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MARKET TOWNS AND URBAN-RURAL LINKAGES

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Market towns and cities in Africa play crucial roles in agricultural production, food distribution and marketing. They are likely to become even more important over the next two decades as Africa goes through profound changes of rapid urbanization and agricultural transformation. But international assistance organizations have not fully recognized the crucial roles that towns and cities play in agricultural and rural development. Nor are government investments in urban services and infrastructure, or programs for private sector expansion, designed to stimulate and strengthen the economic and physical linkages between urban and rural areas.

The rapid urbanization now taking place in Africa will influence the demand for food and the composition of agricultural production for the next quarter of a century. African governments and international assistance organizations must recognize five basic points if they are to adjust their development policies and programs in the future:

1. Towns and cities in Africa structure the marketing network through which agricultural commodities are collected, exchanged and redistributed. Agricultural goods that are not retained for household consumption or traded in rural periodic markets move through a complex network of public and private enterprises in villages, market towns, secondary cities and metropolitan areas.

2. Without this network of towns and cities, agricultural trade is usually restricted to periodic markets in which subsistence farmers exchange goods among themselves or with intermediaries. The incentives for increasing production that come with the ability of farmers to market their goods competitively is lost. In such circumstances, agriculture does not easily expand beyond subsistence production.

3. As agricultural productivity increases and farming becomes more commercialized, it depends more heavily on inputs such as fertilizers, pesticides, farm implements, irrigation equipment, storage and refrigeration facilities and transportation equipment that are produced in cities and distributed in rural regions

through market towns and small urban centers.

4. Rising incomes from increased agricultural production create internal demand for a wide range of household and consumer goods that can be produced in market towns and small cities or distributed through them. Without access to the goods and services that market towns and cities can provide there is little incentive for farmers to increase their output and raise their incomes, and little opportunity to improve their living conditions.

5. The ability of towns and cities to perform important functions in rural and agricultural development depends heavily on the diversity and quality of their infrastructure and facilities, the planning, management and financial capacities of their local governments, and on the strength of private enterprises to provide necessary services and productive activities.

Market towns and small cities in many parts of Africa are already playing a crucial role in providing the services, infrastructure and utilities necessary to support small- and medium-scale enterprises that generate off-farm employment. Many African ~~towns and cities act as centers of innovation diffusion for new~~ agricultural methods and technologies and are channels of agricultural information essential to increase production (Rondinelli, 1983). Many rural non-farm enterprises--raw material processing, manufacturing, construction, transportation, retailing, wholesale trading, and personal and financial services--are also located in African towns and cities, serving both urban residents and people from surrounding rural areas (Obudho, 1983).

In the future, if towns and cities are to play a stronger role in expanding off-farm employment opportunities, facilitating agricultural development, providing employment and offering the conditions necessary for private enterprise expansion, international assistance organizations and national governments will have to give much more attention to improving their physical infrastructure and public services. Investments in roads, market facilities, transportation facilities, housing, storage, and utilities will be needed in market towns and small cities. In addition, more attention will have to be given to strengthening the capacity of local governments to manage urban infrastructure and services efficiently.

URBANIZATION AND AGRICULTURAL DEVELOPMENT IN AFRICA

Although Africa is now the least urbanized region in the developing world, its rate of urban population growth is the highest. Urban population is expected to increase on average by more than 4.7 percent a year over the next decade. In 1960, there were only about 52 million people living in urban areas in Africa. By 1980, that number more than doubled to 129 million. At the end of the 1990s more than 340 million people--about 42 percent of the population--will be living in urban places. In northern Africa more than half, and in southern Africa about 60 percent, of the population will be urbanized (UNCHS, 1987).

Cities and towns in all size categories are growing in number and population. In 1960, there were only 4 cities in Africa with more than one million in population, and they had less than 8 million inhabitants. By 1980, the number of cities of more than a million people increased to 20 and will expand to 59 by the year 2000. Their populations will grow from about 37 million to nearly 83 million. The number of cities with from 100,000 to one million in population will increase from the 82 that existed in 1960 to 149 by the year 2000. And the number of people living in towns of less than 100,000 population grew from 24 million to nearly 58 million between 1960 and 1980 (UNCHS, 1987).

Although cities in Africa are growing rapidly, agriculture plays a crucial role in the economies of nearly all African countries, and will continue to do so for the foreseeable future. Agriculture contributes on average more than 40 percent of the gross domestic product in African countries. More than 75 percent of the labor force is engaged in agriculture. Primary sector goods account for more than 68 percent of total African exports (World Bank, 1986). In addition, African governments derive a large amount of revenues from direct and indirect taxes on agriculture (Lele, 1981).

But the average annual rate of growth in agricultural production in much of Africa has declined during the 1970s and 1980s. A number of countries--including Ethiopia, Mali, Mozambique, the Sudan, Ghana, Cote d'Ivoire, Botswana, and the Congo--all had negative average annual growth rates in agriculture during the first half of the 1980s. Moreover, agriculture's share of exports dropped during the early 1980s by 50 percent of its level during the 1960s. Agriculture's contribution to gross domestic product in Africa's lowest income countries declined from about 47 percent in 1965 to about 38 percent in 1984, at a time when industry's contribution rose only from 15 to 16 percent (World Bank, 1986).

IMPORTANCE OF URBAN SETTLEMENTS FOR AGRICULTURE AND RURAL DEVELOPMENT

The roles that African towns and cities play in support of agriculture will become increasingly important over the next decade. Governments in African countries, and international assistance organizations, will have to deal more effectively with urban-rural relationships in three types of economies: 1) in regions where agriculture is still at a low-surplus or subsistence level; 2) in regions in transition to commercial agricultural production; and 3) in regions with large cities and metropolitan areas.

Urban-Rural Linkages In Low Surplus Agricultural Areas

In low- surplus and subsistence regions, where less than half of the agricultural production is traded, rural households do not participate heavily in market activities. Much of the traded surplus is exchanged in small lots in periodic market places, or is collected at the farm gate by itinerant brokers or traders who resell it in larger lots at markets in towns and cities. Although intermediaries, brokers, and traders play a crucial role in the exchange process in low-surplus areas, they can also be a source of exploitation that keeps farmers in poverty.

The marketing characteristics of low-surplus agricultural regions can differ drastically in different parts of Africa and, indeed, in different parts of the same country. Yet the spatial aspects of marketing have some common characteristics in nearly all low-surplus regions. Among the common features are: 1) low levels of marketing interaction among low-income households, and weak trade linkages between rural areas and towns and cities; 2) strong dependence of most farmers on intermediaries and brokers to collect and market their surplus goods; 3) short geographical distances of market interaction for most rural families who trade primarily in periodic market-places; 4) long travel distances for most rural residents to towns and cities for purchases of specialized goods and services; and 5) relatively small numbers of towns and villages with significant levels of market trade. In subsistence or low-surplus regions widely scattered and poor connected towns function primarily as rural service centers (Rondinelli, 1987).

In many subsistence regions, there are few market towns and cities that provide outlets for the sale of agricultural surpluses and for the distribution of inputs and consumer goods and services. Other low-surplus regions do have large numbers of small towns, but the settlements are not physically and economically integrated and their markets are not vertically coordinated. Small town markets often are not linked to bulking and assembly centers in intermediate cities, and the intermediate city markets are not effectively linked to the larger urban markets for agricultural products. Nor are linkages between market towns and intermediate cities and their surrounding rural areas strongly developed. Thus, only those people living in market towns and cities usually benefit from their services and facilities. Those living in peripheral or far-distant areas have little or no access to either markets or agricultural inputs.

Studies of the Shaba region of Zaire, for example, point out that poorly organized marketing systems and badly maintained roads have permitted only a small number of merchants to transport crops from the countryside to the major cities. This small group of merchants controlled farm gate prices (Nsaku and Ames, 1984-1985). Because of the lack of or delay in receiving information about market prices--due in large part to their physical isolation from market towns and their inability to participate directly in market activities--most poor farmers in Shaba were at the mercy of intermediaries who paid a lower price for the agricultural goods than the going market rate in order to cover their high transport costs. After continuing to receive low prices for their goods year after year, farmers in the Shaba region were discouraged from increasing their output, and consumers in towns and cities were forced to pay higher prices for maize in the market. This forced the government to import maize to feed the growing urban population.

Studies in other parts of the developing world indicate that small and marginal farmers usually have more marketable surpluses than agricultural experts expect. But inefficient agricultural marketing systems and limited access to market towns have serious negative impacts on farmers' living conditions. Poor access to markets increases the proportion of marketing costs for all farmers, but has stronger adverse impacts on small and medium sized farmers than on large scale producers (Bohle, 1985). When they have a choice, farmers prefer to trade even in small periodic markets rather than to depend exclusively on intermediaries. Research on grain and livestock transactions in the Cinzana region of central Mali, for example, indicate that the majority of transactions in all commodities take place in weekly markets rather than in the villages where farmers live, because the periodic market centers provide better access and terms of trade than other means of exchange (Coulibaly, 1985).

The lack of an effective system of market towns in rural regions not only limits the accessibility of farmers to market outlets and increases transport costs, but it also limits their access to the social services and consumer goods that provide important incentives for increasing production and household income.

This common-sense conclusion is clearly voiced in the traditional song sung by farmers in Papua-New Guinea, for example, and variations are heard in songs, tales and jokes in other parts of the world as well. It goes like this (Epstein, 1985):

The primitive farmer says cash
Is unsatisfactory trash;
  It won't keep off rain
  And it gives me a pain
If I use it to flavor my hash.

So why should I work out my guts,
At the whim of these government mutts.
  My liquor comes free
  From the coconut tree
And my Mary makes cups from the nuts.

Should I walk for three days into town,
Sell a sack of spuds for a crown,
  Buy a bottle of beer
  And fall flat on my ear?
No, I'd rather stay here and lie down.

If I act in a rational way
I'll just sit on my backside today.
  When I want a good feed
  I've got all that I need
Piping hot and there's nothing to pay.

Cash cropping is all very well
If you've got something to sell;
  But tell me, sir, why
  If there's nothing to buy
Should I bother? You can all go to hell.

In the absence of accessible markets for selling agricultural surpluses and for purchasing goods and services with increased income, there is little motivation for rational farmers to increase output.

Roles Of Market Towns In Commercializing Agricultural Regions

In regions that are in transition from low-surplus to more commercialized agricultural economies, the requirements for increasing agricultural output become more numerous and complex. When the demand for and the supply of agricultural goods begin to grow larger, increased production depends on modern farming technologies that raise both yields from existing land and the output per unit of human time. Modern agriculture depends not only on new technology and research and extension, but also the production of industrial inputs and on government policies and programs that support agricultural development (Mellor, 1967; Wharton, 1969).

The linkages that emerge between agriculture and commercial and manufacturing activities in towns and cities as development occurs take a number of forms:

First, as agricultural productivity increases and farming becomes more commercialized, it depends more heavily on manufactured inputs, including fertilizers, pesticides, farm implements, flood control and irrigation equipment, land clearance equipment, tractors, agricultural chemicals, storage and refrigeration facilities, and transportation equipment. Most of these inputs are produced in cities and must be distributed through a network of market towns if they are to reach farmers (Johnston and Kilby, 1975).

Second, the economies of market towns and small cities also come to depend more heavily on increased agricultural output. Agricultural products provide inputs for expanding agro-processing industries--those that mill grains and rice, process meat and dairy products, and refine sugar, for example--many of which are located in small towns and cities in rural regions. Agriculture also provides inputs such as natural fibres and livestock by-products to non-food processing industries (UNIDO, 1972). In many African countries, market towns and small cities offer locational advantages for agro-processing and agribusiness enterprises (Rondinelli, 1983).

Third, and equally important, rising rural household incomes from increased agricultural production create internal demand for a wide range of manufactured goods produced in cities. Research shows that where agricultural production has increased beyond the subsistence level, demand has increased rapidly among rural ~~households initially for clothing, shoes, sandals, combs,~~ brushes, cosmetics, plastic, light fixtures, wooden furniture, bricks and paint for home improvements, bycicles, radios, and electric fans. As incomes continue to rise, greater demand is created for consumer durables such as televisions and motor vehicles (Johnston and Kilby, 1975). Market towns and small cities can accommodate the shops and stores that meet growing consumer demand in rural areas as agricultural development proceeds.

Fourth, as agricultural productivity increases, market towns and small cities must play a more vigorous role in supporting small-scale enterprises and generating off-farm employment. Rapidly increasing agricultural productivity frees labor from farming and pushes people from rural areas into towns and cities in search of new employment and investment opportunities. Employment in towns and cities allows farmers in nearby rural areas to supplement household income. Remittances earned by migrants provide additional income for household members remaining in rural areas.

A growing number of studies confirm the conclusion that the expansion of private enterprise in market towns and small cities in rural regions is essential for developing agriculture and for generating off-farm employment (Liedholm and Meade, 1986). ~~The World Bank (1978) has found that increasing~~ agricultural production and employment in off-farm enterprises is necessary to raise rural household income, retain population in rural regions, moderate the migration from rural areas to large cities, and diversify rural economies. In many countries small- and medium-scale enterprises in rural regions are at the nexus of a constellation of activities that accelerate economic growth (Steel and Takagi, 1983).

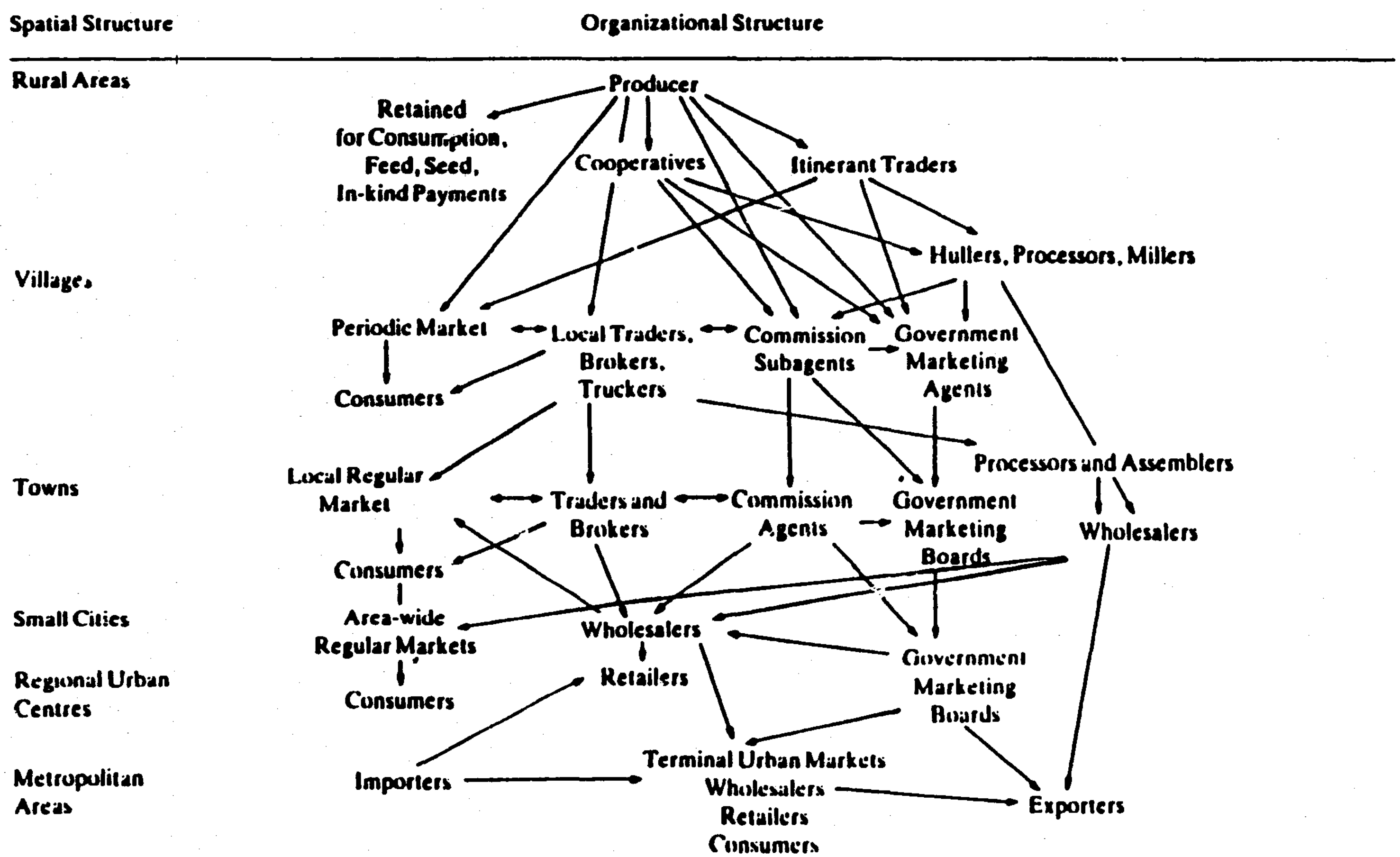
Rural enterprises now provide a primary source of employment and income for between 25 and 33 percent of the rural labor force in developing countries. They provide part-time employment and supplementary income for small-scale farmers, and full time employment for townspeople in food preparation, construction, personal services, transport, agro-processing, commercial services and small-scale manufacturing activities. In Kenya, for example, rural nonfarm enterprises include a wide range of these activities that are primarily located in market towns and small cities. Employment in the rural nonfarm sector in Kenya is about 8 times as large as in the urban informal sector (Freeman and Norcliff, 1981). In many market towns in Africa, women are the primary vendors and retailers of cereals, grains, vegetables and prepared foods as well as cottage industry products. Small-scale and informal enterprises in market towns are crucial to enhancing their household income.

Fifth, market towns and cities can also facilitate agricultural and rural development in other ways. Market towns act as centers of innovation diffusion for new agricultural information, methods and technologies developed in larger urban centers or abroad. The population growth and economic diversification of these towns and cities also influence the agricultural cropping patterns and land uses in surrounding rural areas (Wortman and Cummings, 1978).

Finally, the single most important function of towns and cities is that they form an essential marketing network through which agricultural commodities are collected, exchanged and redistributed. (See Figure 1.)

In nearly all commercial agricultural regions, agricultural goods that are not retained for household consumption, feed, seed or in-kind payments, move through a complex network of public and private enterprises based in villages, market towns, and intermediate- sized and large cities (Rondinelli, 1986). Both food and nonfood agricultural products are marketed by farmers in rural areas through cooperatives, itinerant traders, brokers, hullers, processors, and millers, or directly by farmers themselves in village periodic markets. Food products are also sold in market towns to brokers and truckers, commission agents, and government marketing agents, or directly to consumers in market places. Often some portion of the agricultural products

Figure 1. *Model of a Simplified Food Marketing System in Developing Countries*



Source: Rondinelli (1986)

sold in villages and towns is bulked by traders, brokers and truckers, processors and assemblers, and commission agents for resale in regular markets and to wholesalers and retailers in larger towns and cities. Government marketing boards, wholesalers, and brokers often re-bulk goods not sold in town and small city markets for sale in metropolitan areas to exporters, urban wholesalers, retailers, public institutions, supermarkets, informal sector vendors, restaurants and hotels, grocery stores and a wide range of other outlets. Thus, towns and cities not only facilitate the marketing of farm products, but are essential to the whole chain of exchange on which commercial agriculture depends.

In brief, where they function effectively, market towns and small cities provide outlets for agricultural goods and products of cottage industries from surrounding rural areas. They provide employment opportunities for both town and rural residents in a wide range of agricultural processing and market-related trade activities. They function as agricultural supply centers, providing equipment, seeds, fertilizer, machinery, repair services, and information needed for agricultural development. Many towns and small cities also offer an impressive array of economic, personal, commercial, and public and social services needed by rural households.

Market Towns as Links to Agricultural Markets [illegible] Large Cities

International assistance organizations and African governments have largely ignored the role of large cities and metropolitan areas as markets for agricultural goods, and the importance of market towns in linking rural areas to them (Rondinelli, 1987a). Where they exist in Africa, large cities are important market centers for agricultural goods produced in peripheral and rural areas. For example, in Tanzania, farmers from the rural hinterlands of Dar es Salaam, Morogoro and the Coast Region, Mbeya, Arusha and Lushoto all supply the major wholesale market in the city of Dar es Salaaam (Sporrek, 1985). The largest amounts of food are bulked at villages and towns well known to producers in the supply areas by truckers, middlemen and small-scale wholesalers.

In most large African cities, the distribution, preparation, and sale of food involve a large number of workers in both large and small enterprises and in informal sector activities. The wholesale market in Dar es Salaam, for example, distributes food to supermarkets, numerous provision and food stores, and hundreds of small groceries. About 60 percent of the food in Dar es Salaam is marketed through small shops, and about 25 percent is sold by street and market vendors or by rural producers themselves (Sporrek, 1985).

Much of the investment and employment in the informal sector in African cities are related to food distribution, preparation and sale and employ the labor and entrepreneurial skills of women. And the linkages between the formal and informal sectors involved in urban food distribution and sale are usually quite strong (Rondinelli, 1987a).

For farmers in many rural regions with commercial agricultural economies, large cities and metropolitan areas are the final markets for their products and the sources of many of their manufactured inputs and consumer goods.

POLICY IMPLICATIONS FOR A.I.D. AND HOST COUNTRY GOVERNMENTS

Although A.I.D. and other international assistance organizations have provided marketing assistance for poor farmers and for small- scale enterprises involved in urban food distribution, they have not thusfar focused their attention on ways of strengthening the systems of market towns and cities on which increased agricultural production, employment expansion, and enterprise development so heavily depend. Much of the assistance that has been given by international organizations in the past has been for improving agricultural production technology rather than for expanding or improving marketing systems. Nor have most governments in Africa given serious consideration to locating their investments in agricultural support services, physical infrastructure, housing and urban social services and facilities more effectively in market towns and small cities. They have ignored the opportunities to locate investments in ways that will strengthen relationships among these investments and the capabilities of towns and cities to facilitate agricultural marketing and private enterprise development.

Given the rapid pace of urbanization in Africa, the urgent need to increase food production in rural areas and to expand employment opportunities in urban settlements, policies that focus on strengthening urban-rural linkages will become crucial to the economic progress of African countries over the next two decades.

A.I.D. and other international assistance orgnaizations can make an important contribution to solving the food production and employment problems in Africa by providing financial and technical assistance that strengthens their marketing systems and the network of towns and cities in which market centers are based.

Policy Dialogue and Policy Reform

International assistance organizations can play an important role in helping governments in African countries to reassess and coordinate their national policies affecting urbanization and agricultural development. The problems of agricultural development, employment generation and enterprise development are inextricably related. If agricultural development and employment expansion programs are to be successful, national policies must contribute to creating four conditions (Mellor, 1986). First, there must be an acceleration in the growth rate of agricultural production. In most African countries, increases in agricultural ouput will come through changes in technology and pricing policy. Second, the expenditures from increased income derived from accelerated agricultural production must create demand for a wide range of goods and services produced by enterprises in towns and cities. Third, an effective marketing system must be created to lower food procies and to encourage employment in nonagricultural sectors by making labor less expensive than the goods and services it produces. Finally, a well integrated system of market towns and cities with appropriate infrastructure and services must be available to provide agricultural inputs and technology, to provide consumer goods and services, to support small and medium scale enterprises that generate off-farm employment, and to provide market outlets for agricultural surpluses.

National policies support or inhibit the creation of these conditions. The ability of market towns and cities to facilitate increased agricultural production depends on appropriate agricultural pricing policies. If government policies and pricing restrictions act as disincentives for increased agricultural production there is no reason to believe that the existence of market towns alone will create incentives for increased output.

In countries with predominantly low surplus agricultural production or in which the private sector is weak, governments may have to take a strong role in providing at least a minimum package of agricultural inputs. In the short run, governments may have to provide inputs that farmers cannot easily provide for themselves individually or through cooperative activities, or that private enterprises cannot offer effectively or efficiently.

Investment in Market Town Infrastructure and Services

International assistance organizations can play an important function in helping African ~~governments with the allocation and~~ location of investments in infrastructure, services and facilities in market towns and cities. Because investment resources are scarce in most developing countries, many projects that are needed to support agricultural development and off-farm enterprises cannot be scattered widely over the countryside. They must be concentrated in strategically located settlements that have adequate populations to support them and that are accessible to people living in a large surrounding rural area.

The most important elements of an infrastructure and services investment program for market towns in low surplus and commercializing agricultural regions, are:

1. Basic market-support infrastructure, especially community storage facilities, adequate transportation facilities, and farm- to-market and inter-market roads that can increase the physical access of farmers to market towns and small cities.

2. Public services, facilities and utilities that support small- and medium- scale enterprise development in market towns and small cities. Public facilities are especially important for small and medium scale industries providing basic consumption goods and agricultural inputs.

3. ~~Basic health, education and social services that~~ improve the productive resources of town dwellers and the rural

population. Once these basic social services are in place they can create the preconditions that allow private enterprises and nongovernment organizations to offer a wider range of personal and commercial services in small towns and cities (Wanmali, 1985).

4. Investments in market facilities, credit and technical assistance for small- and medium-scale commercial, farm supply, agricultural processing, and food distribution enterprises in towns and cities. Priority for investment should be given to towns and cities that are strategically located to serve a large rural population from surrounding areas.

A.I.D. can also help African governments to improve the financial management capacity of municipal governments in market towns and small cities, to develop new methods of raising local revenues for providing infrastructure and services, and to improve municipal management capability to maintain them. A.I.D. can play a crucial role in helping national governments in Africa to decentralize appropriate services to the local level, and create decentralized financial and management capabilities in local governments and nongovernment organizations.

In making investments in services and facilities in market towns in Africa, A.I.D. and African governments must take into consideration the special role that women play in both agricultural production and market place trade. It is estimated that 85 percent of the rural women in Africa work in agriculture and that 80 percent of food consumed in rural areas is produced, processed and stored by women (Cassem, 1987). Women are heavily inovlved in--and in some countries have a crucial role in managing--all aspects of the food system in market towns and cities. Their needs as participants in distribution, marketing and processing must be considered, and their participation in program planning and implementation can strongly influence the success of investments aimed at strengthening the economic functions of market towns.

Investments in Urban-Rural Physical Linkages

Although most governments in developing countries allocate inadequate resources to agriculture and marketing, significant changes in rural-urban marketing systems can be brought about without massive new investment. Careful locational analysis and planning of current investment to promote a pattern of decentralized concentration of productive activities and market facilities in existing market towns and cities can begin to strengthen the capacity of these places to facilitate agricultural development. Strengthening the marketing functions of towns and cities must be done carefully, incrementally, and strategically. Not all towns and cities in a region can or should have a full range of marketing services, facilities and infrastructure. One of the benefits of having a well developed and integrated system of towns and cities is that it provides access to a wide range of functions for a large number of people without each settlement having to provide all of them.

A.I.D. has already developed applied methods of regional analysis that can be used to identify the market towns and cities that perform important support functions and to determine their investment needs (Rondinelli, 1985). Incremental changes in the allocation and location of already- planned investments can be the basis for building a stronger network of market centers from which to provide the services, facilities and productive activities needed to stimulate rural economies.

For these towns to perform their functions effectively, however, they must be linked together physically in a network that forms an integrated market system. Investments are needed in roads, tele-communications, and rail and waterway transportation. A.I.D.'s studies of rural-urban road investments in developing countries indicate the pervasive impacts these physical linkages can have on both agricultural and urban development. Among the benefits of farm-to-market and arterial roads in countries with conducive agricultural policies have been

(Anderson and Vandervoort, 1982): lower transport costs, significant agricultural production increases, changes in crop composition, adoption of commercial inputs and more effective agricultural extension services. The extension of road systems also facilitated the spread of agricultural processing activities in rural regions, increased land values in areas along the roads, stimulted new and more effective marketing patterns, increased access to off-farm employment, and provided easier access to social and public services to a larger number of rural households.

CONCLUSIONS

In brief, as part of national strategies for agricultural transformation and urbanization, development programs for market towns and cities that improve urban-rural linkages and strengthen regional marketing systems can make important contributions to increasing agricultural production, expanding employment, and promoting private enterprise.

But before A.I.D. can engage in policy dialogue with governments in Africa or extend financial and technical assistance effectively, much more needs to be learned about rural-urban food and input-supply marketing systems in developing countries.

Although A.I.D. has sponsored a large number of commodity marketing studies in developing countries, neither it nor other international assistance organizations have done extensive research on the spatial characteristics of urban food marketing systems or the regional patterns of market interaction.

Nor do we understand fully the social and economic changes--some of which can be adverse for the poorest rural households in the short run--of expanding market systems in subsistence agricultural regions.

Much more research also needs to be done on the dynamics of market towns and small city growth and on the kinds of investments that support and facilitate development of market towns and small cities at different stages of growth.

Little comparative research has been done on the strengths and weaknesses of different organizational structures for decentralizing financial and management responsibilities to municipal governments in African countries or on the most effective means of generating local revenues.

Despite these gaps in knowledge, however, policies and programs for developing market towns and cities and strengthening urban-rural marketing linkages will offer A.I.D and African governments a challenging opportunity in the future to stimulate agricultural development and guide urbanization in mutually beneficial ways. The success of those policies and programs may well determine the success of national economic development efforts in Africa during the next decade and the early years of the next century.

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