

**THE ROLE OF MARKETS IN RURAL DEVELOPMENT: A CASE  
OF FUNYULA MARKET IN FUNYULA TOWN, FUNYULA SUB-  
COUNTY, BUSIA COUNTY.**

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## DECLARATION

I, Adelaide Auma Ombudo, declare that this thesis is my original work and confirm that it has not been presented for award of degree at the University of Nairobi or any other university.

Signed \_\_\_\_\_ Date \_\_\_\_\_

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The submission of this thesis for examination is done with my consent as the University Supervisor.

Signed \_\_\_\_\_ Date \_\_\_\_\_

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## **DEDICATION**

For Gabriella Dembe.

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## **ABSTRACT**

Rural markets have had a strong potential that could initiate an increasing growth course, which culminates in continuous and sustainable development. However, instances of poor market integration due to poor policies; and poor market conditions such as inaccessible roads, lack of innovation and dilapidated market infrastructures have always hampered growth especially within the surrounding environments and other regions of interest. This research aimed at finding out the role of markets on the hinterlands, to identifying the challenges affecting development of linkages between markets and the hinterland and to recommending solutions for improving the linkages between the markets and the hinterland to enhance rural livelihoods. The research narrowed down to Funyula market in Funyula rural centre. The research reviewed the regional development theories and concepts and their application in rural development processes and the role Funyula market had played in developing Funyula sub-county. The research also provided an analysis of the policy directions to the development of Funyula market in Funyula sub-county. The research involved observation of the facilities and services in Funyula market and the surrounding hinterland. Key resource persons provided information on the development, management and challenges in the market and the hinterlands. A household sample was picked to answer questionnaires within the hinterland. The research showed that Funyula market had both visible and invisible socio and economic impacts on the people of Funyula sub-county. Positively, the market provided readily accessible outlets for farm produce from the hinterland. The main hindrance to hinterland development was the lack of capital resources within the sub-county as identified by 63percent of the rural household respondents. Other hindrances included poor accessibility, lack of research and innovation and lack of infrastructure to support the production and sale of agricultural produce. Solutions to challenges faced at the market and in the hinterland included coordination of programmes for both urban and rural development by with wider consultations from different players.

## **ABBREVIATIONS**

CIDP	County Integrated Development Plan
DDF	District Development Fund
DFRD	District Focus for Rural Development
FAO	Food and Agricultural Organisation
GP	Growth Pole
LG	Local Government
NDP	National Development Plan
PRSP	Poverty Reduction Strategy Paper
RTPC	Retail Trade and Production Centre
SDG	Sustainable Development Goal

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# CHAPTER ONE: INTRODUCTION

## 1.1. Background to the Study

Development can be perceived as an overall process of transforming the society leading to a social order in which every human can achieve moral and material welfare. The World Bank (1975) explained a strategy of development as a way of improving the livelihoods of people in both urban and rural areas. Anker (1981) further elaborated that rural development must be accompanied by strategies that go hand in hand with specific programmes and policies that support the activities of people in the rural areas especially the poor groups. These strategies must involve the removal of wrong usage of government and human resources for the betterment of the livelihood of the poor and effective participation in the development process. Nemes (2005) identified the purpose of rural development as to reduce or eliminate comparative disadvantages, to ensure fair competition and promote social and economic interrelation between different areas and sectors of the rural economy. It was therefore necessary to have deliberate measures to ensure development in rural areas. If left on their own, such areas could not develop which could widen the regional disparities in terms of development.

A strategy to ensure development in Kenya was formulated in 1965 as captured in the 10<sup>th</sup> Sessional Paper. The target was to expand the industrial development as the agriculture and infrastructure base grew (GoK 1965). Decentralising development to small administrative units would ensure progress was made towards overall development. In the growth and service centres strategy, the growth poles were to induce growth functions in strategically selected larger centres, which had the capacity for specialized growth function and redistribution of population. The service centres were to provide services and infrastructure to rural areas (GoK, 1978). The District Focus for Rural Development (DFRD) made the districts as the centres for development. The decentralization process was intended to bring development nearer to people in rural areas (GoK, 1995). In the effort to implement rural-urban balance as a requirement in the first Sessional paper of 1986, the National Development and Planning and the Finance Ministries established a District Development Fund (DDF) to finance investments in selected small towns to spur development (GoK, 1963). The investments would have an impact in the selected towns and the hinterlands thereby bettering livelihoods.

The development of infrastructure had played a big role in creating a positive link between large urban area business and the small rural town or market centres (Wekwete, 1988). But lack of knowledge by implementers and the lack of products tailored to rural needs made the availability of services in rural areas scarcer (Wekwete, 1988).

For markets to be an effective decentralization strategy, they needed to perform several functions for the resident population and also the surrounding rural communities. These included provision of access to better market services, facilities and infrastructure that supported productive economic activities; provision of adequate market for crops produced by farmers from the hinterland and bringing positive growth closer to rural areas (Cheema & Rondinelli, 1983).

Despite the several measures to ensure rural development, rural areas have continued to lag behind with more pressure exerted on the urban areas. There would have been a big development achievement in Kenya if appropriate policies and implementation strategies were put in place. This was the main hypothesis of this research study. Both the problems in rural and urban areas should be viewed as one as they are both related in some way in a spatial system. Policies to tackle the development of rural areas need to factor in the remoteness and the possibilities in these areas and provide focused solutions.

## **1.2. Problem Statement**

The rural development concept has been facing challenges since the meaning of development has had divergent views. Due to the many challenges and complexities of the development programmes that have been in use for many years, it has clearly come out that rural development programs are too difficult and contain a much complex process. (World Bank, 1999). Development is brought about by many and different factors, but the main ones include the yearning of man's aspiration. There are no development theories applicable to the situation that is current in Africa unless the theory to be applied is modified to accept and bond with the strategies at hand. Due to the fast developing and rapid growth of both the rural and the urban population, it is difficult to understand the changes with only theories, hence there is more to be learned with the development changes that occur so that the change in urban and rural areas can be understood clearly. Furthermore, the economic, social and political development

demands strategies to be developed to help understand the development in rural areas. In Kenya, a centre that had a population of between 5000 and 40,000 individuals was defined as a rural centre. The facilities and services to be provided were highlighted in the Human Settlement Strategy of 1978. A number of geographers and philosophers envision a rural area as an area that is poor and cannot be able to help itself whatsoever unless it is provided with the required infrastructure. Further, the areas do not have enough strength or power to develop on their own (Pedersen, 1997; Satterthwaite & Tacoli, 2003).

In the period 1970 to 1974 when the second National Development Plan was prepared, a lot of priority was given to small urban centers and rural development. This was evident with the inception of a plan for both the rural urban development and the development of the growth pole strategy in Kenya. The approach consisted of the development of designated centers at various points across the countryside to improve the quality of life in the rural areas. The strategy was to be achieved by ensuring the development of a number of existing urban centers in areas that had been identified as potential centers (G.o.K. 1970-1974).

During the classification of urban and rural settlements in the 1970s, Funyula center was classified as a rural center. The town later on became the administrative center of Samia District. The former Funyula Town Council was also established in the town. As the district headquarters, Funyula center became the focal point where policies affecting the then district were generated. It also became the place where mechanisms for policy implementation were based and thus it was the intermediary structure between the central government and the rural areas within Samia District.

The elevation of rural centers needed to take into account a set of conditions and services, which the settlements should have been able to fulfill before upgrading to provide services for the next level center. Before devolution in Kenya, upgrading of centers in the country was done in a haphazard manner resulting in poor services provided to the residents in the centers and the hinterland. The disorganized upgrading of centers strained the Governments' capability to meet the needs of new urban activities and the management of existing infrastructure needed to sustain economic growth and improve living conditions within the towns and the hinterlands. When a

town's operations were upgraded there was an influx in population but very little was done to match the new population and the services required to support the population.

Initiatives for development in the rural centers had been started but these centers had not attracted many economic activities as originally intended by policymakers. Some of these centers remained below the levels of the growth anticipated. The DFRD did not put the growth and service center model in the context of district planning. Decentralization to the districts did not take into consideration the opportunity of utilising the existing system of Local Government, which relied on the civic political process and familiarity to the communities as an alternate structure (Mwangi, 1994).

Rural centers are characterized by poor housing; inadequate infrastructural facilities; problems related to land tenure; problems with transport and communication linkages; low capacity of urban businesses to create sufficient number of jobs; problems with social and economic services such as marketing of agricultural products and supplies, poor education, health and extension services. The effect of the challenges faced in rural centers may impact negatively on the hinterlands. According to the Kenyan Constitution 2010, a number of functions were devolved which include trade development and regulation including market and fair trading practices; county planning and development; provision of water and sanitation services; maintenance of county roads; agriculture among others (GoK, 2010).

With devolution, counties were expected to spearhead growth through local investments. This would also help increase the bond between the rural areas and urban centers and help in reducing rural-urban migration. Owusu (2004) established that when rural areas are more attractive, people living in urban centres could move to rural areas in search of the attractive modes of living hence help decongest the urban agglomerations. There are many factors that have been considered to help the development of rural areas. Even though there have been efforts for implementation, the rural areas still remain largely undeveloped. This acts as one of the main reasons for the rural to urban migration. Capital investments have been done in rural areas but there is a need to study the impact of the investments to the people in rural areas. Theories exist that help in identifying the location of investments but the studies on the importance of linkages have been minimal.



Roads, local markets and food stalls maintenance; refuse collection among others by Local Government were rated poorly in a study conducted by Mitullah in 2010 by over 60 percent of respondents. The non-participation of citizens in the decisions made by Councils and lack of publicizing Council's work program to citizens earned a score of 80 percent negative ratings (Mitullah, 2010).

Due to the wide nature of rural-urban interactions between centers and their hinterland, the study narrowed down to the market in Funyula rural center and its hinterland. A Strategy Paper for Poverty Reduction in Busia District of 2001- 2004 highlighted a number of challenges faced by the residents of Funyula center and its hinterland. They included collapsed government extension services, lack of agricultural processing plants, lack of mechanization, poor marketing of agricultural produce, expensive farm inputs, lack of credit facilities to support agricultural activities, poor road network, inadequate rural electrification and lack of skills in the import and export market (GoK, 2005).

### **1.3. Research Purpose**

The study aimed at establishing the existence of rural-market interactions, which would be used in the improvement of policies. It was to point out the factors to consider in the provision of infrastructural facilities at designated points in order to bring development in rural areas, which was necessary in planning for capital investments.

The market area and the hinterland were examined to; determine the impact of the market on rural development through provision of market for the farm produce and other goods and services; establish levels of interactions between the market and its surrounding to understand their linkages; assess extend of rural development based on the level of agricultural production support facilities and services and productivity.

### **1.4. Research Questions**

- i. What is the linkage between Funyula Market and its hinterland?
- ii. What is the impact of Funyula Market on its hinterland?
- iii. What hinders the development of the linkage between Funyula market and its hinterland?
- iv. How can the linkage between Funyula market and its hinterland be improved in order to enhance rural livelihoods?

### **1.5. Research Objectives**

- i. To assess the linkage between Funyula Market and its hinterland.
- ii. To examine the impact of Funyula Market and its hinterland.
- iii. To examine the challenges affecting the development of the linkages between Funyula market and its hinterland.
- iv. To formulate proposals for improving the linkages between Funyula market and the rest of Funyula Sub-County for the enhancement of rural livelihoods.

### **1.6. Research Justification**

The study area choice was due to its rural nature. Tacoli (2006) defined a rural settlement as a concentration of activities and people in rural areas. Traditionally, rural settlements were associated with agriculture. However, in modern times focus included marketing, public facilities, housing, education and all activities found in urban areas.

The Human Settlement Strategy of 1978 categorised Funyula centre as a rural centre. One of the facilities to be provided in the centre was a rural market. This justified the choice of Funyula market (GoK, 1978).

The market was also seen as a suitable area of study as it had diverse products from farmers including livestock and fisheries, horticulture, cereals and handcrafted wares.

The market was located towards the centre of the Sub-County therefore offering location advantage of serving the hinterland centrally and therefore the best point to carry out the study.

### **1.7. Study Scope**

The study was confined to spatial concerns of Funyula Market in Funyula Sub-County, factors affecting the spatial interactions and the impacts they had on rural development in Funyula Sub-County. It focused on the market, the facilities and services provided, how adequate they were and how the rural population benefited from the market and in the end how development trickled down to the hinterland in terms of improved incomes and livelihood. This helped in establishing whether the market in Funyula rural centre was leading to the development of the hinterland and vice versa.

The data covered included the size of the market; the retail activities carried out; current capacity; spatial arrangements and sufficiency of spaces; major facilities provided like

public toilets, stalls, sheds, drainage, car park, lighting, storage facilities, loading areas and conditions of the major facilities which were categorised as good, fair or poor. The level of development in the hinterland was assessed depending on the availability of agricultural production supportive services and improved agricultural productivity.

### **1.8. Organisation of the Work**

The first chapter gave the introduction and background information to the area of study. This was followed by the problem statement, research questions, objectives and assumptions. The justification and the scope of the study then followed. To conclude the chapter was definition of operational terms.

The second chapter covered literature review on the regional development theories and strategies, origin of markets and the role they play in rural development. The policy, legal and conceptual framework was also covered at this point too.

The third chapter highlighted the area of study. It covered the spatial location of the research area, administrative attributes including demographics and urbanization trends as well as the natural conditions and physiographic features.

The fourth chapter captured the research methodology. It also showed the sampling procedure, type of data required, methods of collection and analysis.

The fifth chapter discussed the research findings as established from the study while the sixth chapter covered the summarised findings and gave conclusions and recommendations.

### **1.9. Research Assumptions**

- a. Comprehensive planning and execution of projects meant for rural development led to rural development and improvement of rural livelihood.
- b. The sample data from the study could be used to generalise or estimate the role of Funyula market in the development of Funyula Sub County.
- c. Recommendations from the study could be adapted to guide planning and implementation of rural development projects.

### **1.10. Definition of Operational Terms**

**Development** - The reduction or elimination of poverty, inequality and unemployment. It enables total production to grow, both cumulatively and permanently. It can be measured in economic terms, social well-being and political structure.

**Growth** - The Increase in terms of employment, agricultural and off farm output, population gross income and per capita income.

**Growth centre** - Centres that are designed to promote regional growth and counteract excessive urban congestion in the major cities. Public investment is concentrated in these centres for the sake of development promotion in the surrounding hinterland.

**Hinterland** –The linked surrounding that are found on the outskirts of an urban area

**Livelihood** – Activities performed to survive for a given lifespan. They involve securing water, food, medicine, shelter and clothing.

**Market**- Institutions, systems, procedures, processes, social relations and infrastructure where parties are involved in exchange for the benefit of improved livelihood.

**Rural and urban interactions** – Relationships across space (such as flows of people, goods, money and information), and between sectors (for example, between agriculture, services and manufacturing).

**Rural centre** – A centre that spurs rural areas' development and improvement. It plays the role of improving the standards of amenities in the rural areas.

**Rural development** - Increased non- farm employment, provision of supportive services, and development of infrastructure, self-help activities and improved administration, which lead to improved livelihood of the rural population.

**Rural infrastructure** - Investments that either directly or indirectly impact on the productivity in agriculture and related non-farm activities in the rural areas. They include economic infrastructural investments like credit institutions in rural, rural electrification, agricultural scientific research, drainage and flood control, rural roads and transport, irrigation works, inputs and outputs markets, structures for storage and warehousing and development of watershed. They also comprise infrastructure for

developing other related and non-farm activities like milk collection and cooling centres, agro-processing and crafts industries.

**Urban area**– An area of interaction in the means of production of goods and services, their distribution and further processing.

## **CHAPTER TWO: LITERATURE REVIEW**

Focus was put on development theories and concepts concerning rural areas, the role of markets in rural development, the relationship between markets and their surroundings and what policy directions were available to ensure markets brought rural development.

### **2.1. Origin of Markets**

Carson M. and Lee J. S. (2011) pointed out that substantial documentary evidence showed that markets existed as early as the eleventh century. That was when chartered markets and towns were initiated all over Western Europe. They reviewed literature and added that regulation of market activities was done by civic authorities for price and quality control measures. The location of markets was at both hubs of transport and consumption centres, even when the latter were quite remote. However, as communication and transport costs declined, reforms occurred and only the bigger markets survived.

Friedman (2017) also traced the evolution of markets and linked it with the development of agriculture and trade. He stated that markets were places where people and governments interacted, defined and shared community value. Amenities that were basic and contributed to economic vitality were provided which contributed to the vitality of the economy.

#### **2.1.1. The Era of Agricultural Trade**

Past societies once survived on hunting and gathering as that is what nature provided. This trend changed with the emergence of agriculture. Societies still depended on hunting and gathering, but as domestication of animals, planting seeds and harvesting began, there was enough food for the households, and surplus for trade. (Friedman 2017)

Later on, as communities expanded in size, trade became formalized in the sites and process. Buying and selling of commodities and livestock was done on chosen weekdays. The term market is a Latin word “mercatus”, which refers to the activity of buying, trading, or dealing and the marketplace where the activities transpire. With the commerce evolution and the currency invention, the markets physical forms progressed.

With the evolution of trade and emergence of middleman, trade and the points of running business changed too. Farmers did not have to travel to markets. They traded with merchants who in turn traded with the public. The sellers required storage facilities, stalls for display and a customer frequent flow. (<https://qz.com/89>)

### **2.1.2. Permanent Markets and the Change to Wholesale**

When cities expanded there was a realization of the value of tax revenue sources. Ram shackled stalls were replaced by formal structures and governments discovered the need of maintaining better hygiene. Market designers focused on creating attractive and safe structures in order to draw conservative buyers. The original markets were disorganised and ready places where the affluent, especially women avoided. Public markets later on provided conducive environment, ample space to circulate, and appealing well-lit and ventilated selling counters (Friedman, 2017).

Crop growing and trade progressed after the Industrial Revolution. Mechanization led to production in large scale with less assisting hands. Farm produce was transported to markets faster by means of railway. Wide assortments of produce from far and in bigger quantities were sold at lower prices. (<https://qz.com/89>). As urbanization increased rapidly and with the emergence of the metropolises sprawl, bigger amounts of food had to get to cities. An everyday direct supply by farmers to small and large markets with several traders was cumbersome. This necessitated the advancement of wholesale terminal markets, which, were single structures, or a series of structures made for storing and distributing produce. The markets were interconnected through railways, waterways and highways. Storing of food was done often through refrigeration, before distribution in a region. Sellers in shops and smaller markets would then purchase from wholesalers directly. This led to the expansion of the gap between the farmers and consumers (Friedman, 2017).

### **2.2. Rural Infrastructural Facilities and Services to support markets**

There was need to coordinate and upgrade modern day rural markets with related infrastructure and the necessary services if the profits of production from agriculture were to be gained. This included improvement of extension services provision and upgrading of feeder roads, bridge and irrigation structures (White, 1999). It was essential to target a right investment balance between the different components of

projects in order to achieve rural development. A judgment needed to be made on how different components of investment interacted to achieve development.

Binswanger (1993) in his research in India observed that rural infrastructure investments lowered costs of transportation, increased market access to farmers and expanded agricultural substantially. Studies by World Bank (1994) showed that growth in agriculture and improved rural employment levels from non-farm was closely connected to provision of infrastructure. This had considerable implication because majority of the poor households in economies that were developing were in the rural areas. The infrastructure effects accentuated the commercialization process in agriculture and the rural sector (Jaffee & Morton, 1995). It also led to a change of dormant demand into an active commercial demand.

Binswanger (1993) articulated that infrastructure bundling could impact positively on incomes of rural household. Coordination of multiple infrastructure services results in a substantially more positive impact as compared to the sum effect of each infrastructure service taken singly. Positive opportunities had a higher chance of exploitation when access to diverse infrastructure facilities and services were provided. This is because facilities and services build on the other leading to a multiplier effect.

A network of market intermediaries provided the connection between rural and urban areas. These included farmers vending directly in the market, petty traders and assemblers, wholesalers, retailers and brokers.

For market infrastructure development, decision makers needed to be well briefed on how markets worked, what would stimulate production and consumption of goods, specific requirements for traders, consumers, transporters in terms of trading space, facilities and services, parking areas, cost implication of transporting goods to the market, environmental and social implication of the market, expected type of services and level of fees and charges. Among the issues affecting market's successful operations included lack of understanding on location and role of major crop production areas, difficulties in defining market channels, overcrowded conditions in markets and inadequate infrastructure development policies and institutional arrangements (White, 1999) These could result in, poor site location and access roads, insufficient sale spaces, poor facilities maintenance, inadequate vehicle circulation space, lack of parking



provision, lack of loading and offloading zones, inadequate drainage, inadequate water, insufficient sanitation facilities, overcrowding, inadequate security and lack of overnight storage facilities.

Better collaboration across sector would be necessary, and could largely be attained by improving on planning strategies, from the lower level through engagement with relevant stakeholders, and supported by financial and technical commitments at the upper level. According to Patel (1999), the components of rural infrastructure necessary for successful market operations included rural roads and bridges, water supply, citizen information centres under Information Technology, crop and livestock research, agricultural produce collection points, cold room storage facilities, forest and watershed management, conservation of soil, harvesting of rainwater, management of forest and energy supply provision among others.

### **2.3. Role of Markets in Rural Development Process**

According to Southal (1979), achievement of effective rural development depends on the vibrancy of small urban centres as they play an important function in the process. The centers act as measures of adequacy or inadequacy of rural development efforts. In defining growth centres, UNCHS (1997) emphasised on the functions that the rural centres performed. They were the smallest units that supported local service within walking distances.

Rural development in Kenya was aimed at increasing productivity from land. This in turn would increase income generation from agriculture and improve employment opportunities which then would enhance the purchasing power of the rural inhabitants and in the long run lead to rural industrialisation (GoK, 1978).

The sale of produce and products from agriculture was necessary to increase productivity from agriculture and for enterprises commercialization for farming to be seen as a business (GoK, 2010). According to Mandla, (2008), markets have played an important part in the encouragement of the development of the hinterlands. They provided a platform for exchange of farm produce, whether food or industrial raw materials. They also provided the requisites for farm production and employment in industrial and service activities.

The Government identified a number of approaches to ensure rural development in Kenya. The first was the promotion of rural areas development in order to improve the standards of living for most of the people. Secondly, was the aim to create an even urban physical infrastructure distribution geographically so as to encourage an economic growth that was balanced across the nation and have social services that were equitable between different locations, (GoK, 1978). The Government would provide assistance and guidance in the initial stages like provision of land and infrastructure in order to generate additional employment and investment opportunities. This would lead to a process of cumulative and self-sustaining growth (GoK, 1978)

#### **2.4. Interactions between Markets and Rural Development**

The most important factors to be looked into while considering interactions in a rural market system were the relationships of the facilities of the market and the pattern of rural settlement, the nature and location of agricultural production, how the road system in a region was evolving, possible assembly points a market presented and the channels of marketing and the relationship between rural and urban areas.

Markets were the most widespread exchange system and played a dynamic role not only in the rural socio- economic development process but also in performing the significant role in the regional development. According to Tisha, Pathak and Baghmar (2017), markets were the farmers first contact point with the marketing channels and considered as the nerve centres of the cultural, social and economic activities of the rural life of a country. Products were not just disposed in the market but were also required by farmers as a source of food. As centres of diffusion, markets had a vital part to play in the habitat, economy and lives of people. They were the building pillars of the complex market place trading system of modern world (Mulimani, 2006). Contacts were made between the rural areas and the outside world as the rural population interacted with the traders from different areas outside their location. New ideas and innovations were learnt in the process, which the rural population applied to their daily lives. Development of market centres implied economic development (Bromley, 1976). Most of the products in small-scale production were sold locally. Markets were mostly located at the centre of the rural communities or along access roads where buyers and sellers met at a specific time and day. The essential varieties of commodities of rural population were brought for sale in the market places and included both unfinished and

finished or manufactured goods. The market places served as convenient channels for distribution and exchange of agricultural and other products and for providing services of artisans and craftsmen, (Mulimani, 2006). Public services provided in the centres included sewerage disposal systems, grid water supply, electricity connection, secondary schools, village polytechnics, primary schools, nursery schools, health centres, mobile library services, mobile cinemas, social halls, sports fields, show grounds, secondary roads, post offices, telephone facilities, local bus services, airstrips, hotels, restaurants, shops and markets, (GoK, 1978).

The market centres became the consolidation points for the growth in both the farming and non-farming activities and employment source through the small and medium enterprises development or in the location of commercial establishments that contained the private enterprises like banks and cooperatives. The centres were expected to provide services to their immediate rural areas, to coordinate local development planning and to provide employment for urban and rural population. They acted as means for integrating rural and urban systems, (UNCHS, 1997).

According to Mulongo, Erute and Kerre (2010), there must be a good articulated and a well-developed urban strategy for promotion of development in rural areas. They pointed out that there was insufficient service provision in urban centres due to the large population imbalance in the urban hierarchy.

## **2.5. Impact of Markets on Rural Urban Interactions**

A nation's wealth was brought about by its backbone, which was a strong and sufficient economy (Mandla, 2008). For a town to be easily used for growth, it should be available in fostering entrepreneurship. It should promote modernization in the economy (Bass 2004). What made it costly was the increasing living cost in rural areas and the exploitation of rural places by urban towns first. Different types of flows between a town and its surrounding periphery existed. The effects of the link between a town and its hinterland could be either to the advantage or disadvantage of a rural region's development.

White (1999) highlighted a number of benefits of market development. They included a reduction in crop losses through quicker and better handling in an improved market, improved efficiency in market operations, public health benefits through hygienic

handling of food and safe disposal, amenity and aesthetics through containing market activities in one place, time saving, generation of revenue to government and positive impact on agricultural production

Table 1 below shows the linkage of market centres to hinterlands in multiple situations and their impacts.

Table 1: Linkage between market centres and their hinterlands and their impacts

Flow type	Positive effect on periphery	Negative effect on periphery
Expenditure on goods and services	For market centre growth there is expanding market	Decrease in rural market expenditure and reduce market for products
People	Migration for employment	People
Investment funds	Investment of town funds to rural area	Investment of rural funds in towns
Technology and knowledge	Town centres generate and diffuse information	Migration is selective e.g. the educated ones

Adopted from Bass 2004

Chambers, R (1987) stated that the main aim of development strategies was to bring businesses or individuals, together for a common course. Helping the needy was among the strategies in the rural development concept so that they could control the rural area. A number of theories and concepts had been advanced to explain the regional development process.

### 2.6.1. Central Place Theory

The relationship and interaction between urban and there connected rural areas was postulated by Walter Christaller in 1933 in the central place and hinterland concepts. The main idea he had was a functional connection between a town and the surrounding rural areas, (King, 1984). In Christaller’s view, a central place was a place, which had central functions that extended over a wide area in which other smaller central areas existed (Adoyo 2019). The central place theory provided a framework for appreciating the pattern and trends of places characterized by a population spread evenly over the landscape. It dealt with the number, size, distribution and function of human settlements

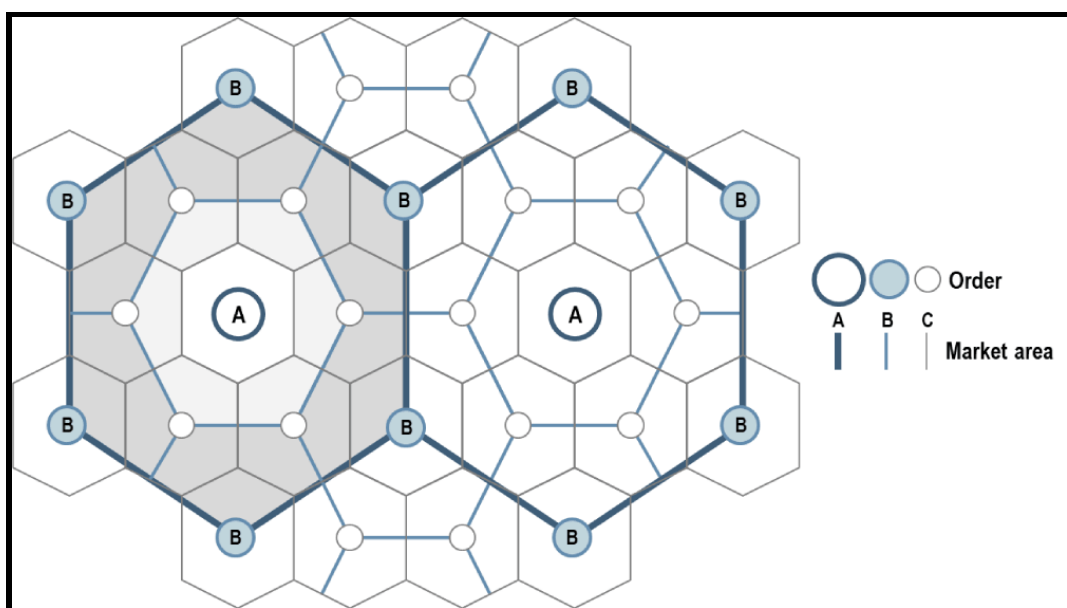
and it stated that every place had a degree of importance, which was usually defined rather inexactly by its size of population or by its real size. Dawkins (2003) stated that the importance of a settlement as a central place was based on the surrounding population supply, amenity node provision and networks of transportation, frequent trips, the need for face to face contacts, and low-level economies of scale characterized by services found in the area. At the bottom end of the size hierarchy; all activities found in the lower order settlements, plus additional functions were found in the higher order or larger places. (Bingham, Mier, 1993).

Consumers went to places that were near and goods were offered at affordable prices. For this reason, the vertex formed the hexagon triangles that enabled the consumer know where and when to visit a particular region. The area that was in a lower order was covered by the higher order.

The highest order centre performed more functions unlike the lower order centres. Such places were not as many and they were laid scattered in large pieces of areas. Many low order centres were mostly found in regions that were complementary within a higher order in the same region.

The figure below shows a central places system as per the market principle with three levels of centres.

Figure 1: Central Place Theory (Market Principle)



Rodrigue (2017)

According to Dawkins (2003), the strength of the model was its ability to explain the location of retailing, consumer and certain types of educational and health facilities therefore it logically served as the basic theoretical framework.

The central place theory was criticized that it was static in conception. It was also dismissed by many, as a reflection of certain existing social patterns at a particular time in history and therefore incapable of providing any powerful predictions. It could not suggest ways of refashioning society that would improve the human conditions, (Klemmer, 1978). To add on that, some central places were not able induce social and economic development in their hinterlands (Adoyo, 2019). Christaller's theory was the first to derive a hierarchy of cities and of the spatial organization of economic activity. It could be practically applied in the planning of the spatial distribution of public services. Economic development in a region was led by the theory of growth pole. Though being not a location theory in itself, it explained the pattern that existed in the centre.

### **2.6.2. Growth Pole Theory**

Francois Perroux, in 1955 observed that development in hinterland regions was fuelled by expanding metro centres. Investment then trickles out from growth pole to the hinterland (Bingham & Mier, 1993).

Growth pole was a proposal to encourage growth points within the periphery so as to directly stimulate rural areas and reduce overconcentration in the urban core (Parr, 1999). The growth poles would be focused on an existing small town in the periphery. The concept of growth pole in spatial development suggested that governments in countries that were developing could stimulate growth of the economy, which would spread outward to realise development of regions by heavily investing in industries that were capital-intensive (Rondinelli, 1988). A lot of emphasis was placed in urban area initiatives with the hope that this would lead to development of rural areas both at the local and regional level. The core industry growth implied the output expansion, related investments, employment, and new technologies development (Rondinelli, 1988).

The close connection between dominance, operations scale and innovative impulses were the most vital features of Perroux's theory and led to the dynamic propulsive firm and leading propulsive industry concepts. Table 2 below shows the characteristics of

the dynamic and leading propulsive firms and the transmission of forward and backward linkages.

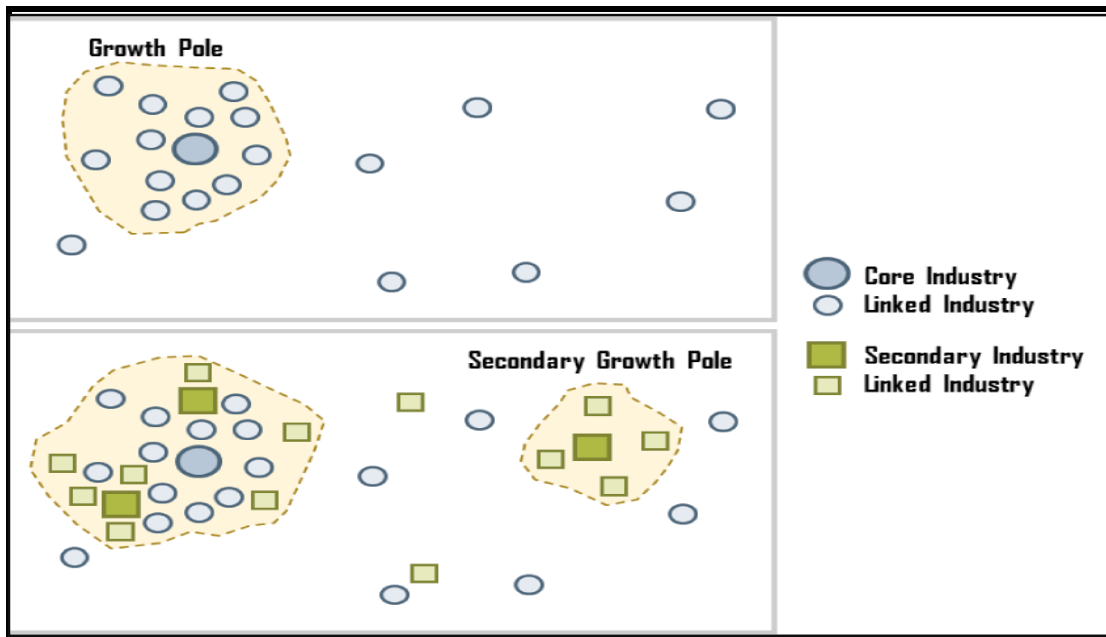
Table 2: Characteristics of Leading and Dynamic Industries

<p>Dynamic propulsive industry:</p> <ul style="list-style-type: none"> <li>• Large relatively</li> <li>• Has a high innovative ability.</li> <li>• Is in a fast growing sector relatively</li> <li>• The link with other sectors of the economy is vital for the induced effects to be passed to it</li> </ul>	<p>Leading propulsive industry:</p> <ul style="list-style-type: none"> <li>• Technology level and managerial expertise is highly advanced</li> <li>• Income elasticity of demand for its products is high</li> <li>• Has local multiplier effects</li> <li>• Has robust inter-industry connections with other sectors</li> <li>• Has two categories of linkages as described below:</li> </ul>
<p>a) Backward linkage: Increasing demands on a company for its inputs in the stages from production to selling.</p> <p>b) Forward linkage: Increase encouragement of subsequent stages of production by innovation transmitting.</p>	

Source: Dawkins C. J. 2003

Transportation and transport terminals could have an important role to play in the promotion of dynamic and leading industries (Satterthwaite, and Tacoli 2003). When an activity was dependent on transportation, the relationship was likely to be strong. At a later stage, secondary growth poles emergence was possible, mainly if a secondary industry sector emerged with its own connected industries, contributing to the regional economic diversity as shown in figure 2 below.

Figure 2: The Concept of Growth Pole Theory



Source: Rodrigue, J. P. 2017

The orientation of the growth pole theory made it better for generating a strong form of industries. The theory suggested a good division of public resources to go to a number of firms to help in the fast spread of resources and the effect and outcome would be immense. For backward regions, one had to ensure implementation of a propulsive industry and ensure well-concentrated investments on the pole instead of spreading them to many outlets. Selecting few places to implement the resources would give a big feedback. The social and political implication of the growth pole theory was that the capitalist class could influence and cause some regions to always dominate and others to be subservient. Spatial differentiation was due to large capital concentrations in production systems, capital flows from centre to hinterland where greatest returns were expected, not where greatest social outcomes were expected. Thus, there would be parts of hinterland that were deprived and capital would flow to areas with greatest opportunity for exploitation (Bingham, Mier 1993).

### 2.6.3. Cumulative Causation Theory

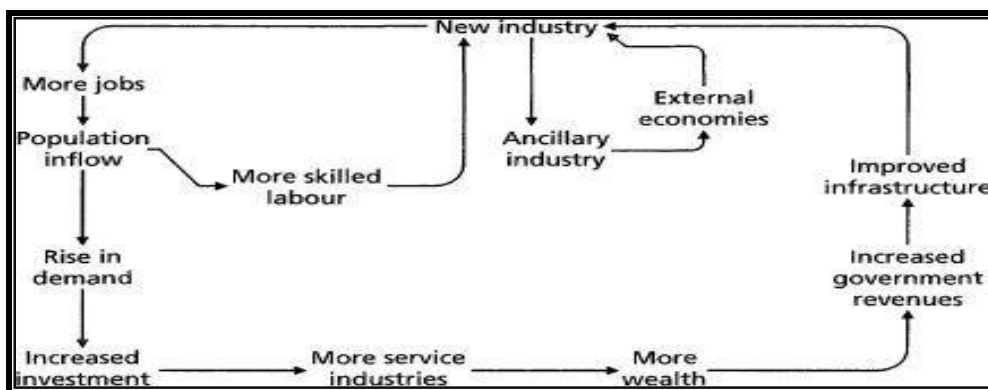
Gunnar Myrdal (1957) argued that increase of the economies of scale produced groupings of economic activity within the regions that were first to industrialize. The growth process tended to feed on itself in a cumulative causation manner. The regions



that were less developed could benefit on growth from regions that were developed through spread effects from innovations diffusion into the lagging regions and the growing export markets for lagging region products. These benefits however tended to be countered by the backwash effects from the flow of capital and labour from the region that were lagging into the region that were developed. Myrdal stated that leading regions possessed comparative advantage due to location. Infrastructure agglomeration led to increased investment while lagging regions suffered from backwash that involved skilled labour moving to leading regions. According to Bingham, Mier (1993), the leading regions tended to spread out into lagging regions that had comparative advantage like natural resources. These resulted into a positive investment flow. When these spread effects outweigh backwash, lagging regions would develop.

The theory explained regional development differences. A great disparity was created when there was a successful growth area, which became an attraction to more economic activities. Polarisation was created when there was the concentration of economic activities in the main areas. There was an advantage of growth in the core area over the periphery. Economies of scales were witnessed in such areas and things like improved technology. The figure 3 below illustrates the relationships in the cumulative causation concept.

Figure 3: Cumulative Causation Concept



Source: Myrdal, 1964

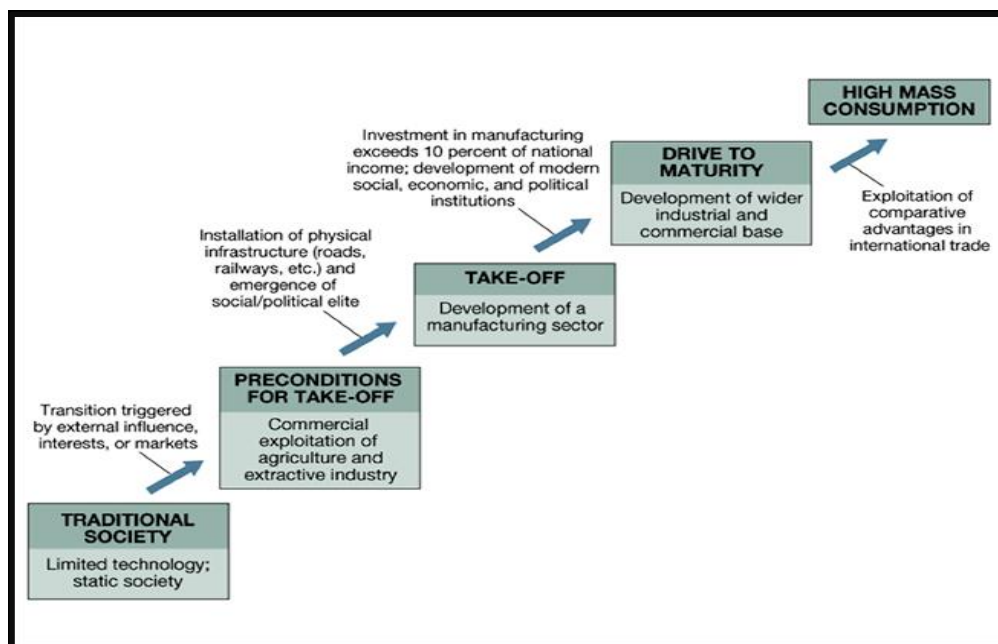
The theory of cumulative causation tended to bring inequality in the region other than bring equality and only governments were in a position to check the backwash cumulative effect (Mandla, 2008). There was the effect of spread when there was

infrastructure and productive investments. The cumulative causation theory was adopted for explaining various theoretical and practical problems. The basic explanation of backwash effects showed the increasing economic inequality in urban and rural areas. It was also possible to have spread effects from urban to rural areas. Myrdal put emphasis on the role of institutional factors and political implications believed to change the forces of the economy composing the vicious trends. He identified equality as his vital value principle and emphasised that the strategies that were focused on the equality would lead to increased growth of the economy (Mandla, 2008).

#### 2.6.4. Stages of Economic Growth

W. W. Rostow penned down the classic economic growth stages in 1960. He presented five phases, which countries must go through to reach development. The model emphasized that countries fell somewhere along the linear range, and climbed upward through each phase in the development process as shown in figure 4 below.

Figure 4: W. W. Rostows Stages of Economic Growth



Source: Binns 2008

Rostow focused on social overhead capital, specifically in communication and transport as one of the main determinants for take-off. Similarly, for rural areas to develop, provision of necessary infrastructure was mandatory. However, the model had been

criticized for emphasizing on a top down modernization effect from urban set up. Binns (2008)

### **2.7. Relevance of the Development Theories to the Study**

The theories of regional development, like other theories, postulated that growth does not erupt at one particular place but rather starts at a point. The idea was that growth was composed of a core or key driver on which related activities develop mostly through indirect or direct effects.

The immediate effects implied that the main drivers or industries purchased goods and services from suppliers in the surrounding hinterland or they provided services and goods to the hinterland. Indirect effect could involve linked activities supporting the development and expansion of economic activities such as retail.

The relationship that was of concern to this study and which related to the mentioned theories was that of provision of infrastructure linkages in urban areas to support hinterland development and enhance the livelihood of the rural areas inhabitants through trade. There was an assessment at the household level to establish the ease of operation in carrying out rural activities and their level of production due to the provision of Funyula market infrastructure and related services.

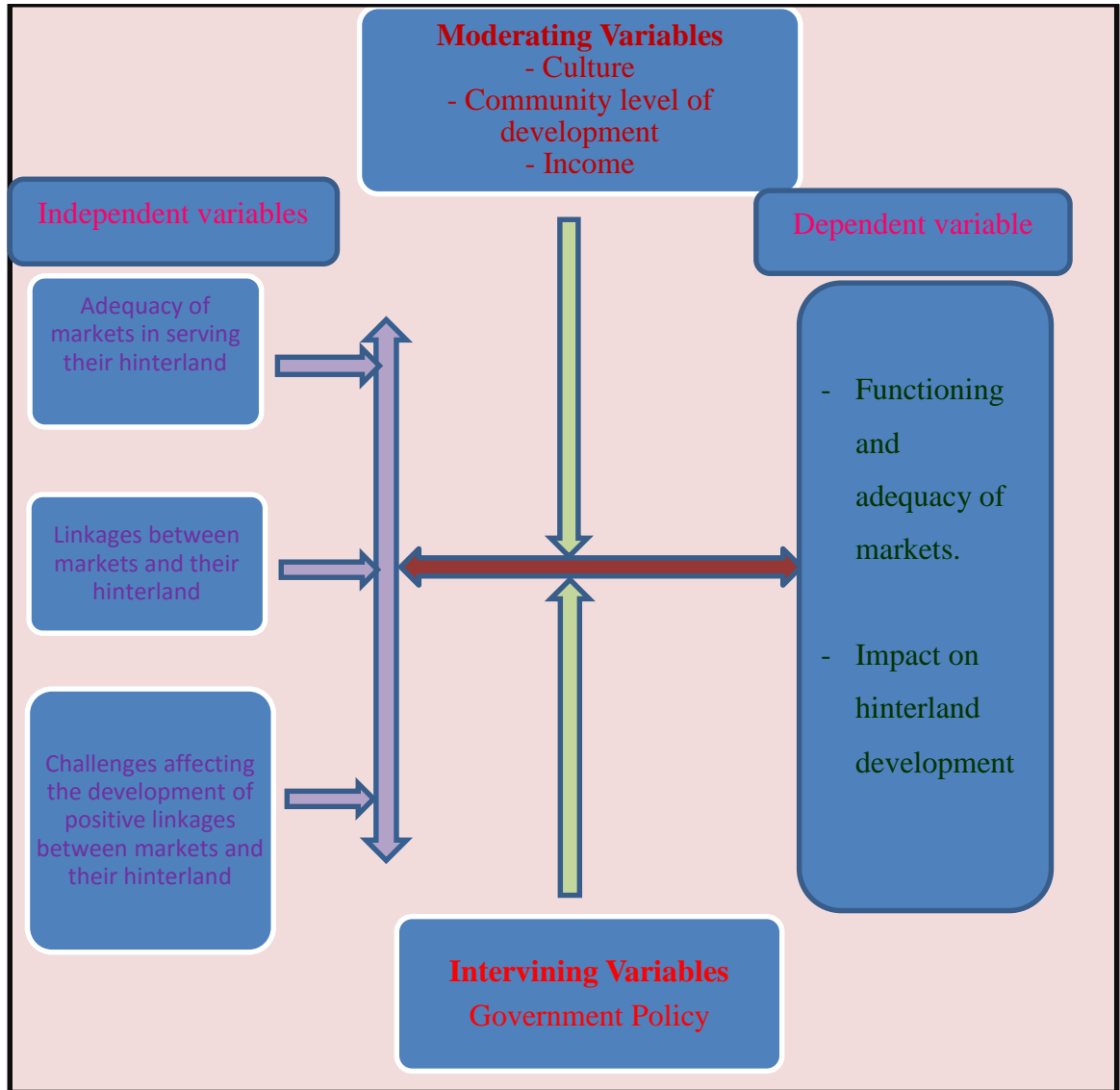
### **2.8. Conceptual Framework**

The understanding of the link that was between the rural and the urban area was illustrated at the conceptual framework section captured in figure 5 below. The theoretical review focused on the development of regions through investments in the centres with the aim of creating a balance between the centres and the regions. The problem was that despite existence of numerous efforts to improve rural urban linkages, the hinterland regions continued experiencing weak physical and economic linkages as compared to the centres, which affected rural livelihoods. The lack of a balanced development then led to over exploitation of resources in the rural areas. Income reduction due to reduced yields could be experienced while too much pressure may be put on land and other natural resources (Douglas, 1998).

Carney (1999) agreed that the improvement of the lives of rural people should be guided on policies that would help them grow as rural communities. The linkage between the

hinterland and urban centres should be established and be geared towards assisting the people in the rural areas.

Figure 5: Conceptual Framework on the role of markets on hinterland development



Source: Author, 2019

The study assumed that the availability of infrastructural facilities and services in the urban and rural areas would spur hinterland development through increased income, agricultural production and non-farm activities in the hinterland. Enhanced incomes from agricultural sector in the hinterland would then lead to services and manufactured goods demand increased. Therefore, small markets would play a key role in providing farm and non-farm employment opportunities, providing market for agricultural goods

and farm inputs therefore widening the local economy's base. But for this to happen, there is need for deliberate effort to provide policies and invest in rural areas projects that meet the rural population needs after carrying out extensive research.

## **2.9. Institutional, Policy and Legal Framework in promoting markets for rural development**

The lack of a legal framework had led to a serious setback to the Kenyan trade and business development (GoK. 2017). The Kenya National Trade Policy acknowledged that there was poor coordination of institutions involved in development of trade.

### **2.9.1. Urban and Rural Development Strategy of 1978**

The strategy planned for rural centres to cater for a catchment population of 50,000 people with a resident population of 15,000 people. Services included sewerage disposal system, grid water supply, electricity, served by minor roads, local bus and service, local banks, general shops and medium sized market. The centres below the rural centre were to serve a catchment population of 5,000 people with local bus and matatu service, minor roads, small markets and public water supply (GoK, 1978).

### **2.9.2. Past National Development Plans**

Soon after independence in 1963, the Kenyan government established economic, social and political principles and guidelines to determine and shape the pattern of development and settlement in the country. Among the approaches involved was decentralisation of urbanisation (Ligale, 1982). In the Sessional Paper No.10 of 1965, aspects of planning were to be carried out in close coordination. Obudho (1984) while quoting the National Development Plan of 1966 – 1970 noted that the Plan acknowledged the existence of disparities in regions and the need for a strategy for the distribution of economic growth in different regions.

The second National Development Plan of 1970 – 1974 borrowed from the first National Development Plan and had a formal commitment to rural development and the beginning of a national spatial strategy. The plan recognised the urban network as having significant importance in the provision of services (GoK, 1970 – 1974). To operationalize the policy, settlements were designated as growth centres (Obudho, 1997). Although the strategy failed to reduce the primacy of Nairobi, capital city of Kenya, the rural centres became important nodes as collecting points for agricultural

produce and centres for introducing urban economy to the rural people (Obudho, 1997). However according to Mwangi (1994), the establishment of growth centres during this planning period was difficult because resources for implementation were not adequate and planning was centralized.

Mwangi (1994) noted that the third National Development Plan of 1974 – 1978 reiterated the strategy of directing an increased resources share for the nation to areas that were rural. The system of urban development was seen as compatible with rural development, since service centres would provide services to rural population. However, the spatial policy and the special rural development programmes did not perform as was expected. The government began to consider other possible approaches to rural development planning.

The Fourth National Development Plan of 1979 – 1983 aimed at alleviation of poverty in the country. It recognised the interdependence of rural and urban regions and encouraged small towns development to be used as media for expanding hinterland productivity, (GoK, 1979-1983). Obudho (1984) noted that the linkages between the different centres in the urban hierarchy and the connection between them were a key element in a national spatial integration.

The Fifth National Development Plan of 1984 – 1988 prioritised the orderly development of service centres. The plan recognised that rural development depended on linkages of both the rural areas and the urban centres. Urban centres provided markets for rural produce and were also the source of inputs for rural activities and consumables for the rural households. The guidelines contained in the designated service centre policy were to serve as the basic criteria for siting public sector investment, (Adoyo, 2019).

It is during this period that work on of the Strategy for District Focus for Rural Development was initiated. Focus was put on representing a sectoral approach to development. Various district sectors were joined in common support for rural areas development. The DFRD strategy objective was to encourage local initiatives and widen the rural development base to complement ministries' responsibility so as to improve and support issues identification process, mobilisation of resources and execution of project at local level, (GoK, 1984-1988)

During this period, the Government launched the Rural Trade and Production Centres Programme to boost small towns-rural linkages in support of agriculture and non-farm production. The main aim was to merge scarce resources for infrastructure development in identified small towns where impact of these investments on employment generation in both agriculture and non-farm sectors was expected to be the greatest (GoK, 1984-1988). The programme was aimed at decentralising rural development efforts in terms of apportionment of mandates for the central and the Local Government. However, political bureaucracies and capacity constraints modified the intended process of execution and deterred grass root agencies from carrying out their roles as initially intended.

The 1989-1993 National Development Plan incorporated financial requirements for the development of Rural Trade and Production Centres. The centre and the hinterland were seen at the national scale in terms of bringing equitably distributed rapid economic growth in a balanced manner to all regions in the country (Adoyo, 2019).

Funyula and Hakati were established as designated rural centres within Samia Sub County with Busia town being the urban centre in the County. The designated market centre was Sio-port while the local centres were Namuduru and Bukiri (GoK, 1978).

### **2.9.3. Local Government Act Cap 265**

The Local Government Act Cap 265 revised in 2010 gave Municipal Councils, County Councils and Town Council a number of powers among them the operation and maintenance facilities and services. Section 154 to section 160 of the same Act highlighted the different activities to be undertaken by the Councils at different levels (GoK, 2010).

### **2.9.4. Kenya National Trade Development Policy**

The problems facing the promotion and development of trade as identified in the Kenya National Trade Policy included scattered policies related to trade in various Government agencies and ministries, policies that were conflicting, regulations, rules and practices that affected trade, poor coordination of institutions and lack of a focused approach to trade policy making and execution. With the weaknesses identified, an effective institutional and legal framework was necessary to realise the trade policy. The envisaged framework aimed at: a) Obtaining effective collaboration among various

government agencies and relevant stakeholders; b) Strengthening the support services for trade that ensured efficiency of trade through facilitation of trade, access to finance for trade, business information access, new products development; c) Providing advice on quality control, standards, packaging, distributional channels and marketing, commercial representation, organizations for trade promotion, and trade in services promotion among others.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

This chapter outlined the research design for the study, the population and the sampling process together with the sample size. Procedures for data collection and analysis were also discussed in this chapter.

### **3.1. Research Design**

The research design provided a structure of the methods and techniques chosen to combine various elements of this study in to a consistent manner to efficiently handle the study problem.

### **3.2. Research Methodology**

The research methodology highlighted the process employed in the collection of data for the purpose of the study.

#### **3.2.1 Primary Data Collection Methods**

A team of data collectors was formed from the sampled village and distributed throughout to assist in the exercise.

##### **3.2.1.1 Interviews**

This involved engaging the respondents on a face-to-face basis. The interviewed respondents were the key informants and included officers from County Government of Busia.

##### **3.2.1.2 Photography**

This was in the form of taking pictures of various occurrences for presentation purposes. The features captured using photography included the physical ones like produce sold in the market and market infrastructure among others.

##### **3.2.1.3 Observation**

This involved capturing variables that could be observed and noting them. The observed aspects included space adequacy in the market, items for sale in the market, availability of market infrastructure and rural road conditions amongst others.

#### **3.2.2 Secondary Data Collection Methods**

The method used for the collection of secondary data included reading journals and periodicals, books and written reports by previous researchers on relevant topics.

Policies and legal documents guiding planning in the county were also reviewed. Existing plans for the area were also reviewed to establish the existing and proposed land uses.

### **3.2.3 Data Analysis and Presentation Methods**

The data collected was in the form of numbers and text. The numbers represented values of variables that measured characteristics of participants and respondents. They were in an unprocessed form on questionnaires, notebooks, recording sheets and computer files. The unprocessed data was organised in a format that was easy for computer entry. The coding process involved assigning numbers to variable attributes. It showed how non-numerical information was converted to numbers. In the process of entering data, data records and fields were created.

Numerical data collected was analysed using descriptive statistics data analysis method. Study variables were analysed using Statistical Package for Social Sciences (SPSS) computer software. The features of SPSS had descriptive statistics, which enabled comparison of variable response and gave a clear indication of frequencies of response.

The study findings were presented using tables, graphs and charts since they were easily understandable and showed frequencies of response and percentages of the opinions of respondents on the role played by markets in hinterland development.

### **3.3. Data Needs**

The data required to carry out the study varied from household information including the biggest source of income, expenditures, availability and access to facilities and services, and what was obtained from the market. The activities of the centre in relation to the hinterland were assessed to establish its role. They included marketing practices, availability of complementary services in the Funyula rural centre that support the market and sources of market for products. Key resource persons provided information on the management and operation of Funyula market, size of the market, peak population, and programmes implemented in the hinterland to promote rural activities. Major focus was put on the linkage existing between Funyula market and the hinterland especially the reasons why people move from their rural homes to the market and how the traders were benefiting from the rural areas.

### **3.4. Data Requirements**

The data requirement for the study involved marketing infrastructure, availability of market for farm produce, challenges in accessing market, availability of market information, availability of farm produce for purchase and availability of farm inputs. This was looked at in terms of how Funyula market had contributed to the facilitation of marketing farm produce subsequently the development of Funyula hinterland and the growth of the market. The role of various public entities and private institutions in development of markets and complementary facilities and services in Funyula and its rural hinterland were also looked at.

### **3.5. Target Population**

The targeted population for the study was made up of all the households living in Namboboto/Nambuku ward in Funyula Sub-County and/or carrying out business in Funyula market. The 1999 Population and Household Census showed that the population of Funyula Sub County was 93,500 persons. Namboboto/Nambuku had a population of 28,143 spread across 5 villages. A sample of 95 households was chosen to form the sample size for the study from the sampled village that had total population of 5858 and household population of 1140. Yamane (1967), stated that a sample size of 95 was sufficient for a target population of 1,000 to 2,000 with a confidence level of 95 percent.

### **3.6. Sampling Design**

Saleemi, 2007 described a sampling design as a statistical plan concerned with all the main steps taken in the selection of a study sample and the estimation procedure. This included the formation of the sampling frame, choice of techniques for sampling and the size of the sample.

#### **3.6.1. Sampling Frame**

The household heads sampling frame formed was through a combined simple random sampling and stratified sampling of the villages and households in the village respectively. In the first stage of simple random sampling, one village was randomly selected using the lottery box from the total of five villages. The households for the sampled village formed the sampling frame. Systematic technique of sampling was applied in the selection of the study sample from the sampling frame.

### **3.6.2. Sampling Techniques**

The simple random and systematic techniques of sampling applied included probability sampling techniques used to establish the study sample. Non-probability sampling techniques included convenience and purposive for the market traders and the government officials respectively.

#### **3.6.2.1. Systematic Sampling Technique application**

After the formation of the sampling frame, the study used a systematic random sampling technique for the rural household survey, which according to Piel, 1995 requires samples selection focused on a system of intervals in a numbered population. It also makes sure that all outcomes have equal chance of getting chosen in the sample.

The household population for the village (target population) selected was 1140. This required a sample size of 95 (Yamane 1967). To get the 95 household heads, from the sampling frame of 1140 household heads, it was necessary to calculate the sampling interval for the sampling frame.

This was arrived at using the method below:

$$k = N/n \quad k = 1140/95$$

$$k = 12$$

where:-

k = the sampling interval

N = the size of the sampling frame

n = the sample size

Therefore, from the sampling frame every 12<sup>th</sup> household head was chosen from the sampling frame until a sample size of 95 was attained.

Other sampling techniques included convenience and purposive sampling. Convenience sampling was a non-probability sampling method that relied on data collection from respondents who were conveniently present to participate in the study. The criteria for choosing them were that they were convenient, easy to reach, or available readily for the exercise (Neuman, 2011). The sampling method involved

getting participants wherever they could be found and typically wherever was convenient.

Purposive sampling was used in selecting the government officials. It was a technique for sampling in which the researcher depended on personal judgment while selecting members of population to take part in the study. It was a non-probability sampling method and elements selected for the sample were chosen by the judgment of the researcher. Peil (1995), stated that the elements chosen as samples was because they filled certain criteria. In the case of this study, it was the government officials holding the specified offices that could provide the information needed. Table 3 below captured a of the sampling plan summary for the study.

Table 3: Sampling Plan Summary

<b>Target Population</b>	<b>Total Population</b>	<b>Sampling Technique</b>	<b>Sample Size</b>
<b>I. Namboboto/Nambuku Ward population</b>	<b>28,143 people</b>		
Villages	5 Villages	Simple random sampling	1 village
Sampled rural households population for 1 village with a total population of 5858 people	1140 households	Systematic sampling (sampling interval of 12)	95 households
<b>II. Funyula town</b>			
Traders	327	Convenience sampling	78
<b>III. Government Departments</b>			
Urban Development	1	Purposive sampling	1
Trade and Cooperative Development	1	Purposive sampling	1
Physical Planning	1	Purposive sampling	1
Village administrator	1	Purposive sampling	1

Source: Author, 2019

### **3.7. Instruments of Data Collection**

In this study, the main data collection instrument was the questionnaire. This was used for primary data collection. It contained both open and closed ended questions. It was preferred because the information obtained did not have influence from the researcher and was unbiased which provided accurate and valid data according to Kothari (2004). Other tools used included interview guides for the county, Sub County, village officers and traders in the market.

### **3.8. Data Collection Procedure**

Questionnaires and interview schedules were used to collect relevant study information using physical administration. Other collection methods included photography and observation.

### **3.9 Analytical Framework**

Table 4 below presents the analytical framework that structured the study to help in logical flow in order to formulate tangible outcomes. It provided guidance on collection, organisation and analysis of the data.

Table 4: Analytical Framework

<b>Objective</b>	<b>Data needs</b>	<b>Sources of data</b>	<b>Methods of data collection</b>
To assess the linkage of Funyula market and its hinterland.	<ul style="list-style-type: none"> <li>-Size of market</li> <li>-Peak population in the market</li> <li>-Space allocation for traders</li> <li>-Availability of market facilities and services</li> <li>-Condition of market facilities and services</li> <li>-Existing and proposed land uses in Funyula rural center</li> </ul>	<ul style="list-style-type: none"> <li>-County Government of Busia</li> <li>-Field survey</li> <li>-Key informants</li> <li>-Existing publications</li> </ul>	<ul style="list-style-type: none"> <li>-Literature review</li> <li>-Interviews</li> <li>-Questionnaire</li> <li>-Observation</li> </ul>
To examine the impact Funyula Market on its hinterland	<ul style="list-style-type: none"> <li>-Availability of external market information</li> <li>-Produce sold to the market</li> <li>-Rate of employment in the market</li> <li>-Income from agricultural production</li> <li>-Availability of market for farm produce</li> </ul>	<ul style="list-style-type: none"> <li>-County Government of Busia</li> <li>-Field survey</li> <li>-Key informants</li> <li>-Existing publications</li> </ul>	<ul style="list-style-type: none"> <li>-Literature review</li> <li>-Interviews</li> <li>-Questionnaire</li> <li>-Observation</li> </ul>
To examine the challenges affecting the development of linkages between Funyula market and its hinterland.	<ul style="list-style-type: none"> <li>-Availability of credit facilities</li> <li>-Condition of rural access roads</li> <li>-Time taken to transport produce to market</li> <li>-Cost of transporting produce to market</li> <li>-Availability of external market information</li> <li>-Availability of agricultural produce collection points</li> <li>-Availability of lower order markets</li> <li>-Availability of value addition services</li> </ul>	<ul style="list-style-type: none"> <li>-Field survey</li> <li>-Key informants</li> <li>-Existing publications</li> <li>-County government of Busia</li> </ul>	<ul style="list-style-type: none"> <li>-Literature review</li> <li>-Interviews</li> <li>-Questionnaire</li> <li>-Observation</li> </ul>
To formulate proposals for improving the linkage between Funyula market and its hinterland.	<ul style="list-style-type: none"> <li>-Approved plans (CIDP, Sectoral, Physical Development plans, District Development Plans)</li> <li>-Previous studies on rural development</li> </ul>	<ul style="list-style-type: none"> <li>-Existing publications</li> <li>-County government of Busia</li> <li>-National Government Offices</li> </ul>	<ul style="list-style-type: none"> <li>-Literature review</li> <li>-Interviews</li> <li>-Questionnaire</li> </ul>

Source: Author, 2019

Table 5: Operational Table of Variables

	<b>Research objective</b>	<b>Variable</b>	<b>Indicator</b>	<b>Measure</b>
1.	Adequacy of Funyula market in serving Samia sub-county	Dependent	Sufficiency and capability of the market	Size of market Carrying capacity No of market facilities Availability of services sought
2.	Linkages that exist between Funyula market and its hinterland	Independent	Interdependence between Funyula market and the hinterland	Items and services sold in the market Items and services obtained from the market Cost involved in travelling Time taken to travel to the market
3.	Challenges affecting the development of the linkages between Funyula market and its hinterland.	Independent	Productivity levels in the hinterland and growth of the market	Amount of income obtained from agricultural production. Rural activities support services in the centre. Rural activities support services in the hinterland
4.	Solutions for improving the linkages between Funyula market and the rest of Samia sub-county	Intervening	Level of coordination activities in the centre and the hinterland Participation by locals development projects	Coordination by different stakeholders in rural development projects Engagement of locals in decision making

Source: Author, 2019

Table 5 above captured the variables and indicators applicable in the study



### **3.11. Data Validity and Reliability**

#### **3.11.1. Validity**

Neuman, (2011) described validity as truthfulness. It was a test of how exact a given instrument measured the required concept it was intended to measure (Sekaran, 1992). In this study, the questionnaire and interview schedule sought to measure the activities of Funyula market and the hinterland using response items under different thematic sub-headings to ensure that every aspect of the role of Funyula market in developing its hinterland was adequately covered to enhance content validity.

#### **3.11.2. Reliability**

Reliability meant dependability and consistency (Neuman, 2011). It attested to the goodness of a measure in as much as it stably checked concepts no matter when they were measured and yielded constant results (Oluwafatayo, 2012). The internal consistency of measures was a show of the consistency of the items in the measure that tapped the construct (Sekaran, 1992).

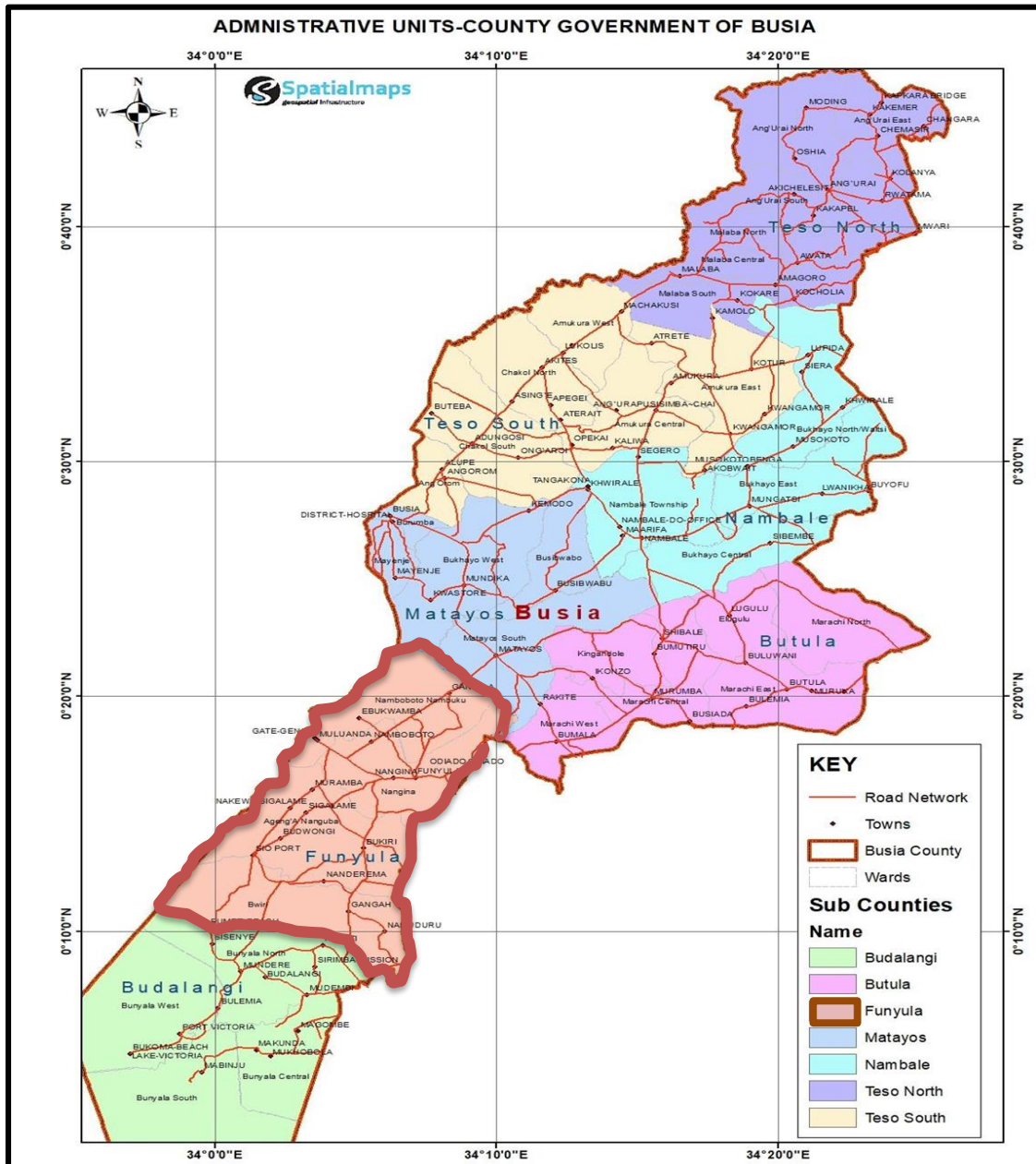
The business people, government officers and the household heads were likely to answer the interview and questionnaire respectively in a biased manner since they faced different challenges in their daily lives. Dealing with this kind of bias was difficult. However, the researcher clearly explained to them the aim of the interview and questionnaire respectively and showed each respondent a letter with affirmation that the information provided would be handled with the greatest confidentiality. Secondly, each question was crafted carefully with the help of expert advice from the supervisor to make sure that it elicited the answers that were intended.

# CHAPTER FOUR: STUDY AREA

## 4.1. Location

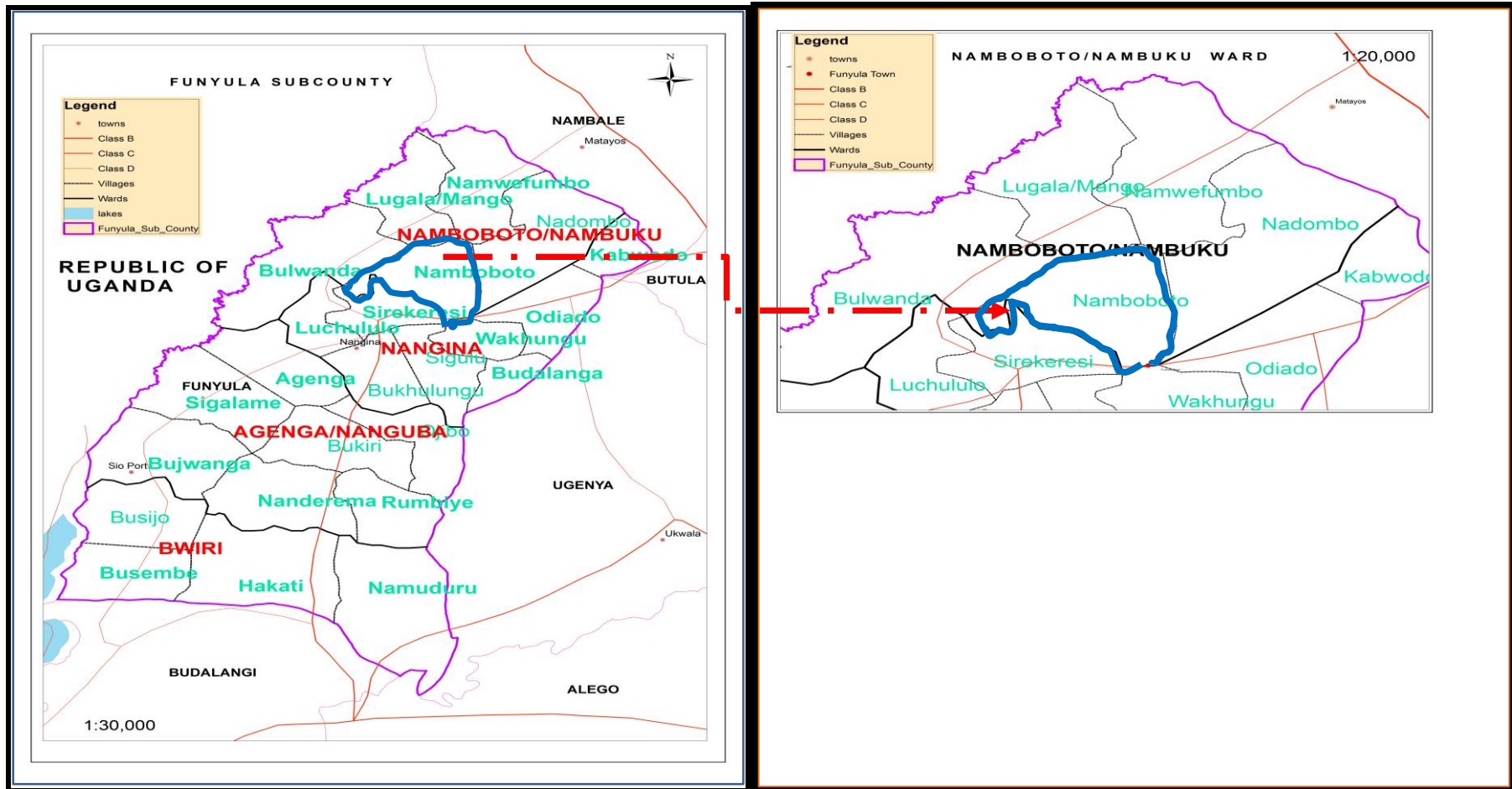
The study area was found in the Western Kenya, in Busia County, Funyula Sub County. The Sub County covered a total area of 265.1 Km<sup>2</sup> and had 4 wards namely Namboboto/Nambuku, Nangina, Agenga/Nanguba and Bwiri as shown in map 1 and 2 below.

Map 1: Location of Funyula Sub County in Busia County



Source: County Government of Busia, 2018

Map 2: Location Context of the Study Area in Funyula Sub County



Source: Adopted from Agesa L.2016, with Authors modifications, 2019.

## 4.2. Administration and Demographics

### 4.2.1 Administration

The table below showed the number of administrative units in the sub county.

Table 6: Administrative Units and Population in Funyula Sub County

Sub County/Area Km <sup>2</sup>		Population	Number of Wards	Number of Villages
Funyula	265.1	93,500	4	18

Source: County Government of Busia, 2016

### 4.2.2 Demographics

The 1999 Housing and Population Census indicated that Funyula Sub County had a population of 93,500 people consisting of 44,260 males and 49,240 females (KNBS 1999). The Sub County had 4 wards that included Namboboto/Nambuku with 28,143 people, Nangina with 20,193, Agenga/Nangina ward with 25,378 people and Bwiri ward with 19,786 people.

### 4.3. Settlement Patterns

The settlement pattern of people in Funyula Sub County was generally evenly distributed except for areas with high concentrations in the main urban areas of Funyula. Sio-Port followed secondly due to the fishing activities and the beach. The Hilly areas were sparsely populated, as farming was not conducive on the hills. The settlement structure was influenced by the potential of the land for agriculture production and availability of infrastructure especially roads.

## 4.4. Natural Conditions and Physiographic Features

### 4.4.1. Topographic Features

Some parts of Funyula Sub County had poorly drained soils mainly of clay type due to frequent flooding especially along Lake Victoria, while other parts had well drained soils, deep with moderate water holding capacity. There was underutilized land that could be used for agricultural production. The Sub County was largely covered by hills that were referred to as Samia hills. The main water masses were Lake Victoria and river Sio.

#### **4.4.2. Climatic Information**

In the Sub County the long rains run from March up to May and the short rains were from in August up to October. The driest period of the year was from December up to February and June /July. The mean annual rainfall was 1270mm. The climate favoured two cropping seasons in a year. Crops such as Maize, Sorghum, sweet potatoes, Soya beans, green grams, cowpeas and beans were grown in most parts of the Sub County. Quick maturing crops like vegetables; groundnuts and sunflower were grown during short rains. The climatic condition also favoured cultivation of other crops like cassava, avocados, oranges, bananas, watermelons and others. The maximum temperatures ranged from 26°C and 30°C while the minimum ranged from 14°C and 18°C. Humidity was relatively high due to the proximity to Lake Victoria.

#### **4.5. Urbanisation**

Funyula was the main rural market centre that served Funyula Sub County. Market centres included Sio Port, Murumba and Buyofu while local centres included Ganga, Ganjala and Bukiri, Lugare, Luanda among others.

#### **4.6. Socio-Economic Activities**

Busia County (C.I.D.P 2018-2022) identified agriculture as the main economic sector in the County as it provided for over 65 percent of the total earnings. Majority of the people in the County were either indirectly or directly employed in the sector. (County Government of Busia, 2018)

##### **4.6.1. Crops and Livestock Production, Apiculture and Extension Services**

The main systems of agricultural production in the county included crop cultivation, livestock rearing and fisheries.

###### **4.6.1.1. Crop Production**

Crops produced on small-scale included maize, sweat potatoes, beans, cassava, millet, tobacco and cotton. A total 155,990 acres was under food crops and 29,525 acres was under cash crops in the whole County. The farm sizes were 1.71 acres on average and the main food storage facilities used by farmers included wooden granaries, gunny bags and storage in the houses (County Government of Busia, 2018).

#### **4.6.1.2. Livestock Breeds and Facilities**

The main livestock in the County included pigs, indigenous goats, zebu cattle, dairy cattle, indigenous poultry, rabbits and sheep. The facilities and infrastructure for the livestock sector were not of acceptable standards and the County intended to undertake construction of new crush pens, cattle dips, slaughter houses and upgrading the of existing structures. (County Government of Busia, 2018)

#### **4.6.1.3. Apiculture**

The ideal climatic conditions prevalent in the study area for apiculture meant that the region had a high potential of bee keeping. This was in addition to large tracts of bushy land. (County Government of Busia, 2018)

#### **4.6.1.4. Extension Services**

The County had the wards as the lowest agricultural extension units, which were managed by Ward Extension Officers. The Officers were given motorcycles to facilitate them to reach large number of farmers. Necessary extension materials for service delivery were provided to them too.

## CHAPTER FIVE: FINDINGS

### 5.1 Introduction

This chapter presented findings by giving the general characteristics of the respondents, the adequacy of Funyula market in serving the hinterland, the linkage between Funyula market and its hinterland, the challenges affecting the development of the linkage between Funyula market and its hinterland population and proposals on how the linkage could be improved to enhance rural households. This was presented in bar charts, pie charts, frequency tables and field photographs formats.

### 5.2. Respondents Rate of Response

Table 7 below showed the response received from the various categories of respondents. The average rate of response rate was 93 percent as obtained from the questionnaires, interview schedules and observation checklists filled.

Table 7: Response Rate

<b>Research instrument</b>	<b>Expected responses</b>	<b>Received response</b>	<b>Response rate percent</b>
Household questionnaires	95	95	100
Traders questionnaires	78	66	85
Interview schedules	5	5	100
Observation checklist	1	1	100
<b>Total</b>	<b>179</b>	<b>167</b>	<b>93</b>

Source: Field Survey, 2019

Mugenda and Mugenda, (2003), stated that a response rate of 70 percent was very good in a given study. Therefore, rate of response of 93 percent was very sufficient to make conclusions from the study.

### 5.3. Socio Economic Background of Respondents

The respondents were categorised into three groups including rural household heads, traders and County Government Officials.

### **5.3.1. Socio Economic Characteristics of Rural Household**

From the research results 29 percent of the rural household heads were between 21-30 years old, 16 percent were between 31-40 years old, 19 percent were between 41-50 years old, 18 percent were between 51-60 years old, 14 percent above 60 years while 3 percent of the respondents were aged 20 years old and below. A greater percentage of the respondents who took part in the study were male at 51 percent while female respondents were at 49 percent.

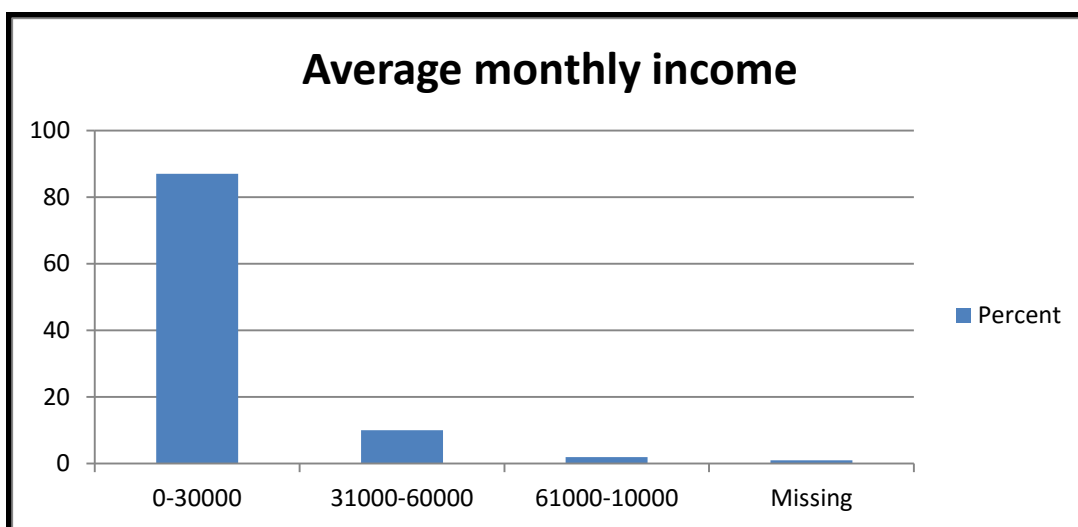
The research results showed that 25 percent of the respondents were living 6 people in a house, 20 percent were living 4 people, 10 percent were living 3 people, 10 percent were living 5 people, 6 percent were living 2 people, 6 percent were living 7 people, 8 percent were living 8 people, 9 percent were living 9 people, 3 percent were living 10 people while 1 percent lived as one person. Therefore, a greater percentage of the respondents were living in a household of 6 people and this was in line with statistical results from 2009 census where most couples had 4 children in their households.

From the research, it was established that 39 percent of the respondents had basic education, 32 percent were of secondary level of education, 24 percent were of Tertiary/post-secondary level while 4 percent were of University level and 1 percent others. This shows that many of the respondents in the study had only basic education.

From the research, results showed that 88 percent of the respondents were earning a monthly income of below Kshs. 30,000, 10 percent were earning between Kshs. 31,000-60,000 while only 2 percent earned between Kshs. 61,000-100,000.



Figure 6: of Respondents Monthly Income Distribution



Source: Field Survey, 2019

From the findings according to figure 6, the greatest percentage of the respondents were earning less than Kshs. 30,000 monthly incomes.

The study aimed at finding out the socio-economic infrastructure and services accessibility by the hinterland population. Table 8 below shows access levels for education, health, transport and water facilities.

Table 8: Access to Infrastructure and Social Services

	Near		Middle		Far	
	N	1km and less %	N	2Km and less %	N	3Km and above %
Access distance to primary school	57	57.0%	23	23.0%	20	20.0%
Access distance to health	69	69.0%	13	13.0%	18	18.0%
Access distance to all weather roads	59	59.0%	20	20.0%	21	21.0%
Access distance to secondary school	49	49.0%	21	21.0%	30	30.0%
Access distance to water sources	59	59.0%	16	16.0%	25	25.0%

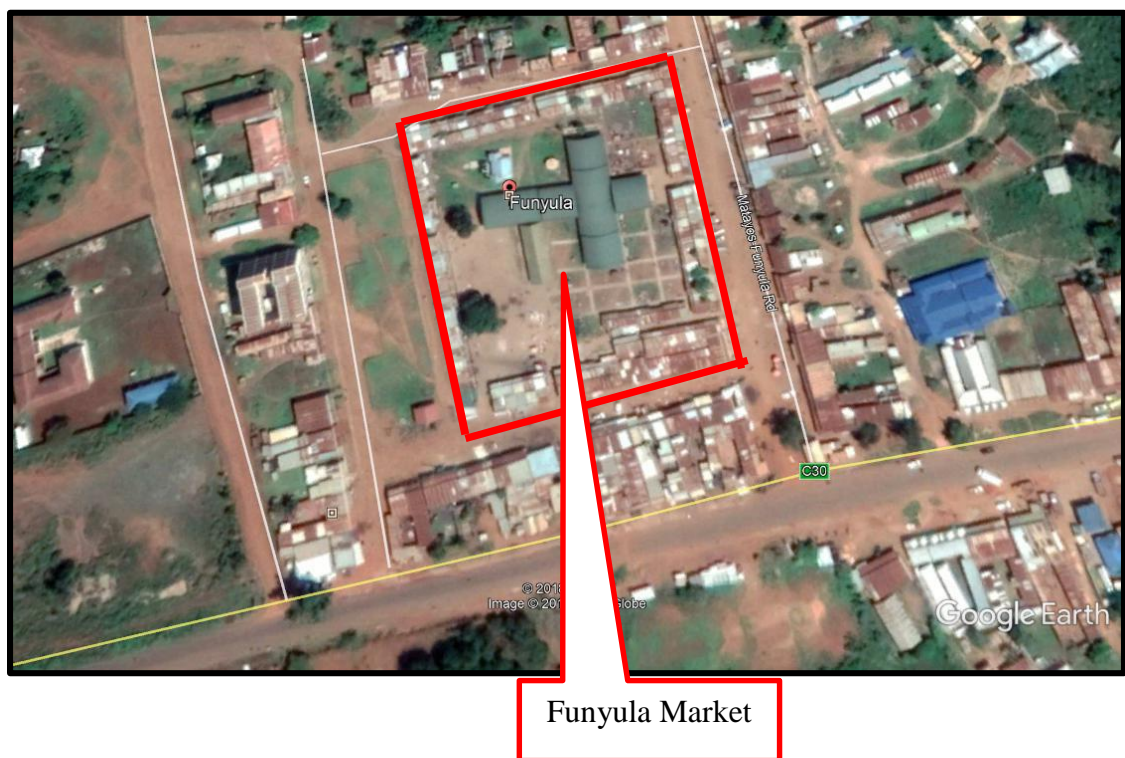
Source: Field Survey, 2019

From the results it could be observed that accessibility to the economic infrastructures was very easy due to the average distance travelled, which was 1kilometer, or less. Majority of the respondents at 69 percent travelled less than 1km to access the basic facilities located in or near Funyula town.

#### 5.4. Adequacy of Funyula Market in serving the hinterland

From observation, Funyula market infrastructure included; market sheds, public pit latrines, one solar mass light, 5 exit gates, a water tank and pathways. The market was surrounded by shops (kiosks), which according to the County Physical Planning Officer were allocated on temporary basis to the traders during the defunct Funyula Town Council regime. The shops formed the boundary of the market. The market lacked parking provision for vehicles and there was no designated zone for loading and offloading. Figure 7 below shows the aerial photo of the market.

Figure 7: Aerial Photo of Funyula Market

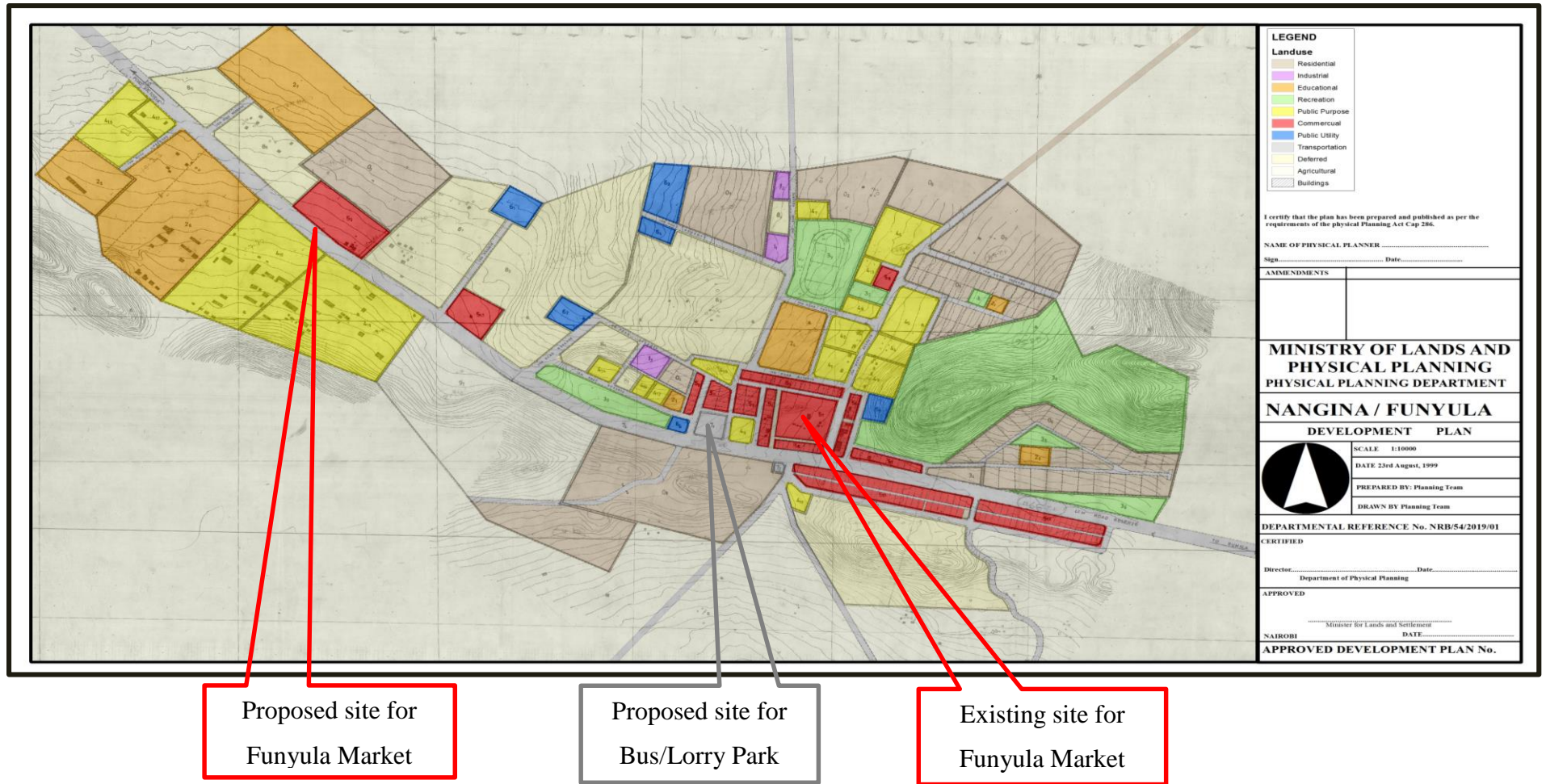


Source: Adopted from Google Maps with modifications, 2019

Map 3 below shows the existing and proposed land uses in Funyula Rural Centre. The area set out for the market measured approximately 5.32 Acres. From observation, the

site proposed for bus and Lorry Park on the plan was being used as cattle holding ground. The site for the existing and the proposed market were set far from the bus and lorry park which meant that traders had to incur extra charges to transport their wares to and from the bus and lorry park when operational.

Map 3: Physical Development Plan of Funyula/Nangina Rural Centre



Source: Busia County Physical Planning Office, 2019



The absence of an operational bus and lorry park in the centre led to buses and lorries parking along the main road which caused slow movement of traffic and endangered the lives of pedestrian.

According to the Sub County Trade and Cooperative Development Officer, the population that visited the market during the peak period was over 1000 people. The market had sheds constructed under the Economic Stimulus Program. There was a block of 4 door toilets serving the whole population in the market and scarcity of water was faced in the market. From observation, the space allocation in the market was inadequate as traders displayed their products in the open sun and along pathways meant for buyers and next to the toilets. This was supported by 98 percent of the traders who noted that the space in the market was inadequate for their operations. Most of the traders noted that the facilities in the market were inadequate with 95 percent noting that the public toilets were inadequate and 90 percent noted that the water supply was unreliable. Figure 8 below shows the existing public toilets with traders displaying their wares at the entry.

Figure 8: Public Toilets in Funyula market



Source: Field survey, 2019

#### **5.4. Linkages between Funyula Market and its Hinterland**

According to the Village Administrator, farming was the main source of livelihood for majority of the households. This was supported by response from household questionnaires where 68 percent of the households indicated farming as their biggest source of livelihood.

71 percent of the traders sourced their produce for sale from regions outside the sub county, 20 percent sourced their produce within the sub county while 8 percent sourced from the study area.

51 percent of the traders attributed the reasons for sourcing produce from outside the sub county to cheaper cost and 44 percent of the traders attributed to reliable supply.

The study set to establish the contribution of the hinterland in the growth of the market. 78 percent of the traders disagreed that the hinterland provided them with reliable source of produce for sale.

The study sought to establish the importance of facilities and services found in Funyula rural centre to the hinterland development. From the results, 30 percent of the rural household respondents agreed that Funyula market provided them with a source of capital for their economic engagements. 44 percent of the rural household heads responded that dispersion of modern technology and information happened at Funyula market as shown on figure 9 below.

Table 9: Importance of Funyula Market on the hinterland development

	Details	Count(n)	Percentage
Role played Funyula rural centre in the hinterland	Improved access to products	62	62
	Improved access to market facilities	82	82
	Access to farm inputs	56	56
	Value addition to farm produce	2	2
	Dispersion of modern farming technologies and information	44	44
	Main source of income	30	30
	Dispersion of cultures	94	94
<b>Total</b>		<b>99</b>	<b>100</b>

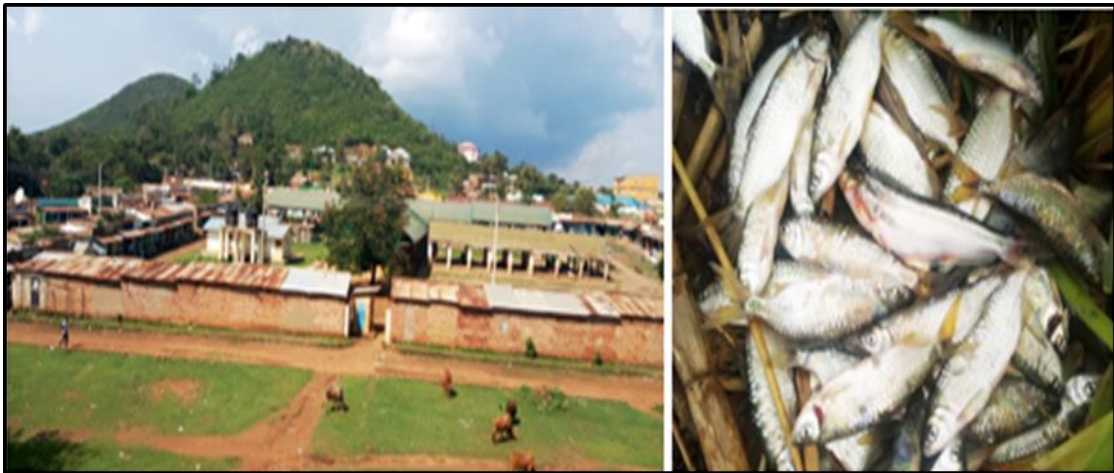
Source: Field Survey, 2019

The study found out that the role of the rural centre had both visible and invisible impacts on the economic and social activities and the people's welfare of the study area. It had provided ready market for farm produce and dispersion of culture was contributed

to by the existence of the rural centre according to 82 and 94 percent of the rural household respondents respectively as shown in table 9 above.

Figure 9 below shows an aerial view of the market and fish produce displayed for sale in the market.

Figure. 9: Funyula market stalls (L) and fish farming (R)



Source: Field Survey, 2019

### **5.5. Challenges affecting development of linkages between Funyula market and hinterland**

The study aimed at establishing the hindrances to development of Funyula market and its hinterland. 65 percent of the rural household respondents believed that less income was an impediment to the improvement of their livelihood and the market was not contributing to the income as they would wish.

Among the economic factors that hampered production in the hinterland was lack of capital sources in the study area and was identified by 63 percent of the rural household respondents. 54 percent of the respondents in the hinterland attributed high input prices as a major challenge encountered in the farming practice.

Table 10 below shows the different types of hindrances encountered by farmers in the process of agricultural production.

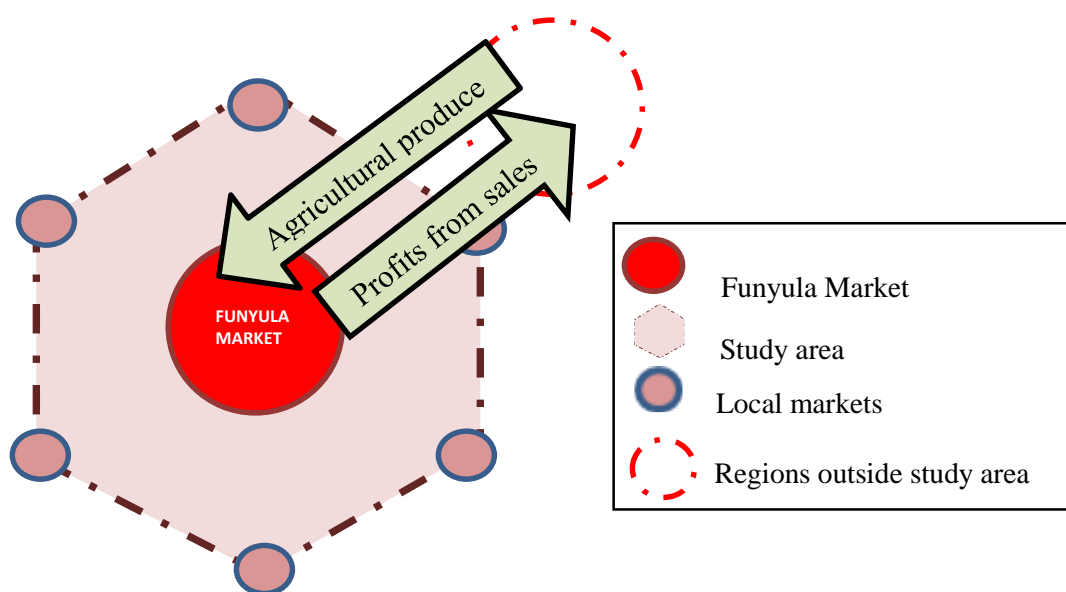
Table 10: Hindrances to development of Funyula Market

Details		Count (n)	Percentage
Challenges experienced by farmers in agricultural production	Input Prices are too high	54	54
	Less profit from farming	65	65
	Smaller market	45	45
	Transport and access	26	26
	Poor entrepreneurial skills	42	42
	Poor market facilities	44	44
	Lack of good capital sources	63	63
	The inputs are not readily available	47	47
	Inept government services	34	34
<b>Total counts and percentages</b>		<b>99</b>	<b>100%</b>

Source: Field Survey, 2019

According to the Sub-County Trade Development and Cooperative Officer, there was no established lower order market in the study area to act as a collection point for farm produce. There were no value addition facilities in Funyula Rural Centre and only a milk collection point existed.

Figure 10: Relationship between Funyula market, Local markets and outside regions



Source: Field survey, 2019



### 5.6. Solutions to improve linkages between Funyula market and its hinterland.

According to the County Director of Urban Development, different departments undertook the implementation of urban development projects in Busia County. It meant that various departments including roads and public works and energy, water and irrigation, public health and sanitation and trade and cooperative development among others were all involved in projects meant for urban development. He noted that departments implemented projects individually and did not consider harmonisation of projects for a given region. The disjointed implementation of projects by departments led to less impact on development projects.

According to the Sub County Trade Development and Cooperative Officer, there were no regulations governing establishment and management of markets in the County. The research sought to establish how the linkage between the market and the hinterland could be improved to enhance rural livelihoods. The study found out that linkage between Funyula and the hinterland could be improved by expanding capital sources to enhance rural livelihoods. This was given by 90 percent of the rural household respondents as presented in table 11 below.

Table 11: Proposals to improve linkages between Funyula Market and its Hinterland

Details		Count (n)	Percentage
Strategies for improvement of Linkages Between Funyula and hinterland	Input Prices regulation	46	46
	Expand market	68	68
	Improve road network	56	56
	Entrepreneurship trainings	80	80
	Review taxation policies	76	76
	Improve market facilities	58	58
	Expand capital sources	90	90
	Expand access to technology	45	45
	Enhance research for crops	86	86
	Government to expand extension services	78	78
Total counts and Percentages		99	100

Source: Field Survey, 2019

## **CHAPTER SIX: SUMMARY OF FINDING, CONCLUSION AND RECCOMENDATIONS**

### **6.1. Summary of findings**

#### **6.1.1. Adequacy of Funyula Market in serving the hinterland**

The space allocation was inadequate; the market facilities available were insufficient and others unavailable; necessary facilities and services to support trade were unavailable and there was no coordination of land uses to support marketing activities

The above findings indicate inadequacy of Funyula market in serving its hinterland in terms of market facilities and services and complementary services that support the market activities

#### **6.1.2. Linkages between Funyula Market and its hinterland**

Amount of produce sold to the market was minimal; services obtained by farmers from the market were not sufficient to support increased agricultural production and there were no collection points/ lower order markets to act as assembly points.

The above findings indicated that the support of the hinterland to the market in terms of supply of produce for sale was minimal. The market on the other hand did not provide full support to the hinterland in order to increase production

#### **6.1.3. Challenges affecting the development of linkages between Funyula Market and its hinterland**

Expensive farm produce; lack of capital to invest in farming; Influx of cheaper produce; less income from agriculture; high cost of transportation; poor extension services; lack of value addition services; poor road conditions and poor market facilities were recorded as the challenges faced by farmers in their production process.

The above findings gave the reasons why agricultural production from the hinterland was not minimal therefore the hinterland did not supply produce to Funyula Market.

#### **6.1.4. Solutions to improving linkages between Funyula Market and its hinterland**

Each implementing unit carried out their projects without harmonisation of projects with other implementing agency in a given region and there was no platform to link urban and rural development projects to support rural development.

The above findings showed that the disintegrated approach in implementing development projects meant for both urban and rural development led to less impact felt in the hinterland.

## **6.2. Conclusion**

Funyula hinterland had a latent potential to support Funyula market, which was not exploited. This was because there was no adequate information about the rural hinterland needs in order to stimulate increased manufacture and intake of goods and services. Specific requirements for farmers, traders, consumers, transporters in terms of trading spaces, facilities and services, parking areas, role played by crop production areas were not factored in the planning and implementation of the market. It was evident that there was lack of programs tailored for rural needs to enhance rural development

As postulated in the cumulative causation theory, effects of backwash were experienced as the market supported a different region that was more developed in agricultural production. Proceeds from the market led to increased production in a different and more developed region at the expense of Funyula hinterland. This was due to the lack of rural development projects by different implementing agencies during the planning and implementation stages.

## **6.3. Recommendations**

1. Infrastructure bundling through combination of multiple and related infrastructure facilities and services, or by linkage of various social, productive and location-specific assets through the regional approach so as to attain higher returns to rural households.
2. Improving participation of stakeholders, and more importantly the users, to ensure that investments in rural infrastructure are matched with rural development strategies.
3. Increasing support and commitment levels on the part of local beneficiaries for the successful execution of rural development projects through continuous education.
4. Promotion of private sector participation initiatives especially the local private sector, while at the same time maintaining an oversight to ensure the attainment

of the expected development outcomes in provision of services that lead to increased productivity like value addition industries.

5. Establishment of monitoring and evaluation systems to assess the impact of capital projects meant for rural development and where necessary review in order to attain rural development

#### **6.4. Suggestion to further research**

1. The study was restricted to Funyula market in Funyula Sub County only. Further studies can be done by considering larger zones such as County or regional markets and the national level.
2. Further studies can be done on other services provided in rural centres to establish the impact they have on hinterland development and improving the livelihood of the rural people. This will make it possible to plan for services and come up with implementation strategies that answer to the rural population needs because planning is done for the people.
3. The sample size for this research study was finalized to 95 household respondents. A further study can be done with a bigger sample size.

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# APPENDICES

## A. Rural household questionnaire

### UNIVERSITY OF NAIROBI

#### DEPARTMENT OF URBAN AND REGIONAL PLANNING

*(Rural household questionnaire)*

**The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:** *This information is confidential and will only be used for academic purposes.*

Date of questionnaire administration.....Questionnaire number .....

Name of questionnaire administrator.....

#### A. Background information of respondent

##### 1. General information

- i. Age .....
- ii. Sex .....
- iii. Household size .....
- iv. Education level (*basic, secondary, post-secondary/tertiary/ other*)
- v. Average income (0-30,000, 31,000-60,000, 61,000-100,000, over 100,000)

##### 2. Access to social economic infrastructure

Distance	Less than a KM	1KM	2KM	3KM and above
Primary school				
Secondary school				
Health				
Water sources				
All weather road				

3. Is farming your biggest source of livelihood? Yes ( ) No ( )

- i. If yes, fill part B and C
- ii. If no, what is your main source of livelihood. ....

#### B. Agricultural Production

4. What type of crops do you grow?

- a .....
- b .....

c .....

5. Do you produce for:

- a) Sale ( )
- b) Consumption at home ( )
- c) Both sale and consumption at home

6. From where do you sell your produce?

- a) The market ( )
- b) At home ( )
- c) Others Mentioned .....

7. If you sale at home to the merchants, what prevents you from selling at the market?

- a) The amount produced is too small to be taken all the way to the market ( )
- b) I get more profit from selling to the merchants ( )
- c) Cost of transportation is too high ( )
- d) Others. Mention .....

8. What type of support do you get from government in agricultural production?

<b>Government support</b>	<b>Availability: Available (A) Not available (NA)</b>
Supply of subsidised input	
Research and extension services	
Market information	
Purchase of produce	
Irrigation projects	
Agricultural value addition	
Training on farming technology	
Credit facilities	

9. What challenges do you face in agricultural production? Fill appropriately

Challenge	Tick appropriately	Remedy
Input Prices are too high		
Less profit from farming		
Smaller market		
Transport and access		
Poor entrepreneurial skills		
Poor market facilities		
Lack of good capital sources		
The inputs are not readily available		
Inept government services		

10. Among the challenges mentioned, which ones do you feel need urgent attention by the government or Non-Governmental Organisations

**C: Marketing agricultural produce**

11. What market facilities are available in Funyula town for your use?

Market facility	Availability	Condition
Public toilet		
Cold storage		
Loading/offloading areas		
Flood lights		
Perimeter fence		
Slaughter house		
Produce grade separation slab		
Value addition establishments		

12. What is the importance of Funyula market in your search for livelihood?

Importance	Tick appropriately
Improved access to products	
Improved access to market facilities	
Access to farm inputs	
Value addition to farm produce	
Dispersion of modern farming technologies and information	
Main source of income	
Dispersion of cultures	

13. how long does it take you to travel to the market?

- a) Less than 30 minute ( )
- b) 30 to 59 minutes ( )
- c) 60 to 89 minutes ( )
- d) More than 90 minutes ( )

**E: Production costs**

14. How do you obtain capital for farming?

- a) Savings ( )
- b) Bank loan ( )
- c) Sacco loans ( )
- d) Borrowing from friends/relatives ( )
- e) Others. Mention .....

15. From where do you get your agricultural inputs?

- a) In Funyula town. ( )
- b) In the village. ( )
- c) Others. Mention .....

16. What are the challenges encountered while buying inputs/raw materials?

- a) High cost of purchase ( )
- b) High cost of transportation of the agricultural inputs from the markets. ( )
- c) The inputs are not readily available ( )
- d) Others. Mention .....

**F. Socio economic empowerment from farming**

17. Has farming contributed to improvement of your life over the past years?

Yes ( )

No ( )

18. What measures do you think should be taken in the market and the immediate neighbourhood to improve your livelihood?

Measure	Tick appropriately
Reduce/regulate input prices	
Expand market	
Improve road network	
Entrepreneurship trainings	
Review taxation policies	
Improve market facilities	
Expand capital sources	
Expand access to technology	
Enhance research for crops	
Government to expand extension services	

**B. Traders structured interview**

**UNIVERSITY OF NAIROBI**

**DEPARTMENT OF URBAN AND REGIONAL PLANNING**

*(Traders structured interview)*

**The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:** *This information is confidential and will only be used for academic purposes.*

1. What products do you sale in Funyula market?

Product	Quantity

2. Which region is the main source your products? (Tick appropriately)

Region		Reason for sourcing from the region (1-4) 1 highest reason 4 lowest reason			
		Cheaper cost	Reliable supply	Higher quality	Other (specify)
a)	Outside Funyula Sub County				
b)	Within Funyula Sub County				
c)	Within Namboboto/Nambuku Ward				

3. Do you operate in other markets? Yes ( ) No ( )

i). If yes which ones:

a) .....

b) .....

c) .....

ii). If no, what are the reasons?

a) Because of poor roads ( )

b) There are no other markets here ( )

c) I do not have enough capital ( )

d) Others Mention .....

4. How do you transport your goods for sale to Funyula market?

- a) By bicycle ( )
- b) On foot ( )
- c) Bus ( )
- d) Truck ( )

5. How much cost do you incur for the following items?

Activity	Cost	Remarks (too expensive/average/cheap)
Charges for transport		
Loading and offloading costs		
Costs of food		
Cost of accommodation		
Other costs		
Total		

6. In your opinion, has Funyula hinterland contributed to the growth of Funyula Market?

- Yes ( )
- No. ( )

7. What are the market facilities availability for your use?

Facility	
Open sheds	
Lock up shops	
Aisles for shoppers	
Parking spaces	
Toilets	
Water supply	
Fire station	
Loading/offloading zones	
Others	

8. What challenges do you encounter while carrying out your business?

Problem	
No temporary spaces for sales at peak seasons	
Sale of merchandise in open space leading to spoilage	
Poor site security	
Overnight storage facilities not available	
Layout is poor, which inhibits customer flow	
Un maintained structures	
Congestion of pedestrian and vehicles	
Lack of provision for off loading	
Poor drainage	
Inadequate provision for the hygienic handling facilities	



**C. Sub County Trade and Cooperatives Development Officer interview schedule**

**UNIVERSITY OF NAIROBI**

**DEPARTMENT OF URBAN AND REGIONAL PLANNING**

*(Sub County Trade and Cooperatives Development Officer interview schedule)*

**The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:** *This information is confidential and will only be used for academic purposes.*

1. Who is mandated to establish and manage markets in this sub county?
2. When was the first market established in this sub county?
3. What is the size of Funyula market?
4. What are the operating hours of operation of the market?
5. What is the current carrying capacity?
6. What spatial provisions do you have in the market?
  - i. Poultry section ( )
  - ii. Fresh produce section ( )
  - iii. Cereals section ( )
  - iv. Fish/meat section ( )
  - v. Livestock holding ground ( )
  - vi. Cloths ( )
  - vii. Household utensils ( )
7. Are the spaces provided for sufficient for the traders?
8. What are the major market facilities provided for?
  - a) public toilets ( )
  - b) stalls ( )
  - c) sheds ( )
  - d) drainage ( )
  - e) car park ( )
  - f) lighting ( )

g) storage facilities ( )

h) loading areas ( )

9. What are the conditions of the major facilities mentioned above?

a. Public toilets ( )

b. Stalls ( )

c. Sheds ( )

d. Drainage ( )

e. Car park ( )

f. Lighting ( )

g. Storage facilities ( )

h. Loading areas ( )

10. What is usually considered when identifying market sites in this sub county

11. In your personal opinion, what factors have favored the development of the Funyula market?

12. Are there any value addition installations in Funyula Rural Centre?

If yes which ones.

13. Are there any regulations governing the establishment and management of markets in Busia County?

If yes, kindly name them:

**D. County Director of Urban Development interview schedule**

**UNIVERSITY OF NAIROBI**

**DEPARTMENT OF URBAN AND REGIONAL PLANNING**

*(County Director of Urban Development interview schedule)*

**The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:** *This information is confidential and will only be used for academic purposes.*

1. What is the role of your office in the establishment of markets in the County?
2. How is the planning and execution of projects for urban development carried out in the County?
  - a) Departments involved
  - b) Process
  - c) Coordination office for planning and execution of urban development projects
  - d) Monitoring and evaluation process for urban development projects
3. What are the challenges encountered in the execution of projects of urban development?
4. What are the biggest challenges faced in urban centers in the County
5. Does the County have any plans to expand Funyula market?

## **E. County Physical Planning Officer interview schedule**

### **UNIVERSITY OF NAIROBI**

#### **DEPARTMENT OF URBAN AND REGIONAL PLANNING**

*(County Physical Planning Officer interview schedule)*

#### **The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:** *This information is confidential and will only be used for academic purposes.*

1. Is there a development plan for Funyula centre
  - a) If yes, what are the existing and proposed land uses
  - b) If no, why hasn't it been prepared
2. Are the existing provisions for land uses to serve the Funyula hinterland population?

	<b>Existing User</b>	<b>Adequacy of existing user</b>	<b>Proposed User</b>
0.			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

3. What is the size of the existing Funyula market?
4. How is allocation of spaces done to traders in the market?
5. Are there any established lower order markets in Namboboto/Nambuku ward
  - a) If yes, kindly name them
  - b) If no, what are the reasons for non-existence
6. What are the main challenges encountered in plan preparation and implementation?

## **F. Village Administrator interview schedule**

**UNIVERSITY OF NAIROBI**  
**DEPARTMENT OF URBAN AND REGIONAL PLANNING**  
*(Village Administrator interview schedule)*

**The role of markets in rural development: A case of Funyula market in Funyula Town.**

**Declaration:**     *This information is confidential and will only be used for academic purposes.*

1. What is the population of Namboboto Village?
2. How many households are in the village?
3. What is the area of the village in Km<sup>2</sup>?
4. What are the main economic activities in the village?
5. How is the planning and execution of projects carried out in the village?
6. What programs for rural development do you have in the region?
7. What programs do you have for promotion of agriculture and livestock production?
8. Are there proposals to establishing new markets in the village?

## G. Observation checklist

### A. Market Centre

#### 1. Market infrastructure availability and condition

Infrastructure/service	Availability	Condition (Good, fair, bad)	Sufficiency (Sufficient, insufficient)
Stall/sheds			
Water supply			
Public Toilets			
Lorry park			
Car park			
Sewer line			
Market information corner			
Loading and offloading zone			
Storage facilities			
Cold storage facilities			
Security fence			
Electricity supply			
Drainage system			
Auction slab			

2. Space allocation. Adequate ( ) inadequate( )

3. Availability of support infrastructure and services

- a) Banks
- b) Bus park
- c) Agricultural extension offices
- d) Slaughter house

4. Value addition establishments

- a) Milk processing .....
- b) Fruit processing .....

- c) Fish processing .....
- d) Honey processing .....
- e) Cereals packaging .....

**B. Hinterland**

1. Accessibility to farmlands. Accessible ( ) Inaccessible ( )
2. Condition of roads. good ( ) Fair ( ) Bad ( )
3. Use of modern farming technology
4. Availability of irrigation projects