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Concept and Origin of Periodic Markets

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Abstract

The study of periodic markets or the informal weekly markets is of great practical utility and that is the main reason why it holds importance in the field of Urban Geography. Their study is an important aspect to know about the morphology of any particular town or city as they are directly linked with transport and settlements. Transport is an important factor affecting the periodicity of markets as the movement of goods and people depends entirely on the transport network. On the other hand, the periodicity of markets also depends on the kind of human settlements as these kinds of markets are usually held in places where there are a large number of people residing around the area where the markets are held so as to ensure a good attendance of buyers, sellers and visitors on the days these markets are held.

Keywords

Urban Geography, Transport Network, Periodicity, Peasant Society, Focal Points, Gathering, Catchment Area, Communication, Mobile Traders.

Introduction

The meaning of periodic market is the provision of retail and other service functions in a settlement on a particular day or days of the week'. Hoddar (1965)[1] defines periodic market as 'an authorized public-place gathering of buyers and sellers of commodities, meeting at on appointed place at regular intervals. This market centre may meet periodically, yearly, monthly, weekly or a few hours in a week or even daily at appointed times of the day. In the rural areas of most of the third world countries, the market place is one of the fundamental focal points of economic and social life. It plays a vital role in the peasant society where the degree of urbanization is low and the socio-economic condition is dominated by small-scale agriculture. Permanent and daily (bigger) markets do not generally thrive well in such areas.

The daily needs of the people are mostly met by the periodic market. These markets not only mobilize local resources but also act as centers of socio-cultural diffusion. The socio-economic attributes of the catchment's areas on the other hand, get reflected in the structure of the market and goods and services available in them. These markets play vital roles in the socio-economic upliftment of their catchment's areas, particularly in the countries like India, where three-fourths of the population live in the villages. This phenomenon is treated by different groups of people in different ways. One group treats them as a social and cultural phenomenon, and another group treats them as economic phenomena. In countries like India, the role of periodic markets in regional development continues to be significant as it had been in the past. It is interesting to note that these markets have adapted themselves to the situations created by the social and economic environments.

Review of Literature

The study conducted by Suchit Sur (1985)on periodic markets in the Siliguri sub-division in the district of Darjeeling, West Bengal is an attempt to establish the nature and distribution of markets with reference to specific location and time. The author has studied thirty-nine market places for the purpose of this study. As far as the traders' travel pattern is concerned, the study shows that while visiting markets, the internal traders particularly have shown general preference for either higher or lower level markets. The study analyzes the spatio-temporal arrangements of markets, traders and consumers visiting patterns, organization, integration and interaction in the periodic markets. It also lays emphasis on the convenience of both traders and consumers who are visiting the periodic markets. According to Binod Kumar and S.K. Mishra (1985) most of the studies on the location of market centers try to investigate the empirical validity of Christaller's model. The case study of Gaya district in Bihar has been taken up in this study. The locational optimality of agricultural markets in eight blocks of Gaya district in Bihar has been studied by the authors. The minimal cost of transportation of bulk merchandise from the origin to the destination and minimal cost of locating a market center of a particular type have been highlighted in this study.

B.G. Tamaskar, (1985)has studied the stability of new born periodic market places and marketing system depending mostly on stimulating and healthy positively conducive socio-economic variables such as the needs of the participants (traders), the proper and affective organization of space and time, comparative advantages and other allied conditions. According to the author the existence of periodic market places bears and intimate relationship with the needs of the society, it does not only mean the exchange of goods and availability of services. Periodic market is a social as well as economic unit.

Triyugi Nath, (1988)has studied the spatio-temporal characteristics of market places of Allahabad city. He has made an attempt to bring out the salient spatio-temporal characteristics of market places of Allahabad city keeping in mind the development of the town so as to provide a background for understanding the growth of market places. According to the author the origin of the study area goes back to the pre-Christian era and the marketing areas also developed over millennia. The main market centers of Allahabad town have been studied by the author keeping in view the market place as the central place and smaller markets as sub-central places. Ram Surat and V. K. Srivastava (1987-88)have developed a market model and tested with data of whole sale trade collected from eastern Utter Pradesh. They have made an attempt to apply Christaller's central place theory and explain the retail trading with its help.

Periodic Market- Survival

There is no significant threat to the survival of the periodic markets as yet because they serve more people at least cost. Even if some markets acquire a higher status with permanent shops and services, their periodic component does not easily loose importance. This is basically due to the fact that the agriculture sector in most of the developing areas is still almost at the subsistence level, where the peasants have to satisfy their wants primarily through the periodic market systems. The peasants cannot afford visiting the big and permanent markets located at distance frequently as they have to remain busy in their agricultural activities. They therefore prefer to visit a nearby market on a specific day where they can sell their small products and meet their small requirements. The periodicity of these markets is also advantageous to the mobile traders who usually attend all the nearby markets held on different days of a week.

The origin of Periodic Markets is shrouded in mystery. There have been attempts to explain the functional aspect of Periodic Markets and in the process, we have references to such factors such as religious, cultural, political, social, transport and communications. These are all reasons for the emergence of Periodic Markets.

Evolution

The evolution of the week generally coincided with the rise of a market economy and it is therefore, hardly surprising that the regulation of economic transactions was one of the earliest functions of this cycle. Periodic markets are most characteristic of peasant economies, where aggregate demand is not sufficient for supporting permanent shops and, to this day, the market week still flourishes in developing countries around the world including our own country India. The three-day market weeks of ancient Columbia and New Guinea, the five-day market weeks of ancient Mesoamerica and Indochina and the ten-day market week of ancient Peru all serve to remind us that such weekly market cycles have not always been seven days long.

The ancient Southern Chinese twelve-day week is a classic example of a weekly cycle that served to regulate economic transactions. Three- day market cycles – regularly held on the first, fourth, seventh and tenth days of the week --- were clearly derived from it. So were the six-day market cycles, which were regularly held on the first and seventh, second and eight, third and ninth, fourth and tenth, fifth and eleventh, and sixth and twelfth days of the week respectively. These six market cycles played such a major role in the economic life of ancient China that they were even assigned distinctive names ----- Tzu-Wu, Ch'ou-wei, Yin-Shen, Mao-yu, Ch'en hsu and Ssu-hai.

Sometime around the eight or seventh century B.C., an eight-day market week evolved in the area presently known as Italy. It essentially revolved around a periodic market day that was held regularly every eight days. The Roman eight-day week was known as intermundane tempus or "the periodic between ninth-day affairs." (This term must be understood within the context of the ancient Roman mathematical practice of inclusive counting, whereby the first day of a cycle would also be counted as the last day of the preceding cycle.) The "ninth day affair" around which this week revolved was the nundinal, a periodic market day that was held regularly every eight days. On that day, farmers would come to the city to sell their products. However, the nature of the Roman week was by no means purely economic, as the periodic contact between country and city obviously involved much more than just the transactions at the marketplace. A periodic market cycle would flourish only at a time when Rome was still a relatively small city. Unlike peasant economies, urban economies necessitate permanent, continuous commerce, so that, as Rome was expanding, the periodic commerce between farmers and burghers was becoming obsolete. Rome was still holding a market every eight days, yet the weekly market cycle was now connecting eight different cities that were holding eight different markets on successive days of the week. This phenomenon can be explored within contemporary West Africa as well.

West Africans very often do not make a conceptual distinction between the days of the weekly cycle and the places where weekly or periodic markets are being held. This particular correspondence between space and time is a result of the fact that the West African week essentially revolves around and regulates a system of several markets that are held in more than one village. For nearly one third of the entire rural population of West Africa, who travel almost daily from one village to another in accordance with the market cycle, knowing what day it is also entails knowing where a market is being held on that particular day. (Given the considerable distances among some villages, small errors in reckoning the day of the week may actually cost shoppers many miles of walking in vain to the wrong village.) These factors are viewed as having played a promotional role or being instrumental in facilitating the establishment of specific markets in different regions of various countries.

The chief basis of explaining periodicity in respect of a marketplace has been Christaller's Central Place Theory where the hexagonal positioning of periodic markets has been employed to take care of spatial spread of central places. The concept of threshold and range has been used to do so in applying the theory.

The two concepts of threshold and range that attempts to answer the question why periodicity are valid or hold good in respect of periodic markets that exist now. Smith and Faggerland, Good (Smith and Faggerland 1970)[2]; (Good 1972,)[3] presented in their writings the most convincing hypothesis based on Central Place concepts concerning the periodicity of marketplace survival of offering a good at a permanent site. On a daily basis requires that maximum range should equal to or exceed the minimum range. Failing this, the establishment will (a) die out (b) become periodic, but remain spatially fixed (c) become spatially mobile and move among a given series of location (series of market sites resulting in a unique system of periodic market) according to the pre-established temporal patterns. With respect to outcome (a) Diurnal variation in intensity of buying and selling at fixed sites obviously occur in however in the latter (b) the level of demand is commonly so low that a daily regime of similar activities in a given set of physical facilities is hardly visible because of lower levels of labor productivity, capital scarcity, marginal management and so forth reflecting precisely rudimentary rural economy. Outcome (c) is a mechanism that intensifies exchange in place and time, thereby enabling traders and markets to attain the maximum range (survival threshold) for their products.

In an economy characterized by low levels of specializations, individual firms generally perform several functional roles, such as farming, craft production and marketing. Temporal staggering of spatially mobile markets permits such firms to combine sales and production efficiently.

Similarly, for the consumer marketing periodicity lessens the physical distance between himself and the goods and services he desires. He is able to “free himself from the discipline of space (costly transport) by submitting to the discipline of time” (Good 1972)[4].

These theoretical concepts as applied to periodic markets tell us that:

a) Periodicity arises when traders in periodic markets seek to maximize their returns by visiting more than one market periodically thus moving over space.
b) Consumers in a certain periodic market do not transact to an extent that permits fixed traders to operate permanently and daily again emphasizing lack of daily consumer mobility over space.

However, it must be said that the concepts mentioned above explain periodicity from the sellers’ angle and as applicable to periodic markets as we currently see them; they describe the optional spatial temporal spread of such market places. Bearing in mind the fact that periodic markets as we see them today have roots that go into historical times, in addition to what we see in current literature today, if we could view periodic markets in their historical perspectives, the “why” of periodicity may acquire greater validity so that the real origin of periodic markets in the distant past could be explained.

We may elaborate these by citing what Bromley, Symanski and Good have to say about the origin of periodic markets. “Persistent periodicity poses serious difficulties for models which attempt to explain periodic markets and mobile trading by using the notions of range of a good and firm threshold…... The model says that periodic marketing of frequently consumed goods will be replaced by permanent shops or daily markets where there is a high density of demand and low friction of distance. His model like later refinements, accounts for periodic marketing once it exists, but not for genesis, how it came to exist.” (Bromley, Symanski, Good, 1975)[5].Our demand for any good or commodity need not be a ‘daily’ demand, our demand for goods and services are invariably “periodic” though once we have demanded and purchased them at a certain period, we tend to use them daily. Thus, from the angle of consumers (and this is true of today's consumers also) the act of buying is periodic irrespective of whether we have periodic assembling of markets or fixed shops existing close to the consumption centers. Thus, consumers' centuries back, now and any time in future are characterized by propensity to buy only periodically. In this context the concept of threshold exceeding the range of good for periodicity to persist has to be viewed differently. For, in a certain market, when once we accept periodic buying, we can also hold that the "threshold" of the consumers, that is, the minimum need for a certain number of days having been bought, whether the trader attempts to sell this minimum total periodically bought once in seven days or "week" or daily in smaller lots would make no difference to him. In other words, it is not the trader's threshold (minimum volume of trade) that explains periodicity rather it is the propensity to buy periodically that gives rise to a threshold in respect of minimum volume or consumption that makes mobile trading to emerge.

Having said this about the propensity to periodic buying from the angle of consumers, for a full explanation of the origin of periodic markets in their historical past, we need to say something about the traders. In the distant past, when trading had just begun most probably villages were scattered or far flung from one another, there were poor transport communication links between them and the level of economic activity was very low. Given these and the degree of insecurity, the levels of investment in trading was very low, traders could not have afforded to invest more to be fixed vendors at some centers against adverse low consumer demands. Moreover, above mentioned propensity would have obviated it in any case. Additionally, presumably even mobile trading has its own limitations, consuming more time in travel whether on foot or by bullock carts in difficult terrains and resting occasionally while traveling. It generally takes a full day for a trader to cover a distance of 30-40 km between two market centers. Besides traveling to the market, the trader needed to visit the supply centers to re-equip themselves with goods. Hence, the level of investment and the time required for these activities could not have permitted them to be fixed traders. Thus, periodic buying – a tendency on the part of consumers to economize their time and energy- that that gave rise to mobile trading must have been re-in forced by an element of accommodation on the part of mobile traders in the distant past. That is periodicity was a result of an interaction between these two forces, propensity to buy periodically on the part of consumers and suboptimal trading activities of traders each one of course being itself the consequence of other forces operating in early agrarian societies.The upshot of all this is to suggest that the origin of periodic markets as an important socio-economic institution can only be explained in purely economic terms relating to the attitudes of consumers and actions of traders, though administrative cultural, social and facilitative factors may at best explain the emergence of specific markets at certain places.

Given the economic rationale for periodic markets Bromley and others raise an important question. "How are the relative locations and temporal spacing of these centers or institutions to be explained in the existence of a variety of periodic regimes, their aerial associations and the resulting patterns of place-time inter-relationship even within an economic entity or region, reflects such a complex array of economic, cultural and historical factors as to defy generalizations." There are few economic regimes whose periodic markets are not "grassroots" distributive systems. As such they are systematically and dynamically interdependent with a wide range of primary and other tertiary activities. Indeed, the spatial and temporal organizations of rural periodic markets are both competitive and complementary in nature (markets located closer to each other are separated by longer time interval and vice versa) (Bromley)[6].

We understand that periodic markets result from and persist to fulfill the needs of producers and consumers, the organizations of time and relative advantages. Good rightly noted in his writings that "it is present paucity of data on market locations, schedules and marketing history, that is delaying development of theory of the temporal and spatial locations of periodic markets." (Good, 1972)[7].

In offering the above limited theoretical reasoning or explanation of the origin of periodic markets our attempt is to provide a basic philosophy relating explicitly to the temporal characteristic of periodic markets that must take precedence over spatial dimensions. That is the basic philosophy of our approach here is that periodicity should be more construed as the logical end of an attempt on the part of both buyers and sellers (who reciprocate as seller buyer of each other’s goods and services) to rationalize the use of one scarce factor that is time. Time saved is not meeting every day buy or sell at a particular location could be better utilized by full time traders to travel to other markets, to recoup stocks, to rest so that productive[8] efficiency rises and so on , similarly part time traders would be rationalize the use of time by engaging in other production activities. The spatial spread or distribution of periodic markets or their spatial dimensions is an off shoot or a fall out of their time dimension. Fixed shop by traders and daily selling would have been superfluous in market places where all kinds of participants- producers, sellers, craftsmen, service providers, traders of all kinds and so on- attach greater importance to time, are keen to use time more productively and extend the same reasoning to even buying/ selling activities- in a predetermined spatial location. Periodicity of buying gave rise to mobile trading in the past. The precise arrangement of spacing of market days in a region depending on the standardized congregation oftraders and consumers in specific market places. Periodic markets as a system do not get transformed or decay even today as they have been a part of human society and have continued to exist even today.

One of the earliest authors who wrote about periodic markets was Gras. He, in the year 1922 has described the different stages through which man has passed to reach the present stage. He has presented five stages of the different stages man has passed through.

- ✓ ***Collected economy.***
- ✓ ***Cultural nomadic economy.***
- ✓ ***Settled village economy.***
- ✓ ***Town economy.***
- ✓ ***Metropolitan economy.***

According to Alan Hay[9], periodicity of a local market need not go with time spacing in neighboring markets since from what is said above, we can treat periodic markets as a convenience for producers living within the influence area of the market. Alan Hay states that even when traders come to operate in periodic markets, the non-synchronization of markets in respect of time spacing need not pose a problem, for, such traders may do some leapfrogging

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according to their choice and their need not be a trader movement between markets in a geometrically neat sequence as shown by Mc Kim (1972)[10] in his study "The periodic market system in north-eastern Ghana." According to Mc Kim, a series of periodic market centers is organized into a particular pattern or system of periodicity with reference to the demands of constraints on buyers and sellers.

Periodic markets have arisen spontaneously with the changing economic scenario of a nation. They used to be organized by the local chiefs who used to derive benefits from the market fee which was collected on the days the markets were held. The major factors associated with differences in marketing periodicities include population density, demand density, levels of disposable income, the kinds of commodities produced (seasonality) and traded and the degree of specialization, the nature of indigenous and contemporary calendars (cultural or religious concepts of time) the rest days, religious ceremonies and festivals and the intervention of the state in fixing market days as seen in a historical context. In retrospect one or all of these factors may have weighed heavily in the evolution of a given temporal pattern. In most parts of the world early trading institutions had to be coordinated with a calendar defined by a routine of production, religious sanction, administrative intervention and the rest and recreation requirements. The variation in periodicity itself tends to differ in character from one country to another or from one region to another (Hodder, 1965)[11].

Generally, periodic markets go with population concentration in respect of their hinterland. The density of markets is associated with variations in the pattern of settlements. Several large periodic markets are found in small settlements or small villages whereas many large settlements or villages have no periodic markets. Market sites are located away from places where there is heavy concentration of population. Markets are a completely independent entity even if it is located in the centre of a village. Alan Hay, (1972).[12]

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