

Local Market Condition in Nepal: A Study in Nijgadh Municipality

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ABSTRACT

Local markets play a crucial role in Nepal's economy, particularly within rural and agricultural communities. This study focuses on the dynamics of the local market in Nijgadh Municipality, Bara District, emphasizing the interplay of infrastructure, socioeconomic changes, and external factors such as globalization and climate change. The primary objective of this research is to investigate the current state of the local market in Nijgadh Municipality, identifying key challenges and opportunities for improvement. The study aims to provide actionable recommendations to enhance market efficiency and economic impact. A mixed-methods approach was employed, combining qualitative interviews with local market stakeholders, quantitative surveys assessing market conditions, and an analysis of existing infrastructure and socioeconomic data. This comprehensive methodology allows for a nuanced understanding of the factors affecting market dynamics. The findings reveal that inadequate infrastructure, limited technological adoption, and vulnerabilities to climate change significantly hinder market efficiency. Additionally, price-sensitive consumer behavior and income disparities highlight pressing socioeconomic issues. The study underscores the need for targeted interventions to improve local market conditions. Recommendations include upgrading infrastructure, promoting technology adoption, diversifying agricultural practices, and implementing supportive government policies. These measures are essential for enhancing the reliability and economic impact of local markets in Nijgadh Municipality.

Keywords: local market, Nijgadh Municipality, infrastructure development, government policy

Introduction

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 connect directly 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 providing a reliable source of fresh, locally grown produce to rural communities (Nepal, 2023).

Local market conditions significantly influence the economic landscape of any country, and Nepal is no exception. According to the Nepal Rastra Bank (2019), local markets



primarily reflect the country’s diverse socio-economic systems, geography, and cultural values. Various factors, including business connectivity, infrastructure development, urbanization, and agricultural products, affect the interaction between demand and supply in these markets. For policymakers and development organizations aiming to promote sustainable economic growth in Nepal, a comprehensive understanding of local market dynamics is essential (National Planning Commission, 2016).

Rural marketplaces in Nepal are often characterized by their backwardness and isolation, particularly in relation to urban centers such as Kathmandu, Pokhara, Chitwan, and Birgunj. Each market possesses distinct qualities shaped by community needs, local resources, and accessibility. Market efficiency is significantly hindered by inadequate infrastructure, unreliable supply channels, and unstable political environments. Despite these challenges, local markets continue to play a crucial role in the livelihoods of millions of Nepalese citizens by serving as centers for consumer goods, handicrafts, and agricultural trade (Symanski & Webber, 1974; Christaller, 1933).

This article examines the structural and functional dynamics of local market conditions in Nepal. The study aims to analyze the effects of infrastructure, consumer behavior, socio-economic conditions, and policy frameworks on market performance. Additionally, it explores how these markets have evolved in response to external forces such as climate change, globalization, and technological advancements. By analyzing these

factors, this research seeks to provide insights that can inform strategies to enhance market reliability and efficiency, ultimately contributing to Nepal's economic growth.

Nijgadh Municipality in Bara District serves as a major local market center in southern Nepal within various economic frameworks. Strategically located along the East-West Highway and near the zero point of Fast Track (a national mega project), Nijgadh benefits from its proximity to significant routes that connect it to larger cities and Indian cross-border markets.

Problem Statement

This study focuses on the local market conditions in Nijgadh Municipality by examining the interplay between infrastructure development, consumer behavior, trade dynamics, and global technological influences. The goal is to identify ways to increase its contribution to both provincial and national economic growth.

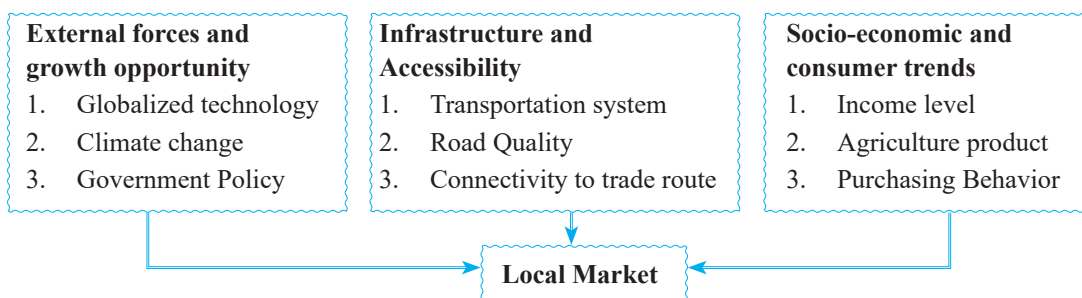
This study is based on the local market condition in Nijgadh Municipality focusing on the interaction of infrastructure, consumer behavior and trade dynamics, global technology effect, and investigate ways to increase its contribution to both provincial and national economic growth

Research Objective

The primary objective of this research study is to understand the local market conditions in Nepal, identify obstacles to market performance, and propose solutions to enhance local market efficiency.

Figure 1

Conceptual Foundation



A conceptual framework presents the areas covered in the research. In this study my conceptual framework incorporates key factors that affect local market conditions and how they interact with economic growth and market performance.

Study Area and Population

The study area is Nijgadh Municipality in the Bara District of Nepal, located in the northern part of the district within Madhesh Province. The total population of Nijgadh Municipality is approximately 8,000, from which a sample size of 425 individuals was selected for this research. The sample included local market vendors, consumers, and farmers, chosen based on personal judgment to ensure representativeness concerning area and financial status.

Research Instrument, Data Collection, and Analysis

A questionnaire was utilized as the primary research instrument to gather data from the sample of 425 individuals in Nijgadh Municipality. The study employed an online survey methodology to facilitate data collection. The conceptual framework for this research is grounded in social capital theory, focusing specifically on the local market conditions in Nepal. The data collected were analyzed using various statistical measures, including frequencies and percentages, to determine the distribution of responses. This approach allowed for a comprehensive understanding of the factors influencing local market dynamics and performance.

This research aims to provide insights into the local market conditions in Nijgadh Municipality

by examining the interplay between infrastructure development, consumer behavior, trade dynamics, and global technological influences. The findings will contribute to identifying obstacles to market performance and proposing solutions to enhance local economic growth.

Data analysis and Result

In the concentrate on 'Local market condition in Nepal', the sample size utilized was 425 local market vendor, farmers and consumers. This sample size was thought of as suitable as giving a delegate test of the number of population in interest in the study area was adequate.

The desired level of precision, the variability of responses, and the level of significance were all taken into account when determining the sample size. The sample size of 425 individual's part was resolved utilizing a recipe that considers the population size, wanted degree of accuracy, and the certainty level. A 95% confidence level and a 5% margin of error served as the foundation for the utilized formula.

The example determination was done utilizing a judgment technique, which guaranteed that each individual part had a capacity to answers the entire questionnaire. By selecting local market vendor, consumers and farmers from a variety of local levels in the Nijgadh municipality, the researcher also made sure that the sample was representative of the population.

Generally, the example size of 425 individuals was sufficient to give a decent portrayal of the number of inhabitants in interest and guarantee the legitimacy and dependability of the review results.

Table 1

Socio Demographic Analysis

Heading	In Number	In percentage
Gender		
Female	139	32.70
Male	286	67.3

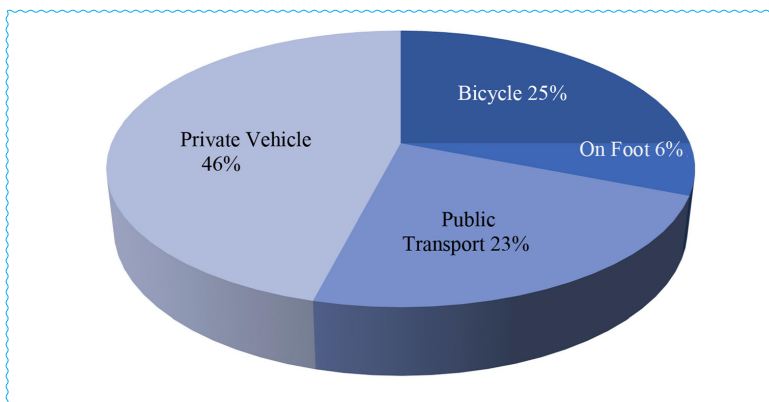
Heading	In Number	In percentage
Position		
Local market vendor	257	60.47
Farmer	97	22.82
Consumer	71	16.71
Age		
20 to 25 years	37	8.71
26 to 30 years	51	12.00
30 to 35 years	159	37.41
35 to 40 years	153	36.00
Above 40	25	5.88
Academic Level		
Secondary Level	223	52.47
Certificate Level	157	36.94
Bachelor Level	35	8.24
Masters Level	10	2.35

In this survey, out of 425 respondents all actively participated and among them majority in male respondents. Out of 425 respondents, most of the respondents are local market vendor. Most of

the respondents have been found basic academic level. There are highly majority of 30 to 40 years respondents.

Infrastructure and Accessibility

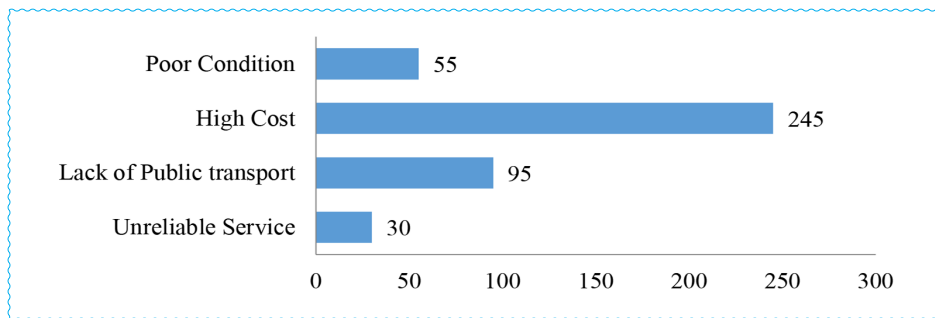
Figure 2
Transportation System



In first question about formation of transportation system used by respondent, it is found that most of the respondent uses their private vehicle mostly motorcycle, one fourth of

the respondent uses bicycle and public transport uses by almost one fourth of total respondent. Very small number of respondent have no option of transportation system.

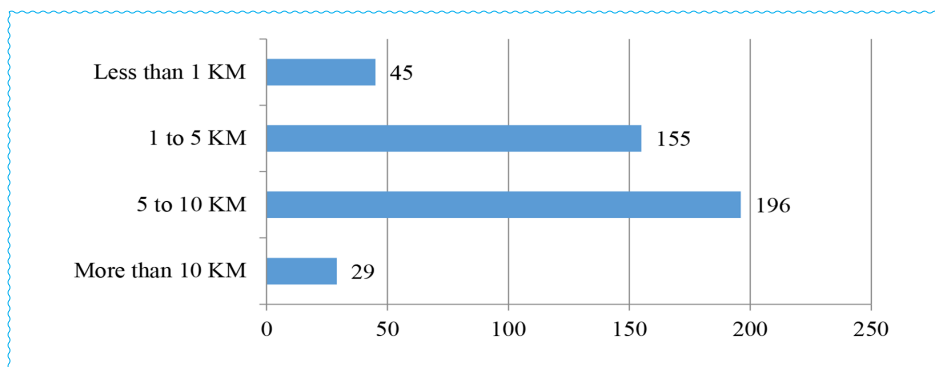
Figure 3
Road Quality



In next question about road quality to reach market place is amazing. High majority of respondent respond that the transportation cost is very high. Almost one fourth of total respondent

respond there is lack of regular public transport. Few number of respondent caring about poor condition of road and unreliable service.

Figure 4
Connectivity to Trade Route

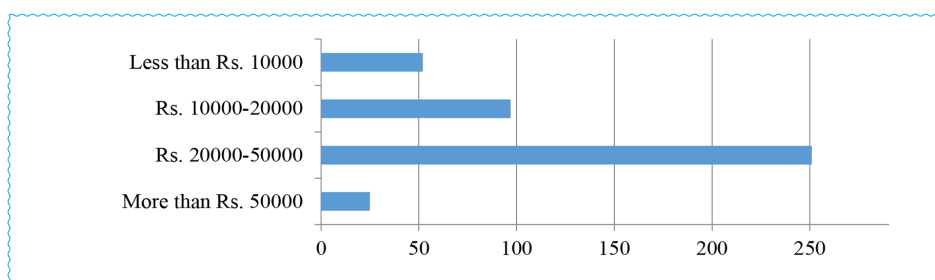


In question how long is it to reach trade route? (Market place) nearly half of the respondents respond on their trade route is 5 to 10 KM distance to market, one third of respondent have 1 to 5 KM

distance to reach market and a few number of respondents respond on less than 1 KM and more than 10 KM.

Socio Economic and Consumer Trend

Figure 5
Monthly Income Level



According to response of all respondents majority of respondents have Rs 20000 to Rs 50000 monthly income level, very small number of respondents have more than Rs 50000 monthly

income level, almost one third of respondent have Rs 10000 to Rs 20000 monthly income level and 13 percentage of respondents have lower monthly income.

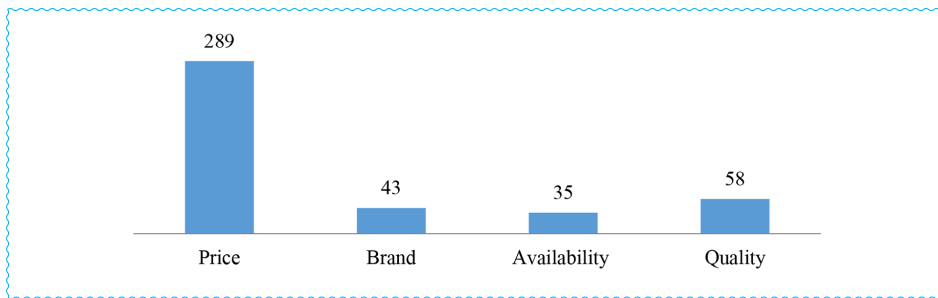
Table 2
Agriculture Product

Heading	In Number
Product	Percentage
Poultry Product 5%	5%
Vegetable 4%	4%
Fruits 38%	38%
Grains	53%

In this question more than half respondents answered grains product one third of total respondents respond on fruits product and very

few number of respondents respond on vegetable product and poultry product.

Figure 6
Purchasing Behavior

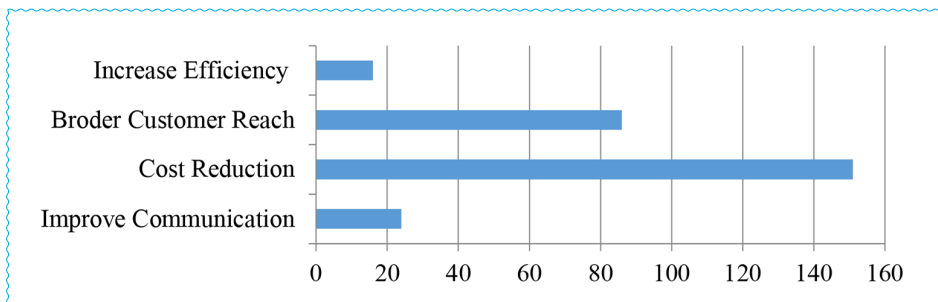


In this question purchasing behavior of respondents most of the respondents said their behavior depends on price of product some of

respondents believe on brand and some are on quality of product only 35 respondents respond on availability of product in market.

Socio Economic and Consumer Trend

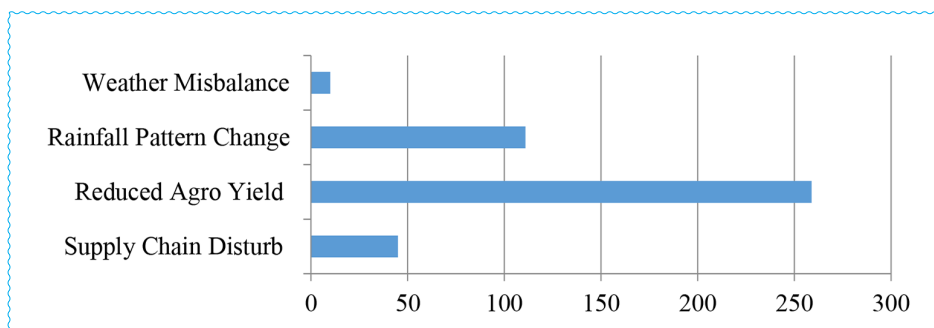
Figure 7
Globalized Technology



In this question the response is hardly collected because of their academic level and technology knowledge. Almost one third of respondent respond on cost reduction and increase

efficiency respectively. Some of respondent believe that it helps to reach broader customer and few respondent respond on improve communication.

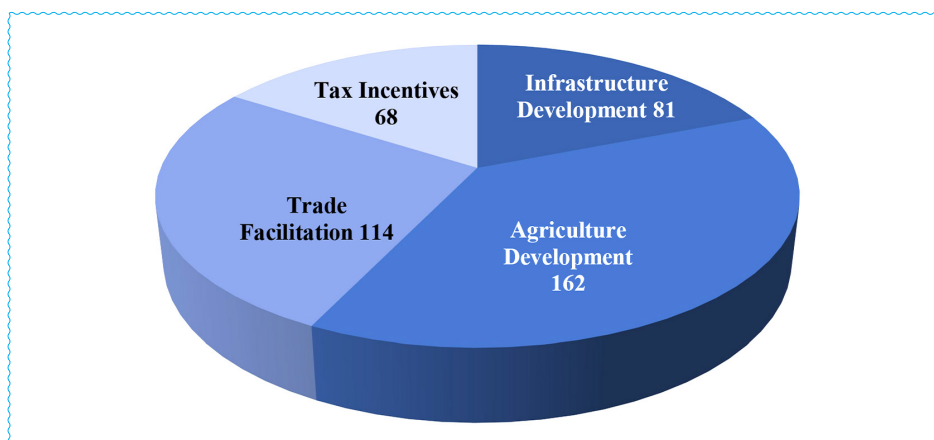
Figure 8
Climate Change



In this question majority of respondents said climate change leads to decrease in agro based yield (Product) some of respondents said it leads to

change in rainfall pattern and some of respondents said it disturb in supply chain and few respondents replied it disturb on weather balance

Figure 9
Government Policy



In last question about government policy larger respondents expects agriculture development and trade facilitation from government, same of respondents expects infrastructure development and tax facilities form government.

Research - Granthaalayah. This research highlights the critical role that effective marketing strategies play in enhancing the competitive advantage of cement companies within the industry. The study identifies various strategies that cement industries can implement to improve market share and customer engagement, including branding, promotional activities, and customer relationship management. By analyzing these strategies, Mishra provides insights into how cement

Results and Discussion

Mishra (2019) conducted a study on influential marketing strategies adopted by cement industries, published in the International Journal of

companies can adapt to changing market dynamics and consumer preferences. In a subsequent study, Mishra and Aithal (2021) explored the contribution of foreign aid to the development of Nepal in the *International Journal of Management, Technology, and Social Sciences*. This research emphasizes the significance of foreign aid in supporting various sectors in Nepal, including infrastructure development and economic growth. The authors argue that understanding the impact of foreign aid is essential for policymakers to effectively utilize these resources for sustainable development. Additionally, Mishra and Aithal (2022) examined the challenges faced during the recruitment process in another article published in the *International Journal of Research-Granthaalayah*. This study discusses the complexities involved in recruiting qualified candidates and offers recommendations for improving recruitment practices. The authors highlight the importance of addressing these challenges to enhance organizational effectiveness and employee satisfaction. These studies collectively contribute to a deeper understanding of marketing strategies, foreign aid implications, and recruitment challenges within the context of Nepal, providing valuable insights for academics and practitioners alike. The study on local market conditions in Nepal offers insights into how infrastructure, socioeconomic factors, and external influences affect market positioning and dynamics, particularly in Nijgadh Municipality located in the Bara District. This discussion focuses on key themes such as infrastructure and accessibility, socioeconomic trends, consumer behavior, external forces, and growth opportunities (Khatiwada, 1991; Mandal, 199; Pradhan, 2004; Rizal, 1980)

Infrastructure and Accessibility

The study emphasizes the importance of transportation systems in facilitating market access and efficiency. A significant proportion of respondents utilize private vehicles, primarily motorcycles, while others rely on bicycles or public transportation. However, a small percentage reported a lack of reliable transit options, highlighting the need for improved public transportation services and affordable alternatives

for undeserved populations. The state of road infrastructure was identified as a major challenge. Many respondents cited high transportation costs and infrequent public transit as significant barriers to market access. Poor road quality exacerbates these issues by limiting the timely and cost-effective movement of goods. To enhance market efficiency, investments in road improvements and reliable public transportation networks are essential. Regarding access to trade routes, approximately half of the respondents travel between 5 to 10 kilometers to reach market centers, indicating that while Nijgadh is accessible to many residents, there is potential for deeper integration with urban areas and cross-border trade routes to strengthen its role as a regional economic hub (Shrestha, 1981; Shrestha & Rizal, 1979).

Socioeconomic and Consumer Trends

The majority of market participants reported monthly incomes ranging from Rs. 20,000 to Rs. 50,000, indicating a relatively stable middle-income demographic within the market. However, a notable number of low-income respondents reflect disparities in economic opportunities and purchasing power. The dominance of agricultural products—particularly grains—in market activities underscores Nijgadh's agro-based economy. The limited focus on vegetables, poultry, and fruits suggests an opportunity for diversification in agricultural production to meet consumer demand and enhance farmer profitability. In terms of purchasing behavior, most consumers prioritize price over brand loyalty or quality. This indicates a sensitivity to affordability within the market and underscores the importance of strategies that balance cost with quality while ensuring the availability of essential goods).

External Forces and Growth Opportunities

The adoption of globalized technology remains limited among respondents; however, they recognize cost savings and efficiency as key benefits. A lack of awareness and technical understanding restricts the market's ability to fully leverage technology. Implementing training programs alongside affordable digital tools could

significantly enhance technology integration, expanding consumer reach and improving overall market performance. Climate change has emerged as a pressing challenge for Nijgadh's local market. Respondents identified reduced agricultural production, altered rainfall patterns, and disruptions in supply chains as significant impacts. These findings highlight the vulnerability of agricultural markets to environmental changes. Promoting climate-resilient farming practices alongside infrastructural investments is crucial for mitigating climate risks. Government policies were found to significantly influence market dynamics. Respondents expressed expectations for initiatives related to trade facilitation, infrastructure development, tax reductions, and agricultural support to stimulate market growth. These requests underscore the necessity for legislative measures that address systemic issues while fostering an environment conducive to local market development.

Conclusion

The results of the study on local market conditions in Nepal, specifically in Nijgadh Municipality, underscore the critical interplay between infrastructure, socioeconomic factors, and external influences in shaping market performance. Local marketplaces, particularly those centered around agro-based trade like Nijgadh, serve as essential economic hubs. However, these markets face significant challenges, including inadequate infrastructure, limited technological integration, and vulnerabilities associated with climate change. Addressing these issues through targeted investments, legislative reforms, and community engagement is imperative for enhancing market efficiency and reliability. Enhancing trade dynamics can be achieved by improving road infrastructure, ensuring accessible and affordable transportation options, and fostering better connectivity with urban areas and international markets. Additionally, addressing income inequality and diversifying agricultural production can strengthen the robustness and inclusivity of these marketplaces. Promoting climate-resilient farming practices and leveraging technology are also crucial for mitigating external risks while

creating new avenues for market expansion. The role of government and policymakers is vital in fostering a conducive environment through tax reforms, trade facilitation, and infrastructure development. By emphasizing sustainable practices and inclusive growth strategies that align with national and international frameworks such as the Sustainable Development Goals (SDGs), local markets like Nijgadh can significantly contribute to Nepal's broader economic development objectives. This study provides practical insights that can guide future initiatives aimed at supporting Nepal's local market economy.

Implications and Recommendations

Implications:

1. **Local Market Economy:** The findings highlight the importance of agro-based local marketplaces like Nijgadh to Nepal's economy. Addressing inefficiencies in these markets can significantly enhance the quality of life for rural residents and contribute to overall economic growth.
2. **Infrastructure Development:** Poor road conditions, high transportation costs, and unreliable public transit hinder market accessibility and efficiency. Improved infrastructure would benefit both suppliers and consumers by facilitating trade dynamics, reducing costs, and enabling quicker product transportation.
3. **Income Levels and Consumer Behavior:** The study reveals disparities in income levels alongside a prevalence of price-sensitive purchasing behavior. Strategies aimed at increasing income levels while providing affordable goods are necessary. Diversifying agricultural output could enhance local profitability while meeting a wider range of consumer demands.
4. **Climate Change Vulnerability:** Climate change poses significant risks to supply chains and agricultural productivity, underscoring the need for climate-resilient policies. Failure to address these

challenges could exacerbate existing social inequalities and destabilize local markets further.

5. **Limited Technological Awareness:** Despite its potential benefits, technology adoption remains low due to a lack of resources and awareness. Embracing digital transformation is essential for reaching new markets, reducing costs, and improving efficiency.
6. **Policy Barriers:** Respondents expressed expectations for government assistance in terms of infrastructure development, tax reforms, and trade facilitation. This indicates a need for comprehensive policies tailored to local contexts.

Recommendations

1. **Infrastructure Development:** Invest in road construction and maintenance to ensure reliable connectivity between rural and urban areas. Expanding public transit systems will provide affordable options for all demographic groups.
2. **Promote Agricultural Diversification:** Encourage the cultivation of high-value crops (such as fruits and vegetables) alongside staple cereals to help farmers diversify their income streams.
3. **Technology Integration in Markets:** Equip farmers and local vendors with the tools and training necessary to adopt affordable digital solutions for consumer engagement, marketing, and logistics.
4. **Address Climate Change:** Promote climate-resilient agricultural practices by encouraging the use of water-saving technologies and drought-resistant crops.
5. **Government Policy Support:** Develop measures that provide financial assistance to local entrepreneurs, facilitate trade processes, and offer tax incentives to stimulate market growth.

In summary, this study provides a comprehensive analysis of the local market conditions in Nijgadh Municipality while

highlighting the importance of addressing key challenges related to infrastructure, socioeconomic factors, technological integration, climate change resilience, and policy frameworks. By implementing the recommendations outlined above, stakeholders can enhance market efficiency and contribute significantly to the economic development of Nepal's rural communities. The insights gained from this research not only inform future initiatives but also align with broader national goals aimed at fostering sustainable economic growth through improved local market conditions.

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