District Profile 2003

6.10 Migration Characteristics of the Trading Center:

Man is very dynamic component among living things. It travels one place to other place. It is interacted as fast then others. Migratory characteristic of the trading center is show by the following table.

Table 6.9: Characteristics of Shopkeepers

S.N.	Origin of Shopkeepers	In Sanfe Bazar	In (%)
1.	Local	75	29.52
2.	With in the District	78	30.70
3.	Outside the District	74	29.13
4.	Outside the Nepal	27	10.67
	Total	254	100.00

Source: Field Survey 2006

Figure No. 6: Characteristics of Shopkeepers

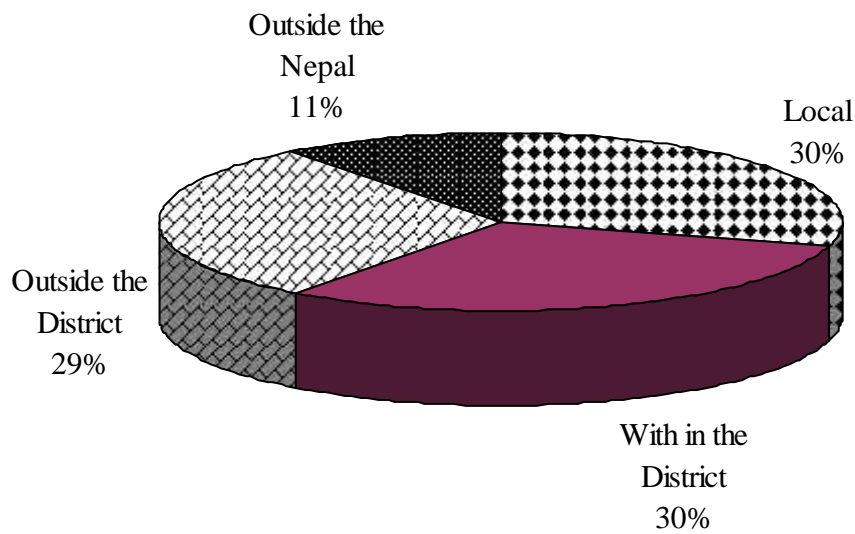


Table 6.9 shows the migratory characteristics of the surveyed shopkeepers. As total shopkeepers at Sanfe Bazar, about 30% are local originated, 30.70% are originated from different part of the district and rests are different place of the country and from different parts of India are 29.13% and 10.67% respectively. As total shopkeeper at the Sanfe Bazar 60.22% are Achham district.

6.11 Sources of Business Investment:

The state of affairs business activity of the market centers can be explained in terms of the source types of investment. An overwhelming proportion, four-fifths of the total investment found to be flow into this activity from the entrepreneurs own source. The second important sources include the loan obtained from the business community itself. This basically means to “credit business” under which system small merchants obtain trading merchandise from wholesale traders or trading agencies in part or whole of the amount on credit on a condition. That they pay it later on predetermined data agreed upon by both parties but without

charging interest on it. This transaction system is common in the business community, which indeed helps to encourage particularly small merchants to indulge in the business activity.

The bank source for the business activity is not as practical or convenient in terms of loan lending process, as is the private source. The private source is based on business ethic and such it is more flexible in leading the amount of money than the bank source. However, primarily the relative wealthy merchants group seems to be able to receive the bank source to expand their business activity. In Sanfe Bazar trading center mostly shopkeepers are own investment sources. Credit business system is common in business community. Bank sources for the business activity is not as practical in Sanfe Bazar trading center. There are also not any banking facilities in Sanfe Bazar.

6.12 Relationship between Years and Increment of Functional Units:

This study has calculated of relationship between years and increment of functional units. Assuming that, there are relationship between years and functional units. After the construction of the Silgadhi-Sanfe road functional units are increased significantly in the Sanfe Bazar trading center. In this context since 1939 AD to 2006 AD functional units are calculated.

Correlation Values for Years and Functional Units

<u>Trading Center</u>	<u>Correlation Value</u>
Sanfe Bazar	0.92

The correlation value for the trading center is positive.

CHAPTER -VII

TRADING CENTER AND ITS IMPACT ON CONSUMERS

7.1 Introduction

Small towns and trading centers have been providing marketing function for both consumer goods and other services to the rural people and collection of marketable farm and crafts products. Their economic base is primarily supported by agriculture. Market evolves due to the necessity of demand of goods and services. They develop further into a greater service center; size, shape and functional magnitude of the markets and also enlarge in course of time. Settlements along any highway flourish with the existence of the highway. Early rural settlements along highway also transformed into an urban unit, as they eventually possess some kind of modality. In transforming market centers from a vary simple and even a rural patches of small settlements with one or two business establishment to a sophisticated urban dominated settlement, there occurs many changes in it form, extent and occupational structure. It proceeds over a long period of time and markets under go many changes. Every settlement provides some kinds of goods and services to its surrounding areas and within it as well. They may perform some manufacturing activities.

Urban settlements are particularly more important than the rural settlements with the functional point of view. They are also more complex in functional composition. They are the centers for collection and distribution, which eventually generate higher intensity of people's movement. It gives birth to service oriented functions. Production method varies from primary to tertiary. They offer a number of facilities. Commuter's movement is usually high. The main functions of a market center consist of trade, collection and distribution of goods interlocked in

a complex web of exchange. Thus collection and distribution may involve several steps including both wholesale and retailing. Trading activities is the main function of the city and town located in particular place that provides a convenient point of focus for consumers who visit for the goods and services. The functional analysis of settlement gives new insights into the current social, economic and political structures and organization. Social awareness of the market and its surroundings are best displayed by the functions of the market. Greater number of educational establishment, sanitation facilities, shops varieties and arrangements, higher order functional establishment etc. are all symbolic features of social, economic and political standard of the place.

The present day market condition of Sanfe Bazar is not that underdeveloped as it was before. Traditional people of that part were going down to Chisapani of Kailali to purchase commodities like clothe, salt, oil, kerosene etc. But, today majority of people of that parts do not go down there. Instead, they go to Sanfe Bazar for this purpose and for traveling different parts of the Nepal and India. However, there is weak functional linkage between small towns and their surrounding hinterlands particularly in the hill region where accessibility is poor, distribution of population is scattered due to rugged terrain and transport facilities are insufficient.

In general, a trading centre is expected to have the following impacts:

1. Increased production of agricultural sector.
2. Traditional enterprises are encouraged make them more productive.
3. Provide more social services and facilities.

4. Improve transportation to integrate the local economy with the economy of the nation.
5. Achieve self-sustained growth.
6. Increased marketing facilities.
7. Job opportunities in works such as shop and tea stall have increased.
8. Decrease inequality in the distribution of income and wealth.
9. Direct benefit was due to increase in land prices giving benefit to the landowner.
10. Transport of goods to market has become easy and the transportation cost has been reduced.
11. Schools, colleges and other institutions are increased.
12. Mobility between the places is increased.
13. The growth of traffic has taken place tremendously.
14. The growth of small markets along the road alignment has taken place.
15. Rising per capita income to support on increasing amount of services activity and employment.
16. Transformation of agricultural activities from subsistence to cash crop farming.
17. Increase the living standard of the people.

7.2 Impact on Consumers:

The aerial extent of the spheres of influence of town and cities are not fixed one. The growth and development of transportation and other various activities have brought contrasting diversification in the

orientation of places of urban services. These are the most important factors to change community structure economically and socially, which can produce both desirable and undesirable result to its hinterlands. The volume or the frequency of consumers increase as decrease the distance from the market center to the surrounding hinterland.

The urban centers of the world cannot survive by themselves and various factors are responsible for their growth. The origin of such towns and cities are due to the high demand and their existence to discharge central service from the various parts of the surrounding area. During the last few years due to the growth and development of transport facilities and other activities, it brought to come change different ways in the distribution of hinterland pattern to most of the Nepalese towns.

Now Sanfe Bazar is the important trade center having wide hinterland in the far western hilly regions and Karnali zone of Nepal. Now its spheres of influence extended up to Bajura, Kalikot, Humla, Mugu and some VDCs of Bajhang. Before the construction of Silgadhi-Sanfe road, the main consumers from different VDCs of Achham and Bajura district commuted to Sanfe Bazar for trading purpose. Generally the trade linkage of Sanfe Bazar with those areas was a gradual nature. The general nature was to decrease the frequency and intimate association with the increase of distance from Sanfe Bazar.

Consumers are most important component of market participants. They visit different market at different times to buy the goods and commodities, when they have surplus agricultural product. Consumers are usually peasants who are engaged in agricultural and related activities. Some of consumers sell a small quantity of agricultural and cottage industry product for cash income which they use for buying necessary goods. The consumers temporal pattern is very much influence

by physical distance, modes of transport, major markets. The number of consumers visiting market place is related to the size of markets and travel distance.

Consumers were defined as members of the household originating in the villages of the market center. It was assumed that they visit this trading center for different purposes, such as buying and selling of goods. Therefore, only those consumers were considered who were non-local residents of the trading center. Although 103 sample consumers were selected randomly for interview.

The sample consumers numbered 103, containing 86 male and 17 female of those, 35 were literate while the remaining 68 could neither write nor read. The sample consumers represented the age groups ranging from the year of age 14 to 63. The largest number with 76 represented from the age group of 25-50 and the remainders from the two age groups such as below 25 and above 50 are 11 and 16 respectively. The 103 samples 18 were employed as government services and the remainders 85 were employed as farmers.

Consumers used to come for purchasing purpose from 6/7 days distance once in a year. Some came to Sanfe Bazar twice a year for marketing purpose. Other kinds of consumers who live in closer to Sanfe Bazar come any time whenever they felt need of goods. Those are local consumers. The influence was based on the consumer's coverage. Some times it becomes very complicated to define the catchments area of any market and town due to the alternative choice of the consumers. Take Humla, Mugu, Kalikot districts for example, consumers came to Sanfe Bazar for the service of clothes, salt goods and same consumers from the same spot went to Chisapani of Kailali for the service of food, goods, salt, clothe.

Sanfe Bazar trading center has served the two types of consumers, consumers with in the district and consumers outside the district. Most of the consumers who travel here for the Sanfe Bazar of needed goods are the consumers outside the district. Some benefits of the trading center to the consumer such as reduction in commodities cost. This is the most positive impact on consumer. In this trading center they get selling facilities of their product. This place is very near for purchase their necessities goods as compare other large trading center in far western region. Consumers also get cheap transportation facilities to travel many part of the Nepal. Now there is direct bus service Sanfe to Dhangadhi (Kailali), Tikapur (Kailali), Mahendranagar (Kanchanpur) and Nepalgunj (Banke). This trading center helps to the consumers from much way. Before the large trading center same consumers were going to Silgadhi (Doti) 67 K.M. far away from Sanfe Bazar. And other consumers were going to Chisapani of Kailali. They were taking their necessary goods on their backbone. This trading center is near from Silgadhi (Doti) at least 3/4 days. According to consumers they were much benefited from this trading center and Silgadhi-Sanfe road.

7.3 Impact on Agricultural Sector:

Nepal is predominantly an agriculture country. And agriculture is the backbone of the Nepalese economy. In developing countries at least 50 percent of the population depends on agriculture for living. In Nepal, more then 80 percent people success in agriculture but our method of cultivation is still traditional. It development largely depends on the developed distribution center.

Far western Nepal is predominantly agricultural where the overwhelming proportion of the total work force is engaged in economic activities and where a corresponding fraction of people lives in small villages. Approximately 90 percent of the total households are agricultural yet. Hence, this region is beset with what may be called a rural problem where scale of operations in both agriculture and ancillary activities is inadequate and the largely inefficient.

Despite the importance of agriculture in the economy of the region, the per capita income derived from each hectare of cultivated land is distressingly low, largely due to the pressure of population on land. The area of cultivation has reached a limit imposed by nature in the present state of technology in the hill while population has been increasing rapidly in both the Terai and hills. Agricultural technology remained stagnant and the quality of land steadily deteriorated due to soil exhaustion and erosion. Expansion of cultivated land, which has been the primary source of increasing income, is no longer possible. Consequently a large number of persons share the output from each acre of cultivated land thereby giving low per capita income.

An important strategy to increase food production is to improve marketing systems. More resources should be diverted to food production which, traditionally in Asia, has been considered as a subsistence sector. We all know that the efficiency of marketing system has a direct impact on the farmers in incentive to grow more food.

Sanfe Bazar trading center makes the rural people conscious about the commercial farming. It generally makes commercial farming possible

by supplying quality seed, fertilizers and organic manures, improved implements and plant protection materials. Economic development in one way depends upon the purchasing power of the people, which ultimately depends on the narrow gap of the cost of production and the selling price.

This trading center helps in distributing seeds and manures, which increase the productivity of land, with the help of trading center the perishable goods such as fruits and vegetables, can be distributed to the consumers quickly and easily. Cash crops can be produced cheaply and refined in different areas. In commercial farming the importance of price is much more emphasized people will be more conscious about the price. Price stability in an agrarian economy depends on more agriculture production with the help of improved means of distribution. So, that this trading center has positive impact on agriculture sector.

7.4 Impact on Market Prices:

No one, cannot exactly say about the market situation. It is related in demand and supply of goods and services and also affected from international rise and fall in prices. Market prices before and after the construction of road and various commodity items and service have been taken for comparatively in Sanfe Bazar. Sanfe Bazar trading center is the main place in supply many commodities to some surrounding hilly districts. But before the construction of road transportation change of all commodities to these areas would appear costly and it is substituted through Silgadhi-Sanfe road. Being the direct connection of Achham district with many parts of Nepal, the commodities are supplied from many parts of our country in Sanfe Bazar trading center. It does mean that

the prices of many commodities in Sanfe Bazar greatly affected by Sanfe Bazar trading center.

There has been a dramatic reduction in travel time and cost due to the presence of Sanfe Bazar trading center and Silgadhi-Sanfe road. Before this road, most of the people in the households in the Sanfe Bazar area also walked to Doti to sell farm products such as ghee, fruits, honey and handicrafts. They purchased household items such as salt, kerosene, clothe and rice. Mule caravans, porters or themselves carried goods. The average time taken was three days and the cost was enormous. After the opening of the Silgadhi-Sanfe road, almost every commodity became available in Sanfe Bazar. People can sell their products in Sanfe Bazar also. The price differential between Sanfe and Doti for purchasing and selling item is less than before. Therefore, if the impact of Silgadhi-Sanfe road is also combined as the people from the study area also used walked to Doti before the road was built, the travel time decreased from three days to three hours on an average. Moreover, the mule caravans, which to play the Doti-Achham trail, have shifted to interior regions such as hill parts others districts. As a result, the transportation time and cost have decreased to some extent in the interior regions as well. Furthermore, as more goods are available in Sanfe Bazar, more roadside retail shops have opened therefore many goods are now available even at the retail shops on mule trails.

The price of commodities in Sanfe Bazar is very cheap to compare with its previous prices. Now Achham is the main district in distributing food grains to far western hill. But before the road construction transport

of food grains to these areas would appear costly and it was substituted through Silgadi-Sanfe road.

Table 7.1: Price Change of Some Commodities in Sanfe Bazar Trading Center

S.N.	Commodities	Unit	1995	1996	2006
1.	Rice	Kg	20	12	16
2.	Cloth	M	32	30	40
3.	Kirana	Kg	260	230	240
4.	Utensil	Kg	30	21	45
5.	Sugar	Kg	28	22	40
6.	Salt	Kg	12	4	9
7.	Oil	Liter	60	50	90
8.	Kerosene	Liter	20	16	45
9.	Stationery	Piece	50	40	60
10.	Construction materials	Piece	900	330	500

Source: Field Survey 2006

Table 7.1 shows that there is difference in price after and before construction of road transportation. In this table we see that there are significant changes in some commodities prices before and after the construction of the road. We saw rice, salt and construction materials are significantly decreased in price. And there is not much difference in some commodities price. According to shopkeepers, after the construction of the road most qualities commodities were imported from many parts of Nepal and India. So that the change in price before and after the road and

differs to a small extent. The price change ratio between 1996 and 2006 are also shown. Price index has increased over the year due to inflation.

7.5 Impact on Social Sector:

Introduction of road and trading center within a certain area makes people of the area in contact with the outside world. It increases the mobility of the people and breaks the closed environment changing social patterns. Socio-economic change is definitely a long-term multi-dimensional and complex process. In every plan must be taken into consideration to change socio-economic development by providing the financial support and then mobilize the programs, which are actively supported by the people and then promoting self-dependence.

Silgadhi-Sanfe road and Sanfe Bazar trading center have made Achham district to access easily and connects directly with many parts of country. No significant change can be expected directly through the construction of Silgadhi-Sanfe road and Sanfe Bazar trading center. However, Sanfe Bazar trading center and the Silgadhi-Sanfe road there can be expected helped to promote the new relations breaking the regional dependencies. Certainly, trading provision makes the people conscious with pricing system and helps in ending the old monopoly of local merchants, money-lenders and village landlords. Socio-economic changes are depending on the basis of literacy, health, drinking water and sanitation conditions. If the people are educated or trained and healthy, active they can be anxious to do something. Which are most important signs of high development? In this aspect although it is difficult to explain but can be expected that Sanfe Bazar trading center play significant role. Beside direct social change it self trading center brings improvement in other social sector like health, education, economic status, communication etc.

CHAPTER - VIII

IMPORTANCE OF ROAD AND PROBLEMS OF SILGADHI-SANFE ROAD

8.1 Importance of Road in the Economic and Social Development:

Economic and social development of our country largely depends upon the developed means of transportation and communication. Unfortunately, in Nepal such facilities are hindered by the irregular and hilly topography. Economic development of a particular country depends importantly on the means of transport. “It is said that if agriculture and industry are muscles and bones of national organism, transport lines are its nerves”. After the construction of the road the main market became nearer. Because of the opening up of the new markets, the prices of export items of the producers to rise. Since there is non-existence of the middlemen, the price differentials between several place connected by new transportation is generally narrow down. The difference is only the transport cost between two places. Consumers import foodstuffs and other goods comparatively in lower prices due to the cheaper, safer and quicker transportation facilities.

In a land-locked and mountainous country like ours other forms of mechanical transport system are difficult to develop. No important development program can succeed without the proper organization of transport and communication. So road transport is the principle means of transport. And cannot be separated from any kinds of developmental activities. It is also the main root of civilization. In Nepal road is suitable means of transport because it requires lesser investment as compared to other means of transport. With the availability of cheap, speedy and far reaching transport facilities, isolated rural subsistence economies can now find markets and therefore from larger and more efficient producing units and replace barter with a cash economy. Industries can be encouraged by

the greater accessibility of new resources. Communities or regions so connected and integrated become more productive and more or less self sufficient, causing inter-regional trade to grow on the basis of specialization and comparative advantage. Thus, transport development through by no means a guarantee of economic growth does make direct and indirect contribution to national income through a more productive utilization of time and an expansion of almost all sectors of the economy.

It is obvious that agriculture is the main occupation of Nepal. Improved transportation system generally makes commercial farming possible by supplying qualities seed, fertilizers and organic manures, improved implements and plant protection materials. In commercial farming the importance of price is much more emphasized people will be more conscious about the price. Price stability in an agrarian economy depends on more agriculture production with the help of improved means of transportation. Economic development is one way spends upon the purchasing power of the people which ultimately depends of the narrow gap of the cost of production and the selling price.

Road transport helps a lot in agriculture. Nepal is predominantly an agricultural country. More than 80 percent people success in agriculture but our method of cultivation is still traditional. It development largely depends on the developed transport system. Good roads make the rural people conscious and the commercial framing possible there. Road helps in distributing seeds and manure which increases the productivity of land with the help of good roads the perishable goods such as fruits and vegetable can be distributed to the consumers quickly and easily. Cash crops are produced and refined in different areas. Cottage industry could help to fulfill the local demand for consumer's goods to raise production by fully utilizing leisure time to develop cottage industry and handicraft

by collecting the skills scattered in the village and sub-urban areas and prepare the skilled and semi- skilled workers needed for industrialization of the country. Economic prosperity is hindered by lack of transportation facilities. With out good connection roads a center itself cannot develop and hence no question of spreading growth arises. In this context Achham is also quite backward. It has just got road. Now many people conduct their works through tracks.

Traditional farmers are more conscious. They have profit motive. They realized more profit in other works like hoteling and opening up of the large/small business. Because of the facilities of roads there are many hotels and small shops in Sanfe Bazar. It has become a flourishing job to them. This road not only made possible to men and materials faster but also ideas of the people. It also will have good economic impact increasing different kinds of jobs and business opportunities to the traders. The Silgadhi-Sanfe road which, is supposed by the people to be the backbone of this part. This road runs from Doti to Achham district for the length 67 K. M. Though the people have since long been feet the need of a road as mentioned above linking the other part of Nepal.

After the opening up of the road people began to come and settle along the side of the road. Because of the facility of new route people realized the value of that new land ultimately the prices of land rise. Landowners have become benefited. Now the consumers and producers are holding advantageous position because consumers should not wait long time for things. On the other traders should not store things for long time and there is no danger of damage because of good transport facilities. In this way with the help of road and trading center both producers and consumers can be benefited and middlemen will be discouraged. Thus roads can play a very significant role in the economic

development of Nepal. Ghee is the most exportable commodity of the hills. The opening up of the new wider markets for it has enable higher export price for the product.

In Sanfe Bazar much amount of ghee are collected and gathered to export to Dhangadhi and Nepalgunj from the different parts of its sphere of influence. From ghee more money is earned. Ghee is cash money for the people in village areas. In return, it sent salt, kerosene, spices, metallic and plastic goods, soaps, sugar, cigarettes, cloths, medicine and other different kinds of daily needed goods to the various parts of its zone of influence. These different areas of the sphere of influence are served by Sanfe Bazar with different needed and wanted goods and Sanfe Bazar is served by consumers with commercial profit. Through this road ghee can also be exported to India with their reasonable prices. There were much price differences between Sanfe Bazar and other Terai districts when there not connected with the road. But now the Sanfe Bazar linked by the road, the difference is only the transport cost. Thus transport facility results wider market for the product. It means fair prices of the producers and consumers higher purchasing power of the people. Ultimately, due to the price impact there is real economic prosperity of that sector.

The completion of Silgadhi-Sanfe motarable road has brought a new dimension in the socio-economic field to the local people and surrounding districts people. In the field of trading and commercial activities this road has played a leading role for the upliftment of economic standard. The means of transporting goods are different from the porters. The porters and mules are replaced by trucks and tractors in the field of transporting goods. The on foot travelers are traveling now by bus. It is a good and advantaged indication of development in this region.

The trade of Sanfe Bazar is comparison to before the road construction has increased tremendously with expanding service area. The different small pocket market centers which have been situated along the road have also been increased in the field of shop number and service area. In short, transport development contributes to economic development in the following ways.

1. Enlarging the market and there by further stimulating economic specialization.
2. Helping exploitation of additional resources by making them accessible and there by enlarging employment and rehabilitation.
3. Heading to the establishment and for expansion of related industries by making them accessible to raw materials.
4. Enhancing the optimum utilization of resources and making the means of production more dynamic.

8.2 Problems of Silgadhi-Sanfe Road:

Every developing country has its developed and underdeveloped areas. If we compare eastern and western sides of Nepal eastern regions are more developed then far western regions. Of all the forms of transport existing in Nepal, road transport is the most important. In a land-locked and mountainous country like ours other forms mechanical transport system are difficult to develop. Therefore road transport is the principle method in the national transportation system of Nepal. The Silgadhi-Sanfe road, which is supposed by this part people to be the backbone of their economic and social life.

Roadways construction is highly expensive and its construction period is very late. Due to remote and difficult hill settlements and the

problem of soil erosion and landslides. Resources mobilization, infrastructure development and upliftment of living standard of people in remote hilly area has emerged as a big challenge. Rapid urbanization in developing countries is creation and increasing number of problems in ensuring adequate and continuous food supplies being made available particularly to the low income consumer.

After the construction of the Silgadi-Sanfe road the main market has become nearer. Because of the opening up of the new markets the prices of export items of the producers to rise. Since there is non-existence of the middlemen the price differentials between several places connected by new transportation is generally narrowed down. The difference is only the transport cost between two places. Now consumers import foodstuffs and other goods comparatively in lower price due to the cheaper, safer and quicker transportation facility.

This road has crossed many mountains, rivers and valleys. In rainy seasons there is great possibility of landslides and floods, which can destroy long distance of the road in a twinkling of an eye. For developing country like Nepal the maintenance cost of such long road is unbearable. During the three months monsoon season, the price again rises because the road is closed to vehicles and porters, mule transport goods at a high cost. The negative effect of road construction on employment is also a matter of consideration. The use of porters, mule to carry freight from Doti to Sanfe Bazar has totally been collapsed mainly in non-agricultural season and many porters would be fro the route. This implies an annual loss of employment of these porters with negative benefit. Silgadhi-Sanfe road has not made a substantial contribution especially to agriculture in the Achham district as it does not touch to the central problem of the agrarian economy of the area. The growing pressure on agriculture

resources is leading to ecological decline with in the area resulting in low agricultural productivity. By the construction of roads the relation of Achham district with Terai belt and other urban areas have increased. The export import trade has become now easy. But this cannot lead to the product specialization of export to cover the volume of import.

Nepal is a country of hills. Majority of the Nepalese people live in the hills. But this road runs from Doti to Achham through the northern belt of this part. It has not completely fulfilled the dream of this part people. Therefore it is not economically convenient and administratively feasible for the majority of the people of that part. Because of the mountainous topography of the country construction of the Silgadhi-Sanfe road is not only difficult but also very expensive. Clearing of thick forest, supplying of skilled technicians and instruments have caused to spend huge amount of money. Huge amounts of foreign aid which has been spent in different sectors could be utilized for various other developmental program, such as agriculture, industry etc. For the construction of this long highway the best fertile land has spoiled and did not realize the high productivity and economic significance of it. Soil erosion and landslide and other on smoke and dost pollution are also negatively effected.

CHAPTER - IX

PROBLEMS AND PROSPECTS OF TRADING CENTER

9.1 Problems of the Trading Center:

Sanfe Bazar is the strategically center place not only for Achham district but also surrounding districts. The significance of marketing is mentionable to the development villages and small market centers. The problems expensive rent of land and disconnect of electricity were found in the trading center. Environmental pollution is being increased at Sanfe Bazar. Trading center of Sanfe Bazar is problematic due to the lack of good marketing management. In the field of drinking water there is inadequate drinking water and only source of drinking water direct from the Budhiganga River. In the field of banking facilities this town has not got any banking facilities. But bank is very necessary factor for this town. On the point of banking facilities Sanfe Bazar a trading center can not be said as fully-fledge trading center.

Now there is VDC post office and V-set telephone line for communication. The total number of telephone in all over Sanfe Bazar not more than four but affords are being made to increase the number of telephone line. In the field of electricity this trading center had electric facility but now disconnect of electricity line. Health services also this trading center has got the leading role. But there is no any one hospital, there are only clinic facilities. In the field of entertainment and recreation there is not any film hall in this trading center.

The following are the major marketing problems identified by the study:

1. Lack of standardization and grading of commodities.
2. On the absence of quantitative improvement and quality control.
3. Way to co-operative marketing is not absent in the market.

4. Trading center of Sanfe Bazar is now largely facing the security problem. Environmental pollution is being increased at Sanfe Bazar.

9.2 Future Prospects of Trading Center:

Trading center plays an important role in the economic and social life of people of a region, but they assume a greater significance in backward, underdeveloped and hill mountainous area. Rural market centers are small in size, such markets fulfill various purpose. In this context the role of markets becomes more important because such market provides the basic necessities of to a large population rather than luxuries society. Observation of present condition of Sanfe Bazar trading center shows a bright future prospect for it development. Increasing transport facilities, linkage with different order of market center of the country and its break of bulk point at a convenient focal point are the main indicators of bright future of this market center.

The present trend of development of Sanfe Bazar is mainly due to its break of bulk point at a convenient focal point. Its service area extends mainly north part and eastern parts. In current time, there is Sanfe-Mangalsen road; Sanfe-Martadi road and Karnali Rajmarga are under construction. After the completion of these roads, the influence of Sanfe Bazar will be declined. Several parts of six districts will have reoriented to new trading centers like Martadi (headquarters of Bajura), Mangalsen (headquarters of Achham). The north part of Achham district has Bajura and Kalikot districts and Mangalsen (headquarters of Achham) located in the eastern part. Sanfe will negatively influence by serving the people of eastern part of Achham. Sanfe-Martadi road will also negatively affect the development of Sanfe Bazar trading center. Now a days the under construction of this road various parts of Karnali zone are under Sanfe

Bazar sphere of influence. But in future if this road will completed, these parts are not under it service area. Humla, Mugu and Bajura are mostly served by Sanfe-Martadi road, Kalikot district will be served by Karnali Rajmarga.

In future, due to the opening of Sanfe-Mangalsen, Sanfe-Martadi roads and Karnali Rajmarga a number of market centers will have emerged along the sides of the highway. The growth and development of those important market centers have a considerable impact on the territorial limits of Sanfe's sphere of influence. These market centers along the road of Sanfe-Mangalsen, Sanfe-Martadi will be exchange goods and service each for its own local trade area. Then Sanfe Bazar will have been to face the competition with these new developed market centers. In growing nature of market center in the various parts along the road began to overtake the market functions of Sanfe Bazar. In future, limited people will be travel to Sanfe Bazar to purchase and sell goods and service. Due to this cause the wholesalers of Sanfe Bazar will be shifting towards the retail trade activities from their wholesale trade. The wholesale trade of Sanfe Bazar will be mixed with retail trade unit and in such a unit also wholesale trade is not so significant. In future, there will be no single shop which is doing completely wholesale trade.

After the completion of the Sanfe-Mangalsen, Sanfe-Martadi and Karnali Rajmarga the wholesale and retail trade will be decline but, so small scale industries will have developed at Sanfe Bazar because of the frequently contact with important raw materials spot. Despite the negative situation, Sanfe Bazar will continuous to serve extensive hinterlands. This is particularly due to its location as the institutional center. While studying the sphere of influence of Sanfe Bazar I have to face the complexities due to the shrinkage and contradiction of its number of

influence. In future completion of Sanfe-Martadi, Sanfe-Mangalsen roads consumers will not travel the longer distance for their marketing services. Consumers can find all kinds of needed goods in the different market centers of Bajura and they will not come to Sanfe Bazar for the same kinds of goods and services. Consumers from the nooks and corners of Bajura district and Humla, Mugu will travel the nearest neighboring market for marketing service. Even some wholesale trader imports goods by trucks instead of porters, mule from the Sanfe Bazar according to their convenience, interest, profit margin and other monetary factors.

The consumers flow and rush at the different streets of Sanfe Bazar will decline for marketing services. Only local consumers from the surrounding areas and vicinities of Sanfe Bazar come for market and other services. Therefore, this market center has regular consumer around the peripheries and these peripheral areas are its special service area for trading activities. Before the opening of Sanfe-Mangalsen, Sanfe-Martadi and Karnali Rajmarga Sanfe Bazar is the only dominant single market center on that part and hence it has very extensive spheres of influence, but in future due to the growing tendency of market centers on the various parts of the villages, there has been a rapid decline of the actual territorial of Sanfe Bazar sphere of influences. In future the hinterlands of Sanfe Bazar have depended on their own villages or surrounding market areas for their daily needs, and for their occasional needs they depend on local market. In this way, it can be said that the completion of Sanfe-Mangalsen, Sanfe-Martadi roads Sanfe Bazar will be developed as a middle trading center.

CHAPTER - X

CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions:

Small towns and trading centers can act as effective and generative links between city and the vast rural hinterland. Sanfe Bazar trading center provided basic needs to the surrounding districts and also act as the collection of centers of hinterland production. After the construction of road and the establishment of this trading center, the mobility pattern has increased. When mobility increased, changes have gradually seemed in the characteristics, volume, purpose of the movers and a dramatic change has found in commodity cost and travel time.

Hat Bazaar, which as were common in the eastern Nepal were not found in the far western region and Karnali zone. In the western part of the country, marketing was an annual feature that involves long distance travel to permanent market for goods and services. The absence of such a market was compensated for to some extent by moving traders (Byansi, Mule owner and Bhote). The periodic village festivals of the area provided occasional opportunities for trade. About 70 years ago there were very few households in the Sanfe Bazar. They used to go to nearer market centers either in Dhangadhi/Mahendranagar or India and Tibet fulfilling their needs.

There is an accurate record of the establishment to shop in Sanfe Bazar since 1939 AD. Then after, slowly Sanfe Bazar developed as an important trading center for Achham and Bajura district consumers. In Sanfe Bazar, trade started significantly only after the construction of Silgadhi-Sanfe road. Before the construction of the road there were few shop stall. Specially, the existed shops were either teashops with partially

kirana shops or bhatti/hotel or some clothes, readymade, utensil shops also. After completion of initial phase of Silgadhi-Sanfe road the trend of establishing shops remained high. The growth of trading center was largely due to the migration of professional traders from the other places. It indicates that very few out of the total enterprises of local people are engaged in business activities. As total shopkeepers at Sanfe Bazar, about 30% are local originated, 30.70% are originated from different parts of the district and rests are different place of the country and from different parts of India are 29.13% and 10.67% respectively.

Sanfe Bazar market is based both on agricultural products and non-agricultural product. This trading center serves various basic commodities such as construction material, clothe, oil, salt and stationary besides agricultural products. A great number of potential consumers are now visits Sanfe Bazar trading center. This place becomes more accessible to the people of six districts. The disintegration of economic association of Doti with the market center of the far western was due to the extension of motar service to Sanfe Bazar, which then emerged as an important trading center because of its direct link with many main cities of Nepal and it also become integrated economically with other districts market center. The flow of goods, services from Sanfe Bazar trading center to all of 75 VDCs of Achham, 27 VDCs of Bajura, 5 VDCs of Bajhang, 25 VDCs of Humla, 20 VDCs of Mugu and 24 VDCs Kalikot.

In winter season, large quantities of salt and clothes items are supplied. Consumers used to come for purchasing purpose from 6/7 day's distance once in a year. Some come to Sanfe Bazar twice a year for marketing purpose. Other kinds of consumers who live in closer to Sanfe Bazar come any time whenever they felt need of goods. According to consumers they were much benefited from Sanfe Bazar trading center and

Silgadhi-Sanfe road. Because they are get selling facilities of their products. They also get cheap transportation facilities to travel many parts of the Nepal. Other benefits of the trading center to the consumers such as reduction in commodities cost. Which is the most positive impact on consumer's economic life? Before the large trading center same consumers were going to Silgadhi of Doti. They were taking their necessary goods on their backbone. This trading center is near from Silgadhi (Doti) at least 3/4 days. The price of commodities in Sanfe Bazar very cheap to compare with its previous price. There has been a dramatic reduction in travel time and cost due to the presence of Sanfe Bazar trading center and Silgadhi-Sanfe road. After the opening of Silgadhi-Sanfe road, almost all commodities become available in Sanfe Bazar.

The major occupation noted for the respondents constitute farming, business (shopkeepers), labor in Nepal, labor in India etc. Over eighty percent of the households of this area identify agriculture as their primary sources of livelihood, very few of these households are able to meet their annual requirements exclusively from the land. There for most of the people this area has no higher income and high standard of living. In comparison to import goods and commodities the export goods and commodities are very limited in different villages of Achham district.

The people have no such cash commodities and goods to gain much money. Almost all trucks and other transportation mean come back empty from the trading center. People have very limited export items of goods. Now the consumers and producers are advantageous position because consumers should not wait long time for things. On the other traders should not store things for long time and there is no danger of damage because of good transport facilities. In this way with the help of road and

trading center both producers and consumers can be benefited and middlemen will be discouraged.

In Sanfe Bazar much amount of ghee are collected and gathered to export to Dhangadhi and Mahendranagar from the different parts of its sphere of influence. From ghee more money is earned. Ghee is cash money for the people in village areas. In return, it sent salt, kerosene, spice, metallic and plastic goods, soaps, sugar, cigarettes, cloths, medicine and other different kinds of daily needed goods to the various parts of its zone of influence. After the construction of the Silgadhi-Sanfe road the main market become nearer. Because of the opening up of the new markets the prices of export items of the producers to rise. Since there is non- existence of the middlemen the price differentials between several places connected by new transportation is generally narrowed down. The difference is only the transport cost between two places. Now consumers import food stuffs and other goods comparatively in lower price due to the cheaper, safer and quicker transportation facilities.

In the field of trading and commercial activities this road has played a leading role for the upliftment of economic standard. The means of transporting goods are different from the porters. The porters and mule are replaced by truck and tractors in the field of transporting goods. Truck is the main means of transport in trade accounting for 80 percent. Then bus, tractor and porters are the means of transport accounting for 10%, 5% and 5% respectively. Buses are used to provide the portable and luxurious goods. The on foot travelers are traveling now by bus. It's a good and advantaged indication of development in this region.

There are 254 shops stall in Sanfe Bazar. All shops are categorized into only four classes according to their functional characteristics. Wholesale includes big store, retail shop include clothe, fancy goods,

hotel and catering included hotel, guesthouse, lodge, teashops etc. and retail sales and service types of shop include those shops which sell and after service relating to the goods product by small enterprises. After the construction of road sources of goods supply to Sanfe Bazar changed and number of shops and services of goods supply to Sanfe Bazar changed and number of shops and service area increased notably. Dhangadhi, Nepalgunj are the major suppliers of wholesale goods to Sanfe Bazar trading center accounting for 70% and 15% respectively. Remaining about 15% goods are supplied from Kathmandu, India and Mahendranagar, 8%, 6% and 1% respectively.

In future, limited people will be travel to Sanfe Bazar to purchase and sell goods and services. Due to this causes the wholesalers of Sanfe Bazar will shifting towards the retail trade activities from their wholesale trade. The wholesale trade of Sanfe Bazar will mixed with retail trade unit. There will be no single shop which is doing completely wholesale trade. It can be said that the completion of Sanfe-Mangalsen, Sanfe-Martadi road and Karnali Rajmarga. Sanfe Bazar will be developed as middle trading center. Because it is strategically center places not only for Achham district but also surrounding districts. The problems of expensive rent of land and disconnect of electricity were found in the trading center. Environmental pollution is being increased at Sanfe Bazar. Trading center of Sanfe Bazar is very problematic due to the lack of best marketing management.

10.2 Recommendations:

Sanfe Bazar trading center is the main place, which supplies many commodities to some surrounding hilly districts. There has been a dramatic reduction in travel time and cost due to the presence of Sanfe Bazar trading center and Silgadhi-Sanfe road. The price differential

between Sanfe and Silgadhi for purchasing and selling item is less than before. Silgadhi-Sanfe road not only made possible to men and materials faster but also ideas of the people. It also will have good economic impact increasing different kinds of jobs and business opportunities to the people.

Sanfe Bazar trading center has served the two types of consumers, Consumers within the district and consumers outside the district. In this trading center they get selling facilities of their product. This place is very near for purchase their necessities goods as compare other large trading center in far western region. Consumers also get cheap transportation facilities to travel many part of the Nepal. So far as the trading center in Sanfe Bazar is concerned the following suggestions are given to improve the overall condition of the trading center.

1. Physical setting of the trading center should be managed in a planned way. Develop master plan for Safe Bazar Trading Center.
2. Businessmen were more knowledgeable than consumers about the cost and quality. Consumers are forced to buy what is available and not what they want. This type of marketing is still in practice in the study area. It is necessary that the activities of the trading center made much more systematic as well as planned. For that to made a consumer forum.
3. Price index should be managed for the consumers by the concerned authority.
4. Drinking water to the shop owner as well as to the public should be supplied in a regular and systematic manner. Lunch small town drinking water project.

5. People have very limited export items of goods. This is a major and burning problem not only for Achham district but also for the many hilly area of Nepal. Even the government sector is inactive and ineffective to make this region fruitful for the export items. The government should formulate clear macro economic policies for the far western region. For that, Cold store and agricultural market stall should be developed and managed for better marketing.
6. Container and other management should be managed for the waste disposal.
7. Drain age system should be constructed for the waste water.
8. Road transport is the major means of transport and cannot be separated from any kinds of developmental activities so as to improve the condition of Silgadhi-Sanfe narrow road. Fair weather road should be converted to all weather. Or make it national highway to serve as a strategic road.
9. Parking, storing, bank, public toilets at trading center must be established by concerned authorities. Master plan/Action plan is urgently needed to the haphazard growth of Safe Bazar.
10. As the present study provides only a descriptive picture, effects should be made to examine. What impact has it made on national economic growth and regional development. No in-depth study of this kind has been made on this trading center. Most economists and planners appear to have ignored the nature and significance of small trading center in depth.

APPENDIX - A

Correlation between Years and Functional Unit Increment

Year(X)	Functional unit(Y)	X ²	Y ²	XY
1939 1	1	1	1	1
1963 2	9	4	36	18
1995 3	51	9	2601	153
1996 4	113	16	12769	452
2006 5	254	25	64516	1270
n = 5, X = 15	Y = 428	X ² = 55	Y ² = 79923	XY = 1894

$$\begin{aligned}
 r_{xy} &= \frac{n \sum XY - (\sum X)(\sum Y)}{\sqrt{[n \sum X^2 - (\sum X)^2][n \sum Y^2 - (\sum Y)^2]}} \\
 &= \frac{5 \times 1894 - 15 \times 428}{\sqrt{[5 \times 55 - (15)^2][5 \times 79923 - (428)^2]}} \\
 &= \frac{9470 - 6420}{\sqrt{(275 - 225)(399615 - 183184)}} \\
 &= \frac{3050}{\sqrt{50 \times 216431}} \\
 &= \frac{3050}{3289.612439} \\
 &= 0.92
 \end{aligned}$$

APPENDIX – B

Functional Units in Sanfe Bazar Trading Center

<u>S. N.</u>	<u>Functional Unit</u>	<u>Numbers</u>
1.	Wholesale	22
2.	Retail sale	
	Clothes + Fancy Footwear	46
	Clothes	7
	Utensils	5
	Stationary	5
	Cosmetic Shop	12
	Small Kirana	65
	Fancy	4
	Footwear	7
3.	Hotel/Catering	
	Lodges/Hotel	21
	Sweet Shop	4
	Tea Shop	7
4.	Retail and Services	
	Gold	4
	Tailoring	16
	Telephone	1
	Fertilizer	1
	Hairdresser	3
	Stove Repair	1
	Shoe	2
	Pan shop	1
	Butchers/meat	2
	Photo Studio	1
	Watch/Radio/TV	11
	Fruit + Vegetable	6

APPENDIX-C

Names of the Different Districts VDC, Which are the Sphere of Influence of Sanfe Bazar Trading Center

Achham District

- | | | |
|------------------|-----------------|-------------------|
| 1. Babla | 2. Baijanath | 3. Balanta |
| 4. Bannatoli | 5. Barala | 6. Bardadevi |
| 7. Basti | 8. Batulasen | 9. Bayala |
| 10. Bhagyashwar | 11. Bhairbstan | 12. Bhatakatiya |
| 13. Binayak | 14. Bindewasini | 15. Birpath |
| 16. Budhakot | 17. Chalsa | 18. Chandika |
| 19. Chanfamandu | 20. Darna | 21. Davisthan |
| 22. Dhakari | 23. Dhamali | 24. Dhanku |
| 25. Dhungachalna | 26. Duni | 27. Gajra |
| 28. Ghodasen | 29. Ghunhurkot | 30. Hattikot |
| 31. Hichma | 32. Jalpadevi | 33. Janalibandali |
| 34. Janalikot | 35. Jupu | 36. Kalagaun |
| 37. Kalekanda | 38. Kalika | 39. Kalikasthan |
| 40. Khaptad | 41. Kuika | 42. Kuntibandali |
| 43. Kuskot | 44. Layanti | 45. Lungra |
| 46. Malatikot | 47. Mangalsen | 48. Marku |
| 49. Mastabandali | 50. Mastamandu | 51. Muli |
| 52. Nada | 53. Nandegadha | 54. Nawathana |
| 55. Oligaun | 56. Patalkot | 57. Payal |
| 58. Pulletola | 59. Rahaph | 60. Ramaroshan |
| 61. Raniban | 62. Ridikot | 63. Rishidaha |
| 64. Sera | 65. Shantada | 66. Siddheshwar |

67. Shodasadevi

68. Siudi

69. Sokat

70. Sutar

71. Thanti

72. Timilsen

73. Toli

74. Toshi

75. Turmakhad

Bajura District

1. Atichaur

2. Bandhu

3. Barabise

4. Bichchhaya

5. Brahamtola

6. Budhiganga

7. Chhatara

8. Dahakot

9. Dogari

10. Gotri

11. Gudukhati

12. Jagannath

13. Jayabageshwari

14. Jugada

15. Jukot

16. Kailashmandu

17. Kanda

18. Kolti

19. Kotila

20. Kuldevmandu

21. Manakot

22. Martadi

23. Pandusen

24. Rugin

25. Sappata

26. Tolidevaldanda

27. Wai

Humla District

1. Barai

2. Bargaun

3. Chhipra

4. Darma

5. Gothi

6. Jair

7. Kalika

8. Khagalgaun

9. Kharpanath

10. Lali

11. Limi

12. Maila

13. Mandana

14. Melchham

15. Mimi

16. Muchu

17. Raya

18. Rodikot

19. Saya

20. Sharkideu

21. Shrimasta

22. Srinagar

23. Simikot

24. Syada

25. Thehe

Mugu District

1. Dhainkot

2. Gima

3. Gumtha

4. Hyanlu

5. Kalai

6. Karkibada

- | | | |
|---------------|----------------|--------------|
| 7. Kimari | 8. Kotbada | 9. Natharpu |
| 10. Photu | 11. Pina | 12. Pulu |
| 13. Rara | 14. Rowa | 15. Ruga |
| 16. Rumale | 17. Seri | 18. Shreekot |
| 19. Shrinagar | 20. Sukhadhika | |

Kalikot District

- | | | |
|---------------|--------------|--------------|
| 1. Badalkot | 2. Chhapra | 3. Dhauha |
| 4. Dhaulagoha | 5. Jubitha | 6. Kalika |
| 7. Khin | 8. Kotbada | 9. Kumalgaun |
| 10. Lalu | 11. Malkot | 12. Manma |
| 13. Mehalmudi | 14. Mumra | 15. Navikot |
| 16. Paukha | 17. Phukot | 18. Raku |
| 19. Ramnakot | 20. Ranchuli | 21. Rupsa |
| 22. Sukatiya | 23. Syuna | 24. Thirpu |

Bajhang District

- | | | |
|--------------|--------------|-------------|
| 1. Gadray | 2. Kalukheti | 3. Lamatola |
| 4. Majhigaun | 5. Patadewal | |

QUESTIONNAIRES

Wholesaler, Retailer

- i) What types of commodities are in your shop?
- ii) Form where do you import goods for your shop?
Sources Place Types of Goods Amount (in %)
 - a).....
 - b).....
 - c).....
 - d).....
 - e).....
- iii) From where do you receive your consumers for selling goods?
 - a) Village b) Districts
- iv) How many members are employed in your trade?
 - a) Family members..... b) Others..... c) Total....
- v) Before the construction of this road from where did you receive goods?
- vi) Before construction of Silgadhi—Sanfe road from where the people are communicate to Sanfe Bazar for trading purpose?
- vii) Do you have any local export goods from your shop, if you have what items of goods you have?
- viii) Would you express some your views about the road or some changes in your economic activities after this road?
- ix) Does Sanfe—Mangalsain, Sanfe—Martadi road has effects to your trade?
- x) What physical facilities are available in the market center?
- xi) What are the major problems are you facing?
- xii) Which means of transports are used?
- xiii) What is the situation of business?
 - a. Increasing b. Decreasing c. Constant

Consumers

- i) To which district and village do you belong?
 - a. Village.....
 - b. District.....
- ii) How much time do you need to come to this market from your residence?
- iii) How many times do you come to Sanfe Bazar for shopping?
 - a. Daily
 - b. Regular
 - c. Seasonal
 - d. Occasional
- iv) What are the purposes of your visit to this market?
 - a. Buying
 - b. Selling
 - c. Buying + Selling
 - d. Others
- v) What is your main occupation?
- vi) Are you satisfied with the pricing system of the market?
 - a. Very Satisfied
 - b. Satisfied
 - c. Not satisfied
- vii) What differences you got in the price system on the main ten necessary commodities after this road.
- viii) What kinds of facilities have you got for shopping?
 - a. Near
 - b. Cheap
 - c. Transportation
 - d. Selling facilities
- ix) Besides Sanfe Bazar did you go to shopping at other spots?
- x) How would you describe the impact of this trading center on your social and economic status?
 1. Positive
 2. Positive + Negative
 3. Negative
- xi) What commodities do you sell in Sanfe Bazar?
- xii) If any suggestions?

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