

Contribution of Haat Bazars in Rural Economy of Rupandehi District

Pramshu Nepal, Ph.D.

Associate Professor, Department of Economics, Butwal Multiple Campus, TU

ARTICLE INFO

Corresponding Author

Pramshu Nepal

Email

pramshunepal@gmail.com

Article History

Received: 18 September 2023

Accepted: 20 October 2023

Orcid

<https://orcid.org/0009-0009-7116-636X>

Cite

Nepal, P. (2023). Contribution of Haat Bazars in Rural Economy of Rupandehi District. *International Research Journal of Parroha (IRJP)*, 2(1), 49-57. <https://doi.org/10.5281/zenodo.10251027>

ABSTRACT

This article offers a comprehensive exploration of the pivotal role that Haat Bazars, or weekly markets, play in the rural economy of Nepal, with a particular focus on the Rupandehi district. Haat Bazars, embedded within the fabric of rural life, serve as vital economic centers that foster entrepreneurship, generate employment opportunities, and significantly contribute to rural economic development. Moreover, they play a crucial role in ensuring food security by providing a consistent source of fresh, locally grown produce. The study's primary objective is to dissect and evaluate the multifaceted contributions of Haat Bazars in the Rupandehi district. This evaluation encompasses an examination of the diverse range of products available, consumer preferences, and the level of brand awareness among the rural communities. Primary data for this analysis was obtained through a combination of surveys and observational methods. The Results and Discussion section delves into the economic, social, and cultural significance of Haat Bazars, shedding light on the spectrum of products traded and the extent of brand awareness within rural populations. This section not only elucidates the current status but also outlines the potential for further growth and development in the context of Haat Bazars. This article emphasizes the essential role that Haat Bazars play in the rural economy of Nepal, particularly in Rupandehi district. It also underscores the significance of fostering infrastructure development and implementing improved regulatory measures to optimize the positive impacts of Haat Bazars. By facilitating a deeper understanding of the role of Haat Bazars, this research seeks to inspire actions that promote sustainable economic development and empower rural communities in Nepal.

Keywords: Haat bazars, Rural areas, Rupandehi district, Economic growth - Livelihood opportunities

Introduction

The contributions of Haat Bazars are crucial in promoting sustainable economic development and empowering rural communities in Nepal (Ghimire, 2017). Haat Bazars, also known as weekly or bi-weekly markets, are a ubiquitous feature in rural areas of Nepal, including the Rupandehi district (Makar, 2019). These markets play a pivotal role

in the economic growth of Nepal by providing a platform for small and marginal farmers to sell their produce directly to consumers on specific market days (Ghimire, 2017).

Haat Bazars significantly contribute to the economic development of Nepal by creating employment opportunities and promoting entrepreneurship. Farmers' livelihoods and standards of living are

notably improved due to the presence of Haat Bazars in rural areas (Gurung & Shrestha, 2020). The income generated through these markets provides farmers with more negotiating power in the market, thus raising their living standards and aiding in the expansion of the rural economy (Rana & Thapa, 2018).

In addition to economic benefits, Haat Bazars are crucial for ensuring food security in rural communities. They serve as a reliable source of fresh, locally grown produce, particularly vital for communities situated at a distance from larger urban centers (Adhikari, 2016). The availability of fresh food items in Haat Bazars helps alleviate food scarcity concerns, contributing to improved living conditions (Gurung & Shrestha, 2020).

Furthermore, Haat Bazars stimulate entrepreneurship in rural Nepal, as they create opportunities for small-scale businesses to cater to the needs of the local population (Rai & Acharya, 2019). The diversity of products available in these markets fosters an environment where local entrepreneurs can thrive, leading to increased economic activity and self-reliance among rural communities (Shrestha & Khadka, 2017).

Agriculture stands as a cornerstone of the Nepalese economy, providing employment opportunities for 65 percent of the total population (MoALD, 2020). Consequently, the development of the agricultural sector is integral to the overall economic progress of the nation. Agriculture, being a primary sector, supplies the raw materials essential for the well-being of humanity when processed into finished products.

Nepal predominantly comprises rural areas, and the exchange of goods between producers and consumers in these regions takes place in rural markets, commonly referred to as "Haat Bazars." These Haat Bazars are weekly or bi-weekly markets held in open fields accessible to the majority of households within a village (Maharjan, 2011). Typically, small and medium-scale farmers directly sell agricultural produce to consumers at these markets (Akoijam, 2020). In Nepal, the Haat Bazar has emerged as a promising avenue for

small-scale farmers to realize their full economic potential while strengthening the local food supply chain (Shrestha, 2011). The development of these markets has proven beneficial for populations primarily reliant on small-scale agriculture (Maharjan, 2011).

Traditionally, Haat Bazars have been a common practice in Nepal's rural plains, particularly in the Terai region, which is not only the most densely populated but also agriculturally fertile. This region serves as a hub that provides agricultural products to residents in the hilly and Himalayan regions. Over the years, Haat Bazars have gained popularity, expanding into semi-urban areas of hilly towns (Shakya, 2021). These markets continue to play a crucial role in the rural economy by facilitating the direct sale of surplus agricultural and related products, as well as consumer goods (Barman & Bhattacharjee, 2016).

Haat Bazars significantly contribute to enhancing farm income in rural areas by enabling farmers to sell their produce directly to consumers, bypassing intermediaries (Trobe, 2001). It is equally important in town with different form that is why cement calculation also make assured to reduce fix cost during market construction in cities (Mishra and Chaudhary,2018). The products typically available at Haat Bazars encompass a wide range of agricultural produce, including vegetables, fruits, legumes, pulses, spices, honey, as well as non-agricultural items such as medicinal herbs, pottery, and clothing. Moreover, these markets also offer raw materials used in agro-industry and agro-vet services, such as seeds and pesticides.

However, the underdeveloped infrastructure and inadequate road networks in rural areas hinder farmers' and consumers' market access. These challenges must be addressed to unlock the full potential of rural markets and bolster the rural economy (Sarkar, Banik, & Dattagupta, 2014).

Moreover, the regulatory environment governing agricultural markets is currently unsatisfactory. Despite the Ministry of Agriculture and Livestock Development's submission of the "Agricultural Market Development and Management Act" to

the legislature in 2055, it has yet to be passed (BPRC, 2017). Rectifying these regulatory issues is imperative for the efficient and equitable functioning of agricultural markets in Nepal.

Problem Statement

Haat Bazars are an integral component of Nepal's rural economy, particularly in the Rupandehi district. These markets provide small and marginal farmers with a platform to sell their goods, contributing significantly to the rural economy's growth and enhancing the living standards of farmers. They also play a vital role in ensuring food security and fostering entrepreneurship. To harness their full potential, there is a pressing need for infrastructure development and improved market regulation, which can unlock even greater benefits for rural communities (Rana & Thapa, 2018). The contributions of Haat Bazars are crucial in promoting sustainable economic development and empowering rural communities in Nepal (Ghimire, 2017). These assumption need to be analyzed in changing dynamism under society 5.0 (Ananda, N., Kobayashi, S., Mishra, A. K., & Aithal, P. S., 2023). How the marketing varying and may be the contrast of market discard existence of Haat Bazars (Mishra, 2019). This made the strong need of reevaluating the contribution of Haat with a representing case of Rupandehi of Nepal.

Research Objective

The primary aim of this study is to assess the impact of Haat Bazars on the rural economy of the Rupandehi district. Additionally, the study explores the product diversity within Haat Bazars, examines consumer preferences for these products, and evaluates rural communities' brand awareness regarding these commodities.

Methodology

The study was conducted in the Rupandehi district of Lumbini Province, which is characterized by its diverse local governments, covering an area of 1,360 km² and accommodating a population of 1,118,975 as of the national census in 2021 (CBS, 2021). In this region, the primary economic

activities revolve around agriculture, including livestock and poultry, as well as cottage industries and trade.

To gather a representative sample, a simple random sampling technique was employed to select five local governments from the total of 16 present in the Rupandehi district. Among these selected local governments, five Haat Bazars—specifically, Manigram, Ranibagiya, Semlar, Phasratikar, and Khaireni—were purposively chosen as sample markets.

For data collection, a total of 100 traders and 100 consumers were selected through random sampling techniques from these Haat Bazars. Additionally, information regarding the total number of stalls in the Haat Bazars and approximate customer counts were acquired from the respective Haat Bazar Management Committees.

Data collection took place primarily through structured and semi-structured questionnaires during field surveys. Direct observation methods were also incorporated to complement the information-gathering process. This comprehensive approach ensured the collection of primary data from multiple sources, enhancing the study's depth and accuracy.

Results and Discussion

Contributions of Haat Bazar

Haat Bazars, also commonly referred to as rural markets or local markets, play a pivotal role in fostering the economic and social development of rural regions in Nepal, particularly in the Rupandehi district. Their contributions encompass several key facets:

Economic Growth

Haat Bazars serve as indispensable economic hubs, acting as convergence points for farmers, traders, and consumers. These markets offer local producers a platform to market their agricultural products, handicrafts, textiles, and various locally crafted goods. The resulting trade and commerce significantly contribute to the district's overall economic growth (Bhandari & Bhatta, 2017).

Livelihood Opportunities

By creating avenues for direct sales, Haat Bazars generate employment and livelihood opportunities for rural inhabitants. Farmers can vend their produce, artisans can showcase and sell their craftwork, and small-scale entrepreneurs can establish stalls or shops. This, in turn, empowers individuals and households to secure their livelihoods (Adhikari & Panthi, 2018).

Market Access

Haat Bazars enhance market accessibility for rural communities by bringing buyers and sellers together within a convenient location. This effectively reduces transportation costs and the time needed for farmers to reach larger urban markets. Moreover, it allows rural consumers to access a diverse range of goods and services without the need for extensive travel (Devkota & Upadhyaya, 2019).

Social Interaction and Cultural Exchange

These markets serve not only as economic centers but also as vital social hubs where individuals from diverse backgrounds and communities converge. They provide an invaluable opportunity for social interaction, cultural exchange, and the strengthening of community bonds. Haat Bazars often feature traditional music, dances, and

local festivals, thus preserving and promoting the rich cultural heritage of the region (Singh & Shrivastava, 2019).

Knowledge Sharing

Haat Bazars function as more than just transactional spaces; they also act as platforms for knowledge exchange. Farmers can share agricultural techniques, disseminate information on novel farming practices, and learn from each other's experiences. This knowledge sharing contributes to the improvement of agricultural productivity and plays a significant role in enhancing overall rural development (Sharma & Verma, 2019).

In sum, Haat Bazars are multifaceted institutions that significantly impact the economic, social, and cultural dimensions of rural life in Nepal, exemplifying their crucial role in rural development.

Observation of Haat Bazar

The average number of stalls in each Haat Bazar is 230 and their financial transaction is about Rs. 3,254,500.00. Average sells of each stall is Rs. 14150 and their average profit is Rs.2122.50. Similarly, average number of customers in each Haat Bazar is 1350 and their purchase is about Rs. 2,410.75. Detail observation of Haat Bazar is presented in tabular form below.

Table 1: Observation of Haat Bazars

Sales per day in Haat Bazar	Rs. 3,254,500.00
Average daily income of each stall owner	Rs. 14150.00
Average profit from each Haat Bazar	Rs. 2122.50
Average purchase per visitors	Rs. 2410.75
Cash Sales in Haat Bazar	93 to 97 percent
Sales in credit	3 to 8 percent

Author's calculation on the basis of observation

Types of Products Sold at Haat Bazars

The chart below displays the proportion of different types of products sold at Haat Bazars. People in rural areas are more knowledgeable about agricultural products because they are engaged toward agriculture activity, i.e., they rely

on agricultural businesses for their living.

Figure No. 1 provides the composition of items sold at the Haat Bazar, categorized by their respective percentages. The largest category is agricultural products, which accounts for 52% of the items available.

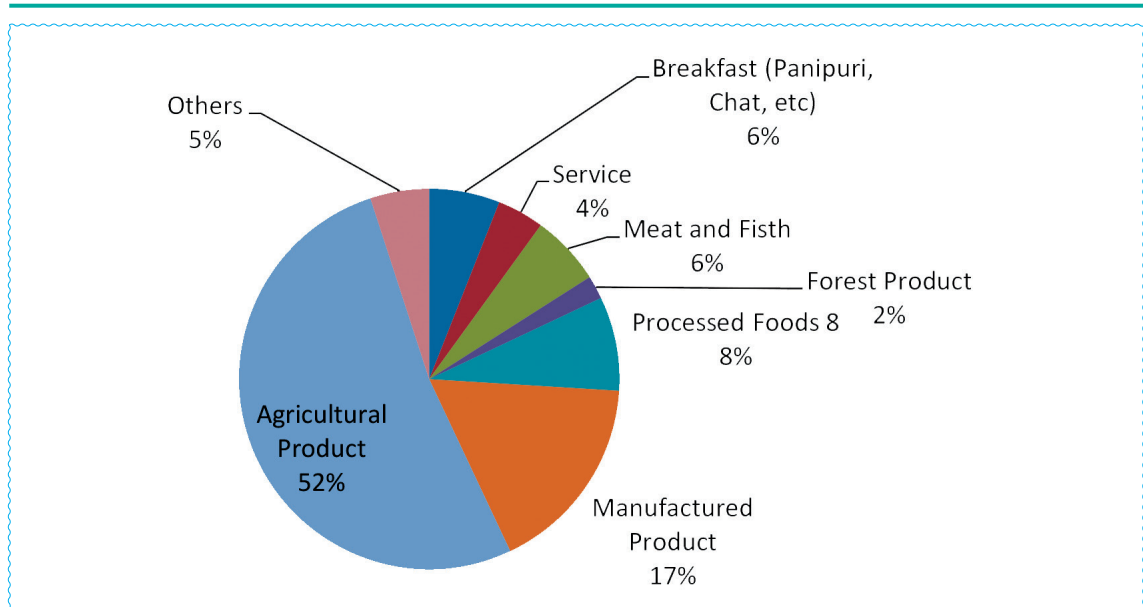


Figure 1: Types of Product sold at Haat Bazaars

This category encompasses a wide range of locally sourced fruits, vegetables, spices, and other farm produce, highlighting the significance of agriculture in the rural economy. Manufactured products represent 17% of the items, indicating the presence of locally made handicrafts, textiles, pottery, and other artisanal goods. Processed foods make up 8% of the items, offering a selection of packaged snacks, preserved fruits, and pickled items. These processed food options provide convenience to consumers while incorporating local flavors and ingredients. Forest products constitute a smaller proportion at 2%, but they still hold significance within the market. This category includes resources derived from forests, such as handle of spade, bamboo, and medicinal herbs, showcasing the sustainable utilization of natural resources in the area. Meat and fish contribute 6% to the product mix, featuring fresh or preserved options sourced from local farmers, fishermen. This category reflects the availability of protein-rich food choices for consumers in the Haat Bazar. Services account for 4% of the offerings and encompass a variety of services available at the bazar. These include repair services, tailoring, haircuts, and other service-based offerings, providing convenience and meeting the daily needs of the community.

The breakfast category, including popular options like pani puri and chat, represents 6% of the items. This highlights the significance of quick and tasty breakfast options that are readily available to visitors, adding to the vibrant atmosphere of the Haat Bazar. Lastly, the "others" category comprises 5% of the items and encompasses a miscellaneous assortment of products. These include household goods and utensils to personal care items.

Brand Awareness among Rural People

Brand awareness is the measure of how well a product or service is known, or how well consumers are informed about brands. The following graphic displays the percentage of brand awareness for various products offered at Haat Bazar under various brand categories. Visitors to Haat Bazaars from the rural area are more familiar with shampoo brands.

Figure No. 2 presents the brand awareness percentages for various items. Among the items mentioned, shampoo has the highest brand awareness at 88%. This indicates that a significant number of consumers are familiar with and recognize the brands of shampoo available in the market. Face cream follows closely behind with a brand awareness of 79%.

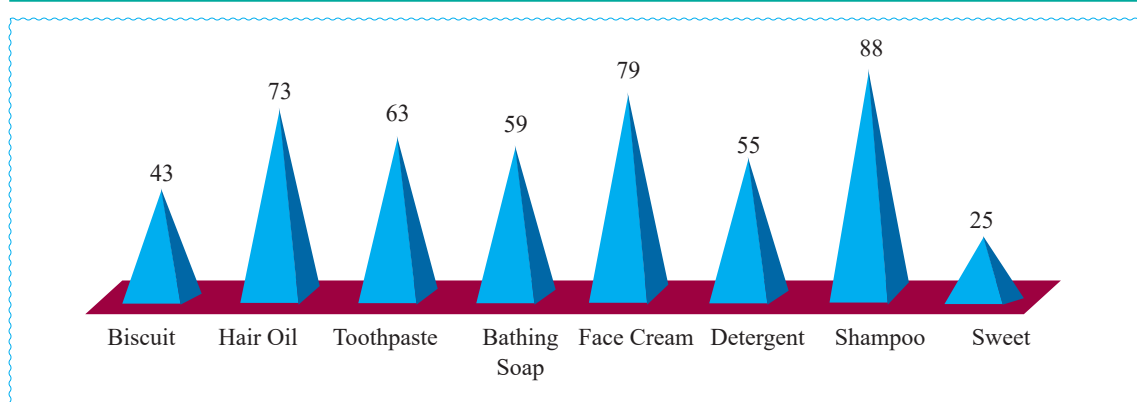


Figure 2: Brand awareness for specific product sold at Haat Bazaars

Source: Field Survey, 2023

This high percentage suggests that face cream brands have effectively promoted their products and have a strong presence in the market. Hair oil also has a notable brand awareness percentage of 73%. Toothpaste and bathing soap have brand awareness percentages are 63% and 59% respectively. This suggests that consumers have a reasonable level of familiarity with the brands of toothpaste and bathing soap available. Detergent has a brand awareness percentage of 55%, indicating that consumers are somewhat aware of the detergent brands in the market. While not as high as some other categories, this still suggests a moderate level of brand recognition and awareness among consumers. Biscuits and sweets have relatively

lower brand awareness percentages at 43% and 25% respectively.

People preference about Product

Rural peoples that travel to Haat bazar are mostly interested in shopping for groceries because most of the items are offered at the best cheapest prices. These perishable groceries items are simple for the villagers to acquire from their Haat Bazar because the Haat bazars are often arranged on a weekly basis. Another reason for the predilection for grocery items is that most rural people engage in agriculture, which makes it simple for them to sell their own goods through the Haat Bazar.

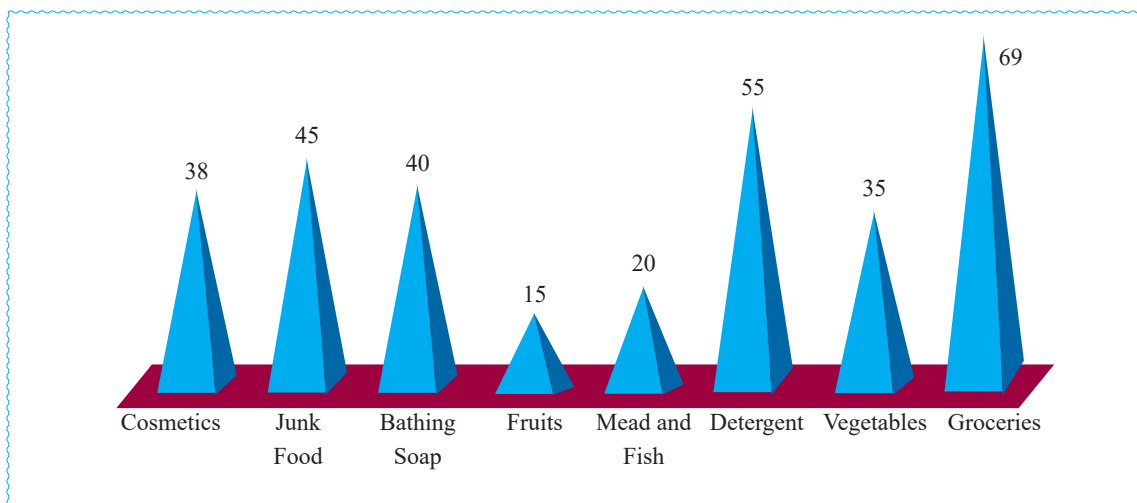


Figure 3: Product preferred at Haat Bazaars

Figure No 3 presents the preferences of individuals for various items, based on the given percentages. Among the listed items, groceries have the highest preference at 69%. This suggests that a significant portion of individuals prioritize purchasing groceries, indicating their essential nature in daily life.

Detergents follow closely behind with a preference of 55%. This signifies that a majority of individuals prioritize purchasing detergent for their laundry needs.

Junk foods ranks third with a preference of 45%. This indicates that a considerable number of individuals have a fondness for indulging in snacks and treats that are typically classified as junk food. It suggests that despite the awareness of its potential negative effects on health, there is still a significant demand for such food items.

Bathing soap and cosmetics have preference percentages of 40% and 38% respectively. This implies that a significant number of individuals value personal care and grooming. Vegetables have a preference percentage of 35%. This suggests that a considerable portion of individuals prioritize including vegetables in their diet, recognizing their nutritional value and health benefits.

Meat and fish have a preference percentage of 20%, indicating that a smaller proportion of individuals prioritize consuming animal-based protein sources.

Fruits have the lowest preference percentage at 15%. This implies that a smaller proportion of individuals prioritize consuming fruits regularly.

Conclusion

Haat Bazars are undeniable catalysts for economic growth and rural development in Nepal. These weekly or bi-weekly markets serve as pivotal platforms for small and marginal farmers to directly connect with consumers, fostering entrepreneurship and underpinning the rural economy. The profound impact of Haat Bazars is evident in the improved livelihoods and standards of living of farmers, who experience increased income and greater market influence. Furthermore, these markets are

essential in bolstering food security by offering a dependable source of fresh, locally grown produce to rural communities.

The study conducted in the Rupandehi district of Nepal corroborates the positive economic effects of Haat Bazars. The substantial presence of sellers and robust financial transactions in these markets reflects the economic vitality they inject into the region. Product diversity in Haat Bazars spans agricultural products, manufactured goods, processed foods, forest products, meat and fish, services, breakfast items, and miscellaneous products, attesting to the diverse offerings that cater to consumer preferences. Notably, the study underscores the significant brand awareness among rural people, further highlighting the markets' influence.

To further enhance the role of Haat Bazars in rural economies, several key strategies are recommended. First and foremost, infrastructure development, including improved roads and transportation, is imperative to enhance market accessibility for both farmers and consumers. Permanent stalls and upgraded market facilities can provide a more conducive environment for trade.

A regulatory framework for agricultural markets is vital to ensure fairness and transparency in market operations. The diversification of products sold at Haat Bazars should be encouraged to meet an even broader range of consumer preferences, and initiatives to boost brand awareness among rural consumers should be actively promoted.

Knowledge sharing and skill development among farmers and entrepreneurs can be facilitated through training programs and workshops, supporting agro-processing initiatives and ensuring a fair playing field in the market. Additionally, fostering linkages between Haat Bazars and larger urban markets through collaborations with wholesalers, retailers, and intermediaries will expand market opportunities for farmers and stimulate rural economic growth.

Furthermore, consistent research and data collection are essential to monitor the impact of

Haat Bazars and pinpoint areas for improvement. This will enable informed decision-making and targeted interventions by policymakers and stakeholders to further enhance the contribution of Haat Bazars to rural economies.

Collaboration and partnerships among government agencies, private sector entities, and community organizations are indispensable for collectively nurturing and advancing the development of Haat Bazars. These markets, deeply embedded in the fabric of rural life, hold the potential to be transformative agents for sustained economic progress, and their continued support and growth are crucial for the well-being of Nepal's rural communities.

References

- Adhikari, N. P. & Panthi, R. (2018). Role of weekly market in rural livelihood improvement: Evidence from Kailali district, Nepal. *Journal of Development and Agricultural Economics*, 10(4), 123-133.
- Adhikari, S. (2016). Food Security through Haat Bazar: A Case of Nepal. *Nepal Journal of Agricultural Economics*, 2, 75-88.
- Akoijam, S. (2020). Socio Economic Impact of Weekly Markets: An Assessment of Farmers in Garo. *International Journal of Recent Technology and Engineering*.
- Ananda, N., Kobayashi, S., Mishra, A. K., & Aithal, P. S., (2023). Mandala in Operation of Web 3.0. *International Journal of Case Studies in Business, IT, and Education (IJCSBE)*, 7(1), 220-229. DOI: <https://doi.org/10.5281/zenodo.7727160>
- Barman, M., & Bhattacharjee, A. (2016). Market Mechanism and Functionaries of Local Haats: An Empirical Study in the Garo Hills Districts of Meghalaya. *IBMRD s Journal of Management & Research* 5(2):1 .
- Bhandari, H., & Bhatta, G. D. (2017). Role of rural haats (weekly markets) in enhancing rural livelihoods: Evidence from Nepal. *Journal of Forest and Livelihood*, 15(1), 31-45.
- BPRC. (2017). Master Plan of Agricultural Marketing in Eastern Development Region of Nepal. Kathmandu: Business Promotion Research and Communication Pvt. Ltd. CBS.
- CBS (2011). *Statistical Pocket Book*. Central Bureau of Statistics. Kathmandu.
- Deka, N., & Bhagawati, A. K. (2010). Periodic Market System in the Rural Areas of Brahmaputra Valley, Assam: The Case of Muktapur Hat. *North Eastern Geographer*. 36, (1, 2) , 65-89.
- Devkota, R., & Upadhyaya, T. (2019). Role of haat bazars in rural livelihoods: Evidence from Nepal. *Journal of Agriculture and Natural Resources*, 2(1), 18-30
- DVN. (2018). Inter Provincial Dependency for Agricultural Development. Kathmandu: Development Vision Nepal P. Ltd. GoN.
- (2006). *National Agribusiness Promotion Policy, 2006*. Kathmandu, Nepal:
- Ghimire, B. (2017). The Role of Weekly Markets (Haat Bazars) in Enhancing Farmers' Livelihoods in Nepal. *Journal of Agriculture and Environment*, 18, 89-99.
- Gurung, P., & Shrestha, A. (2020). The Impact of Haat Bazars on Rural Economy and Food Security in Nepal. *Nepal Journal of Business*, 7(1), 127-140.
- Maharjan, H. (2011). *Haat Bazar: A strategy for promoting local food systems in Nepal*. <https://genevievelm.wordpress.com/2011/11/06/haatbazar-a-strategy-for-promoting-local-food-systems-in-nepal/>
- Makar, S. (2019). Weekly Markets in Nepal: A Source of Income Generation. *Nepal Agriculture Research Journal*, 19(1), 103-112.
- Mishra, A. K. (2019). Influential Marketing Strategies Adopted by the Cement Industries. *International Journal of Research - Granthaalayah*, 7(10), 155-173. <https://doi.org/10.29121/granthaalayah.v7.i10.2019.382>.

- Mishra, A. K., & Chaudhary, U. (2018). Assessment of Cement Handling Behavior For Selected Construction Sites of Bhatbhateni Supermarket. *Journal of Advanced Research in Construction & Urban Architecture*, 3(3), 1-11.
- Mishra, A. K., & Chaudhary, U. (2018). Cost Effectiveness Assessment of Different Nepalese Cement Brands for Selected Sites of Supermarket. *Journal of Advanced Research in Construction & Urban Architecture*, 3(3), 12-33.
- MOALD. (2020). *Ministry of Agriculture and Livestock Development*.
<https://www.moald.gov.np/ministry-info>
- Rai, N., & Acharya, S. (2019). Entrepreneurship Development through Weekly Markets in Rural Nepal. *Nepal Journal of Rural Development*, 19(2), 48-63.
- Rana, R., & Thapa, B. (2018). The Role of Haat Bazars in the Economic Development of Rural Nepal. *Nepal Development Journal*, 15, 78-94.
- Sarkar, A., Banik, P., & Dattagupta, R. (2014). Resurrection and being of a Haat: case study of rural markets of the eastern plateau region. *International Journal of Scientific & Engineering Research*.
- Shakya, U. (2021, November 20). *Dispatch from Nepal: Rural bazars an opportunity to connect*, <https://www.campaignasia.com/article/dispatch-from-nepal-rural-bazars-anopportunity-to-connect/385107>
- Sharma, R., & Verma, S. (2019). Role of Haat Bazars in knowledge sharing for sustainable rural development: A case study of Himachal Pradesh, India. *Journal of Rural Studies*, 68, 70-79.
- Shrestha, B. (2008). Off- Season Vegetables Marketing Channels of Small Growers: A Case of Yampaphant, Tanahun, Nepal.
- Shrestha, B. (2011). *Backward and Forward Linkages in Bhojpur Bazar and its Surrounding Villages of Bhojpur District*. Kathmandu: Central Department of Rural Development Tribhuvan University Kirtipur.
- Shrestha, P., & Khadka, R. (2017). Small-Scale Entrepreneurship in Weekly Markets: A Study from Nepal. *Nepal Journal of Management and Development*, 24, 59-71.
- Singh, D., & Shrivastava, P. (2019). Role of Haat Bazar in rural socio-economic development: A case study of Kumaon region in Uttarakhand, India. *Journal of Community Mobilization and Sustainable Development*, 14(1), 67-75.
- Trobe, H. (2001). Farmers' markets: consuming local rural produce. *International Journal of Consumer Studies*, 25, 3, , 181-192



