Small towns can be effective instruments in developing countries to improve rural-urban linkages, expand market-based agricultural activity, and stimulate non-farm employment opportunities. This article illustrates the basic aspects of a small towns programme in situations where market-based development is the goal. It specifies a set of selection criteria and guidelines for the choice of small towns to be included in such a programme. It discusses a variety of implementation problems which can be anticipated and provides a general schedule for implementation. Finally, it introduces Kenya's Rural Trade and Production Centre Programme, which can be considered a prototype of a small towns programme, and discusses the processes of location selection, implementation and evaluation of the programme.

This article analyses the logic behind market-based programmes to enhance rural-urban linkages through small town development. Market-based regional policy is introduced as a departure from traditional subsidy-oriented planning. Selection criteria and guidelines for choosing sites for investment are presented as linked to this market-based approach. Steps towards policy implementation are then discussed and the Rural Trade and Production Centre Programme in Kenya is introduced as an example of a market-based approach for achieving rural-urban balance.

Small Towns Programmes

Small towns programmes. Why are they needed? Where are they needed? What should they consist of? How should sites be selected and programmes implemented?

Small town development is not the goal of a small towns programme. The goals are the strengthening of rural-urban linkages, the promotion of agricultural development in small towns' hinterlands, and the stimulation of non-farm employment opportunities in small towns. A small towns programme could be effective in any developing country where these goals are desirable. Many developing countries have a badly distributed urban system. Such a mal-distribution may include primate cities experiencing diseconomies due to size and rapid growth, a network of intermediate cities whose locations were chosen for colonial administrative purposes as opposed to economic purposes, and a dearth