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Urbanization in Nepal

"NEPAL is mainly an agrarian country with about ninety-three percent of the labor force in agriculture, 2.5 percent in business, one percent in industry, and two percent in services.¹ Only about ten percent of the population are literate in the country. With such a high degree of agrarian economy, and low level of socio-economic development, it is natural that the urban population of the country in 1971 was only about four percent of the total 11,555,983 population.²

The population of Nepal increased from about 6.3 million in 1941 to 8.5 million in 1952-54 to 9.4 million in 1961, and to 11.6 million in 1971. The annual growth rate was 2.9 percent in the first, 1.4 percent in the second, and 2.3 percent in the third period. Urbanization in Nepal is a recent phenomenon, which started from a very narrow base. It is estimated that urban population accounted for only 2.1 percent of the total population in 1941.

1. Pushkar R. Reejal, "The Nature and Problems of Emigration from the Rural Areas of Nepal: A Case Study with Special Reference to Gurkha Mercenaries Guards" (unpublished M. A. Thesis, University of Pittsburgh, 1972), p 65.

2. The Central Bureau of Statistics of Nepal has defined an area as an urban place if it consists of 5,000 or more population with such facilities as high school, college, government offices, other offices, bazaar, communication lines, and manufacturing. See Central Bureau of Statistics, *Rashtriya Jana-Ganana : 2018 ko Parinam, Dwitiya Bhag* (National Census : Result (Contd. on page 237)

But the growth rate of urban population has been rather impressive. The population of places of over 10,000, comprising virtually all the urban population, had shown an increasing annual growth rate over the last three decades. The growth rate rose from 4.2 percent in the 1941-1952/54 to 5.5 percent in 1961-1971, whereas the annual growth rate of the total population has decreased from 2.9 to 2.3 percent. The urban proportion did not change significantly between 1941 and 1954³ but it increased to 3.8 percent in 1971. In terms of absolute increase, urban population had more than trebled during the preceding thirty years to a figure of 432,874 in 1971.⁴ The number of urban places of over 10,000 increased from three to twelve in 1971.

Urbanization, modernization and economic development are interrelated phenomena. Nepal entered this phase of multiplex development only about two decades ago. For over a century before 1951, the Ranas ruled the country as hereditary prime ministers under the title of *Maharaja* (Great King), even though the Shaha kings called *Mahamjadhiraj* (King of Great Kings) were the legal heads of the state. The latter did not enjoy any political and administrative powers. Socio-economic development of the country during this period was greatly retarded since the Ranas did not pay much attention to the country's general welfare.⁵ However, as inde-

of 1961, Vol. 2) (Kathmandu : Central Bureau of Statistics, 1967), p. 38. Nevertheless, the Central Bureau of Statistics was apparently inconsistent in defining the area for its different censuses. For example, five areas declared as urban in the 1961 census were not considered so in the 1971 census by the Central Bureau of Statistics (see Table 3). Because of this inconsistency, the census of urban populations tend to give a misleading picture of the urban trend in the country. To avoid this misleading picture, only places of over 10,000 are used to refer to urban populations hereinafter, for the urban places removed from the urban list of the 1971 census had population less than 10,000 in 1961.

3. Percentages of urban population in 1941 and 1952-1954 were 2.1 and 2.4 respectively. Because of a practical difficulty, the 1952 census was conducted only in the eastern part of Nepal, and the census for the western part including the Kathmandu Valley was conducted in 1954.

4. Urban population in India increased only three-fold during the sixty year period (1901-1961) to 78.8 million which accounted for eighteen percent of the total population in 1961. In 1971, the urban population of India consisted of twenty percent of her total 547.9 million people.

5. For some examples of the Ranas' suppressions on Nepalese people against their socio-economic development, see Bhuban Lal Joshi and Leo E. Rose, *Democratic Innovation in Nepal: A Case Study of Political Acculturation* (Berkeley : University of California Press,

(Contd. on page 238)

pendence and democracy were achieved in India after World War II, the Ranas could not protect their oligarchic, autocratic rule against the demands of the Nepalese intelligentsia and desire of the late King Tribhuvan B.B. Shaha for democracy and a more open progressive society. The Rana regime came to an end in 1951.⁶ With the end of the Rana regime, Nepal underwent a dramatic shift in national goals and aspirations. In this context Reeds remarked:

Nepal's goals have altered since the pre-1950 period in a number of aspects: from national isolation to participation in the international scene; from indifferences toward massive poverty and disease to concern for a better standard of living; from almost universal illiteracy to a goal of functional literacy for all. The first phrase of these is a reflection of the actual situation that was the deliberate choice of the ruling class. The goal actively pursued by the nation's government before the 1950 revolution was poverty and ignorance for almost all the people. Since the 1950 revolution, Nepal has changed from an almost completely authoritarian, tyrannical political system to one seeking greater popular participation; from a provincial population involved in only family, village, and tribal affairs to a growing awareness of national problems and a developing nationalism; from an economy of nearly 100 percent agricultural to one aspiring to some degree of industrialization and modernization; from a feudal land system to the aim of greater control of land by the workers.⁷

II

Different parts of Nepal present different pictures of urbanization, and it is necessary to look at these different areas separately in order to under-

1966), pp. 50-53; and A. Gupta, *Politics in Nepal: A Study of Post-Rana Political Developments and Party Policies* (Bombay: Allied Publishers Private Ltd., 1964), pp. 17-18. For economic and social conditions in Nepal during the Rana regime, see S. Kumar, *Rana Polity in Nepal: Origin and Growth* (New York : Asia Publishing House, 1967), pp. 132-41.

6. Beside the autocratic rule of the Ranas, there have been found several other reasons such as the conflict between the Rana family and the Shaha family, groups outside the usual political factions, and dissident elements within the Rana family itself., for the fall of the Rana regime. See Joshi and Rose, *op. cit.*, footnote 5, pp. 40-56.

7. H. Reed and M. J. Reed, *Nepal in Transition: Educational Innovation* (Pittsburgh; University of Pittsburgh Press, 1968), pp. 1-2.

TABLE 1—URBAN POPULATION TREND OF NEPAL,

	<i>Years</i>				<i>Annual Growth Rate (%)</i>		
	<i>1941</i>	<i>1952/54</i>	<i>1961</i>	<i>1971</i>	<i>1941-1952/1954</i>	<i>1952/1954-1961</i>	<i>1961-1971</i>
<i>Nepal :</i>							
Total Population	6,283,649	8,473,478	9,412,996	11,555,983	2.9	1.4	2.3
urban Population	N.A.	238,275	336,222	461,938	N.A.	5.1	3.7
Population of Places of over 10,000	131,143	201,932	278,548	432,874	4.2	4.7	5.5
Population of Places of 5,000-10,000	N.A.	36,343	57,674	29,064	N.A.	7.3	-5.0
<i>Terai :</i> Population of Places of over 10,000	N.A.	20,850	75,939	162,700	N.A.	29.4	11.4
<i>Eastern Terai :</i> Population of Places of over 10,000	N.A.	10,037	60,122	109,090	N.A.	55.4	8.1
<i>Western Terai :</i> Population of Places of over 10,000	N.A.	10,813	15,817	53,610	N.A.	6.6	23.9
<i>Kathmandu Valley :</i>							
Total Population	323,336	415,761	459,990	618,911	2.9	1.5	3.5
Urban Population	131,143	181,082	202,609	249,563	2.9	1.7	2.3 (3.7)*
<i>Kathmandu District :</i>							
Total Population	122,340	195,933	224,867	353,756	4.6	2.1	5.7
Urban Population	68,594	106,579	121,019	150,402	4.3	1.9	2.4 (4.8)*

*This is an adjusted growth rate calculated by including the urbanized areas of Kathmandu, that are not incorporated. SOURCE : See Table 3.

TABLE 2-URBAN POPULATION TREND OF NEPAL

	Percent			Number of Urban Places			
	1952/54	1961	1971	1941	1952/54	1961	1971
Urban Population of Total							
Population	2.8	3.6	4.0	N.A.	10	16	16
Urban Population of Places of Over 10,000 of Total Population	2.4	3.0	3.8	3	5	7	12
Urban Population of Places of 5,000-10,000 of Total Urban Population	15.2	17.1	6.3	N.A.	5	9	4
Terai's Urban Population (Places of Over 10,000) of Total Urban Population (Places of Over 10,000)	10.3	27.3	37.6	0	2	4	8
Eastern Terai's Urban Population (Places of Over 10,000) of Total Urban Population (Places of Over 10,000)	5.0	21.6	25.2	0	1	3	5
Western Terai's Urban Population (Places of Over 10,000) of Total Urban Population (Places of Over 10,000)	5.4	5.7	12.4	0	1	1	3
Western Hills' Urban Population (Place of Over 10,000) of Total Urban Population (Places of Over 10,000)	0.0	0.0	4.8	0	0	0	1
Kathmandu Valley's Urban Population of Total Urban Population (Places of Over 10,000)	89.7	72.8	57.7 60.4*	3	3	3	3
Kathmandu's Population of Total Urban Population (Places of Over 10,000)	52.8	43.4	34.7 38.7*				
Kathmandu's Population of the Kathmandu District's Population	54.4	53.8	42.5				

SOURCE: See Table 3.

*This is an adjusted figure calculated by including urbanized areas of Kathmandu that are not incorporated. Population of the urbanized areas outside the city of Kathmandu was estimated by the writer on the basis of a sampling survey conducted in 1970, which rather seems an underestimation.

TABLE 3—TREND OF URBAN PLACES BY REGION

Population				Annual Growth Rate (%)		Male/Female Ratio
	1952/54	1961	1971	1952/54-1961	1961-1971	1971
Nepal						
Total Population	8,473,478	9,412,996	11,555,983	1.4	2.3	1.01
Urban Population	238,25	336,222	461,938	5.1	3.7	1.17
Kathmandu Valley						
Kathmandu	*106,579	*121,019	* 150,402	1.9	2.4	1.18
Patan	*42,183	*47,713	*59,049	1.9	2.4	1.06
Bhadgaon	*32,320	*33,877	*40,112	0.7	1.8	1.08
Thimi	*8,657	*9,719	N.A.	1.8	—	—
Kirtipur	*7,038	*5,764	N.A.	-2.6	—	—
Eastern Teraf						
Biratnagar	*8,060	*35,355	*45,100	37.6	2.8	1.36
Dharan	4,401	*13,998	*20,503	24.2	4.6	1.16
Hetauda	189	1,712	*16,194	89.5	84.6	1.12
Janakpur	*7,037	*8,928	*14,294	3.0	6.0	1.21
Birgunj	* 10,037	* 10,769	* 12,999	0.8	2.1	1.34
Rajbiraj	2,376	*5,232	*7,832	13.4	5.0	1.35
Bhadrapur	1,478:	N.A.	*7,499	—	21.4**	1.44
Illam	920	N.A.	*7,299	—	36.5**	1.06
Malangawa	*5,551	*6,721	N.A.	2.3	—	-
Matihani	4,298	*5,073	N.A.	2.0	—	—
Western Terai						
Nepalgunj	*10,813	*15,817	*23,523	6.6	4.9	1.20
Bhairahawa	1,154	N.A.	*17,272	—	82.2**	1.17
Butawal	2,597	N.A.	*12,815	—	23.1**	1.17
Western Hills						
Pokhara	N.A.	*5,413	*20,611	—	28.1	0.94
Tansen	4,705	*5,136	*6,434	1.3	2.5	1.12
Eastern Hills						
Banepa	4,784	*5,688	N.A.	2.1	—	—

* Urban places for the respective years as classified by the Central Bureau of Statistics.

** Annual growth rate for the 1952/54-1971 period.

SOURCE : Central Bureau of Statistics, *Nepal ko Janaganana* (Population Census of Nepal, 1952/54) (Kathmandu : Central Bureau of Statistics, 1957); *Idem, Rashtriya Jana-Ganana: 2018 ko Parinam, Dwitiya Bhag* (National Census : Result of 1961, Vol. 2) (Kathmandu: Cental Bureau of Statistics, 1967); and *Idem, Sankhikiya Sandesh* (Statistical Bulletin), Vol. 9 (July 30, 1973). Computations were done by the writer.

stand the urbanization process in the country. The country can be divided into three geographical or economic regions: (a) the Kathmandu Valley, (b) the Terai region including interior Terai areas, and (c) the hilly region.

The Kathmandu Valley with its three cities—Kathmandu (Kantipur), Patan (Lalitpur) and Bhadgaon (Bhaktapur)—has played the dominant role in Nepalese urbanization. Before 1941, these three cities were the only urban communities with over 10,000 population in the country. Although the number of such urban places increased to twelve by 1971, the additional ones were outside the Valley, thus reducing the proportion of the Valley's urban population to the country's overall urban population. Nevertheless, the Valley still accounts for about sixty percent of the total urban population. The annual growth rate of urban population in the Valley including unincorporated urbanized areas of Kathmandu was almost four per cent as compared to two per cent for the nation as a whole during the years 1961-1971,

Before 1951, Kathmandu was not only isolated from the outside world deliberately by the Rana ruling class, but also its sphere of influence within Nepal itself was very limited.⁸ After 1950, Kathmandu experienced increasing interaction with foreign countries. It has served as the focal point of socio-economic development for the country. It has acted as the diffusing center of new ideas and aspirations. It has become the locus of political and economic powers, and the national center for education and administration. It has emerged as the home and sanctuary of Nepalese elites. Many Foreign countries and international organizations, have now their offices and activities in Kathmandu. All these factors working together have contributed to the viability of Kathmandu. Consequently, people have poured into Kathmandu not only from rural areas but also from other urban areas—some in search of employment, some for business purposes, and some to find better jobs and education. As a result, in 1970 about one-third of the total household heads in Kathmandu were found to be born outside Kathmandu.

8. But a few representatives of the British Government to Nepal were allowed to visit Kathmandu, and the first British Mission arrived in Kathmandu as early as 1792 under Colonel Kirkpatrick.

By playing a leading role in the modernizing process in Nepal, the capital city of the nation, Kathmandu, experienced not only the highest urban growth rate in the Valley but also the highest increase in absolute number of people among all urban places in the country. The growth rate during 1961-1971 was about five per cent with an increase of over 50,000 population, almost the size of the second largest city in the country.

TABLE 4-PERCENTAGES OF KATHMANDU'S HOUSEHOLD HEADS BY BIRTH PLACE

<i>Birth Places</i>	<i>Percent</i>
Kathmandu	68.6
Patan	2.0
Bhadgaon	1.5
Other places in the Kathmandu Valley	4.3
Eastern hilly region	9.6
Western hilly region	6.4
Eastern Terai	3.0
Western Terai	0.3
Foreign countries	4.2

SOURCE : Tuiasi R. Joshi, "Exploration of the Socio-economic Ecology of Kathmandu, Nepal: A Factor Analysis Approach" (Unpublished Ph.D. Dissertation, University of Pittsburgh, 1972), p. 199.

In Kathmandu, the rate of growth has been much higher in the outer city and the fringe areas over the last twenty years as compared to the inner city⁹. The growth rate of the city of Kathmandu (combining both the inner city and the outer city) is not so impressive; the annual increase was only 1.9 per cent in 1954-1961 and 2.4 per cent in 1961-1971 as compared to 4.3 per cent in 1941-1954. The main reason for this relatively low growth rate was that the city, especially the inner city had approached the "saturation point of housing", and there was less and less space left every year for additional housing.

9. Hereinafter, "inner city" refers to the old section of the city, "outer city" refers to other areas of the city, and "city fringe" or "fringe areas" refers to the contiguously built-up areas outside the city boundary.

But the annual growth rate of the Kathmandu District for 1961-1971 was more than double the annual growth rate of the city of Kathmandu. This remarkable growth of the District, was due to the phenomenal population growth in the outer city and fringe areas of Kathmandu, where not only new arrivals found a place to live but also people from the inner city fled to escape the congestion of the city core. In the fringe areas, it is estimated that the population increased by more than sixty per cent in 1961-1971.¹⁰ These areas are not included in the city boundary of Kathmandu. But they are a part of urbanized Kathmandu, and by including them, the estimated annual population growth rate of Kathmandu would be at least 4.8 percent for the 1961-1971 period as compared to 2.4 per cent for the city itself.

Kathmandu, it is interesting to note, has not, however, experienced the squatter problem faced by many large cities of developing countries such as Calcutta, India; Karachi, Pakistan; Manila, Philippines, and Caracas, Venezuela.¹¹ There are two basic reasons why squatter areas have not developed in Kathmandu. Firstly, property rights are firmly established by law, thus making it impossible for poor people from the countryside to come in and build shacks for shelter at will. Secondly, and even more important, only "selective migrants" who have some kind of skill or enterprise or are from well-to-do families, come to Kathmandu from different parts of the country for better opportunities. Therefore, virtually all in-migrants of Kathmandu belonged to the Brahmin and Kshatriya castes, which are socio-economically better off than their low caste counterparts and other ethnic groups of Nepal. The Brahmin and Kshatriya castes combined, form the second largest community in Kathmandu, with about thirty per cent of its total population¹². It is not

10. Data were not available for smaller units to calculate population growth rates for the inner city, the outer city, and the fringe areas. Some of the estimates on the growth rate given in this paper were based on the field research of 1970, and different sources including the population figures from the Kathmandu *Nagar Panchayat*; *Village Panchayats*; and Department of Housing and Physical Planning, *The Physical Development Plan for the Kathmandu Valley* (Kathmandu : Department of Housing and Physical Planning, 1969).

11. See Charles Abrams, *Man's Struggle for Shelter in an Urbanizing World* (Cambridge: The M. I. T. Press, 1964), pp. 12-24.

12. The Newars and the Parbates are the two major ethnic groups of Kathmandu consisting of about sixty percent and thirty percent of its total population respectively. The Newars, who are the native people of the Kathmandu Valley are divided into the Hindu and

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possible, or worth the risk, for poor people without skills to come to Kathmandu in search of haven because of the high transportation cost. Kathmandu is poorly linked by transportation networks with different parts of the country.¹³ The transportation cost, especially that of airways which is the only mode of transportation to connect Kathmandu with some remote and distant places of the country, is formidable for poor people. It takes from several days to several weeks to reach Kathmandu from most parts of the country. Thus travelling in Nepal for the ordinary villager is much more difficult than the travelling in India for someone in similar circumstances, for example, to go to Calcutta by train from a village of northern West Bengal.

In the Western World, the urbanization process was enhanced by economic development associated with industrialization, which moved the labor force from agricultural to manufacturing occupations and thence to tertiary occupations. But in Kathmandu, urbanization has proceeded without significant development in manufacturing ; for that matter, industrial development in Nepal is in its infancy—only about one per cent of the total labor force is employed in industry. In 1970, over three-fourths of the total household heads in Kathmandu were employed in the tertiary sector.¹⁴ The tertiarization of Kathmandu without "basic economic" development seems to present a dangerous threat for economic growth since it tends to be associated with growing underemployment and un-

Buddhist religious groups ; the Hindu Newars are in majority in Kathmandu. The term Parbates (hill people) refers to the people of the Valley who trace their origin in hilly areas of Nepal. The Brahmins and the Kshatriyas, the two highest Hindu castes together make up over eighty-five percent of the Parbate population in Kathmandu although this group includes also low caste Parbate Hindus and a number of other ethnic groups such as the Sherpas, the Magars, the Kirantis, the Tamangs and the Lamas. Ethnically, the Parbate Hindus and the Newar Hindus are distinct from each other ; so are the Newar Buddhists from the Parbate Buddhists. For further details on these ethnic groups, see T. R. Joshi, "Exploration of the Socio-economic Ecology of Kathmandu, Nepal: A Factor Analysis Approach" (unpublished Ph. D. Dissertation, University of Pittsburg, 1972), pp. 61-69.

13. See Tulasi R. Joshi, "A Brief Account of Transportation in Nepal," *Dyaaurali* (Kathmandu), Vol. 2 (June, 1964), pp. 18-24 ; and Ratna S. Rana and Tulasi R. Joshi, "Nepal's Food Grain Surplus and Deficit Regions," *National Geographical Journal of India*, Vol. 14 (June-September, 1968), pp. 172-74.

14. See Joshi, *op. cit.*, footnote 12, p. 198.

employment. Indeed, urbanized Kathmandu is already plagued by unemployment indicating over-urbanization with a population of only 180,000. Therefore, if some positive action is not taken to create a larger job market for the increasing labor force, the economic health of Kathmandu may be jeopardized.

External forces have played a major role in influencing the economic growth of Kathmandu by creating jobs and housing market. For example, foreign aid made up approximately eighty-five per cent of the total expenditure for the 1966-67 development programs of Nepal.¹⁵ In this context Reejal states : "While the size of the development budget has expanded rapidly, Nepal's sense of self-reliance has, if anything, declined in recent years, and the tendency to look automatically to foreign aid for the support of new development programs is still deeply ingrained."¹⁶ But how long can foreign aid continue to- provide the impetus for the sustained growth of Kathmandu ? Foreign aid may disappear in the future.

The growth characteristic of the two other urban places of the Kathmandu Valley is not so impressive. During 1961-1971, Bhadgaon and Patan grew at 1.8 and 2.4 percent per annum respectively. Bhadgaon's growth rate was lower than the national growth rate, and Patan's, slightly higher. The main reason for Bhadgaon's low rate could be its inability to compete with Kathmandu.¹⁷ Many people from Bhadgaon have moved to Kathmandu ; it was found in 1970 that 1.5 per cent of Kathmandu's total household heads were born in Bhadgaon.¹⁸ This represents about seven per cent of the total household heads of Bhadgaon.

Although Patan is the twin city of Kathmandu, it has not gained as much population because of the functional dominance of the latter. The

15. Reejal, *op. cit.*, footnote 1, p. 78.

16. *Ibid.*

17. The low growth rate of Bhadgaon during 1954-1961 was partly due to the difference in areal unit. See Central Bureau of Statistics, *Rashtriya Jana-Ganana : 2018 ko Parinam, Prathama Bhag* (National Census : Result of 1961, Vol. 1) (Kathmandu : Central Bureau of Statistics, 1966), p. 80.

18. See Joshi, *op. cit.*, footnote 12, p. 199.

annual growth rate during 1961-1971 for both cities was 2.4 per cent. The annual growth rate for the Lalitpur (Patan) District was only 0.7 per cent as compared to 4.8 per cent for the Kathmandu District. These figures indicate that a higher growth rate occurred outside the corporate city in the Kathmandu District but within the city limit in the Lalitpur District. Despite this, a considerable number of people have moved from Patan to Kathmandu. It was found in 1970 that over two per cent of Kathmandu's household heads were born in Patan.¹⁹ However, Patan's prospects for growth are bright because it enjoys the functional amenities of Kathmandu as a result of its proximity to the latter.

The Terai region which extends (east-west) for about 500 miles (804.5 kilometres) along the southern section of Nepal, consists of a narrow strip of fertile alluvial plain of some 6,000 square miles (15,339.9 square kilometres). Despite rich, fertile soils, it was not brought under cultivation or settlement until about 100 years ago and sections of it were settled only a decade or two ago because of unhealthy, malarial conditions²⁰. The great success of the malaria eradication program that started in the mid-1950's gave a new life to the region. As a result, people started pouring into the region from the hilly region which badly needed release from the tremendous population pressure. The cultivated land per person in the hilly region "is estimated to be as small as 0.2 acre [0.08 hectare] on which it is not possible for a person to live satisfactorily with backward techniques of farming, inadequate facility of irrigation and fertilizers."²¹

The population of the Terai region remained almost static between 1920 and 1941 at about two million. Thereafter, it experienced an increasing annual growth rate to reach 4.3 million in 1971. Per cent annual growth rates were : 2.3 in 1941-1952/54, 2.9 in 1952/54-1961, and 2.9 in 1961-1971. The rate of growth was considerably higher than the corresponding rate for the nation. Thus, with accelerated growth and settlement, the Terai region became the economic heart of Nepal. It is the granary of the

19. *Ibid.*

20. G. P. Lohani, "The Changing Agrarian Structure in Nepal," *The Nepalese Perspectives*, Vol. 1 (March 27, 1965), p. 1.

21. Rana and Joshi, *op. cit.*, footnote 13, p. 168.

country, accounts for three-fourths of Nepal's value added of manufacturing,²² produces more than eighty per cent of the national exports, and contributes three-fourths of the total national revenue.²³

The overall result of these developments is the phenomenal growth of urban places in the Terai region. The number of places of over 10,000 population increased from two in 1952/54 to eight in 1971; the percentage of total urban population accounted for by the region increased from 10.3 per cent to 37.6 per cent during this period of less than two decades. The annual growth rates of the urban population are equally impressive, 29.4 per cent for 1952/54-1961 and 11.4 per cent for 1961-1971. Since the eastern Terai region is more prosperous agriculturally and industrially, it has received the lion's share of the total urban growth of the Terai. The annual growth rate of the western Terai has, however, been higher for the last decade thanks to the late start in its economic development.

Annual population growth rates of some of the urban areas in the Terai are extremely high. Hetauda which started with a population of 189 in 1952, experienced an annual growth rate of over eighty per cent during both 1952-1961 and 1961-1971 periods reaching a size of over 16,000 in 1-971. In addition, there are other urban places with an annual growth rate ranging from twenty to over thirty per cent during the 1952-1971 period.

Biratnagar which is the most important industrial centre and the third largest town of Nepal, and Dharan experienced an impressive annual growth rate of 37.6 and 24.2 per cent during 1952-1961 respectively, and a relatively low growth rate during 1961-1971. The high growth rates during 1952-1961 are partly due to the difference in areal unit and heavy influx of Nepalese refugees from Burma, Assam-India, and Pakistan.²⁴ The low

22. Central Bureau of Statistics, *Preliminary Results of the Census of Manufacturing Establishments: 1965* (Katbmandu : Central Bureau of Statistics, 1966), p. 2.

23. Reejal, *op. cit.*, footnote 1, p. 46.

24. Central Bureau of Statistics, *op. cit.*, footnote 17, p. 80.

growth rate of Birgunj during 1952-1961 was mainly due to the separation of an area called Chhapakaiya from the municipality of Birgunj.²⁵

The hilly region of Nepal excluding the Kathmandu Valley still consists of about sixty per cent of the total national population, but because of limited agricultural lands and difficult mountainous, economic development of this region has been rather meager. As a result, Pokhara, which has experienced an annual growth rate of 28.1 per cent during 1961-1971, is the only urban place of over 10,000 population in this region. Among other things, the tourist attraction of Pokhara could be the determining factor in its recent growth.

III

Now let us examine urbanization in Nepal as compared with other Third World countries and the Western World. Davis has stated : "The first thing to note is that today's underdeveloped countries are urbanizing not only more rapidly than the industrial nations are now but also more rapidly than the industrial nations did in the heyday of their urban growth."²⁶ This is quite applicable to urbanization in Nepal as well. It took forty years to double the proportion of the urban population for England and Wales during the first half of the nineteenth century, a period of striking transformation to urbanization and industrialization.²⁷ But in Nepal, the proportion of urban population almost doubled in thirty years (between 1941 and 1971) with threefold increase of urban population. In developing countries during recent decades, the average gain in urban population was twenty per cent per decade as compared to the corresponding fifteen per cent for industrialized countries in the period of their most rapid urbanization mainly in the nineteenth century.²⁸ It took India more than forty years in the first half of this century to double her urban population; the growth rate per decade increased from 2.4 per cent during 1901-1911 to a peak of 41.2 per cent during 1941-1951, then it declined to

25. . *Ibid.*

26. Kingsley Davis, "The Urbanization of the Human Population," in Dennis Flanagan (Ed.), *Cities* (New York : Alfred A. Knopf, Inc., 1965), p. 16.

27. *Ibid.*, p. 8.

28. *Ibid.*, p. 17.

25.9 percent during 1951-1961,²⁹ and it again increased to 39.1 per cent for the decade 1961-1971. But Nepal's urban growth rate per decade from 1941 to 1971 was over forty percent, thereby making its urban growth rate about three times greater than the average growth rate of developing countries.

The importance of rural-urban migration on the rapid urbanization of developing countries was once neglected. Bogue and Zachariah remarked that in India, "it has been widely accepted that the rural population.. is comparatively non-migratory, because it is too strongly tied to its village origins by bonds of kinship, marriage custom, language, and centuries of ingroup living to be easily diverted to the comparative insecurity and strangeness of the city."³⁰ Davis was also among the supporters of a much lesser role of rural-urban migration in the urbanization of developing countries: "During the 19th century the urbanizing nations were learning how to keep crowded populations in cities from dying like flies. Now the lesson has been learned, and it is being applied to cities even in countries just emerging from tribalism. In fact, a disproportionate share of public health funds goes into cities; as a result throughout the non-industrial world people in cities are multiplying as never before, and rural-urban migration is playing a much lesser role."³¹

Although the natural growth rate is higher in urban areas than in rural areas because of the high mortality rate in the latter, it is apparent that rural-urban migration is playing a very important role in the urbanization of developing countries. McGee suggests, "Although these cities are growing to some extent from natural increase, the striking fact from the point of view of this paper is that much of this growth is greatly aided by migration from rural areas."³² Janet Abu-Lughod reported that more

29. See Le Jakobson and Ved Prafcash, "Urbanization and Regional Planning in India," *Urban Affairs Quarterly* (Summer, 1967), p. 38.

30. Donald J. Bogue and K. C. Zachariah, "Urbanization and Migration in India," in Roy Turner (Ed.), *India's Urban Future* (Berkeley : University of California Press, 1961), p.29.

31. Davis, *op. cit.*, footnote 26, p. 19.

32. T. G. McGee, *The Urbanization Process in the Third World : Explorations in Search of a Theory* (London : G. Bell and Sons, Ltd., 1971), p. 52.

than one-third of the permanent residents of Cairo, Egypt in 1950 were born outside the city.³³

Rural-urban migration has played a very important role in the urbanization of Nepal as it has in other developing countries. Of course, the natural growth rate in urban areas is higher than in rural areas because of high mortality rate in the latter. According to the census of 1961, the annual natural growth rate for urban areas was around 2.2 per cent as compared to 1.9 per cent for the nation.³⁴ The annual growth rate for urban population during the 1952/54-1961 period was 4.7 per cent; the urban population of Terai experienced an annual growth rate as high as 29.4 per cent. Natural growth rate alone cannot account for such a high growth rate indeed. As in Cairo, over one-third of Kathmandu's household heads were reported in 1970 to have been born outside the city area. The importance of rural-urban migration for urbanization can be further substantiated by male-female ratio and percentage of females of child bearing age. In 1971, the overall male-female ratio for the nation was 1.00; but for urban areas the ratio was considerably higher reaching up to 2.68 in the Bhadrapur town of the Terai. The male-female ratio in 1961 was 1.89 for urban areas as compared to 0.97 for rural areas; the ratio in the child bearing age groups (15 to 40 years) was 1.20 for urban areas.³⁵ This high ratio has occurred mainly because men have come to urban areas from rural areas to seek fortune or for education, leaving their wives behind at home.

As noted earlier, economic development, industrialization and urbanization are interrelated phenomena. In Western countries, the Industrial Revolution accompanied by increase in productivity was the basis for the economic growth. Since the demand for agricultural products is less elastic than for services and manufactured products, the tertiary and industrial sectors that thrive best in urban agglomerations, can absorb

33. Janet Abu-Lughod, "Migrant Adjustment to City Life : The Egyptian Case," *American Journal of Sociology*, Vol. 67 (1961), p. 23.

34. Central Bureau of Statistics, *op. cit.*, footnote 17, pp. 79-80.

35. Central Bureau of Statistics, *Rashtriya Jana-Ganana : 2018 ko Parinam, Tiritiya Shag, Khanda 2* (National Census : Result of 1961, Vol. 3, Part 2) (Kathmandu : Central Bureau of Statistics, 1967), p. 1.

more man power than the agricultural sector by paying higher wages as productivity grows. This process of structural shift in employment attracted more people to the city creating rural-urban migration, which became the principal component of population growth in cities and the urbanization of Western countries.

Developing countries also must sustain some degree of economic development although it may be primarily centered in the city so as to bring about rural-urban migration. Nevertheless, it is generally recognized that economic development is lagging far behind urbanization in developing countries. A *group of theorists* argue that economic progress in the developing world "will occur primarily because of the diffusion from the West of capital, institutions and technology through the Third World city.. ."36 This notion is found to be true in case of Nepal. Gurung, a member of the Planning Commission, has commented that foreign aid has played a significant role in the evolution of the Nepalese economy over the last two decades.³⁷

Foreign aid to Nepal during the last two decades (1951-1970) totalled about 180 million dollars. The inflow of foreign aid increased from 3.5 million dollars in 1958-1959 to 329 million dollars in 1969-1970.³⁸ Foreign aid programs for Nepal's socio-economic development have introduced Western institutions, technology and skills into Nepal. Foreign assistance has been the primary source of technical training for a large number of Nepalese.³⁹ Above all, foreign aid has contributed more than half of the public sector investment in Nepal's development. Percentages of the total outlay contributed by foreign aid during different development plan periods are : eighty-four percent in the First Plan (1956-1961); seventy-five percent in the Second Plan (1962-1965); sixty percent in the Third Plan (1965-1970); fifty per cent in the Fourth Plan (1970-1975); and forty-five per cent in the Fifth Plan (1975-1980).⁴⁰ Reejal remarks that in

36. McGee, *op. cit.*, footnote 32, p. 26.

37. Harka Gurung, "Economic Implication of Foreign Aid" (summary of address for the Trueman International Conference on Technical Assistance and Development, Jerusalem, Israel, May 23-31, 1970), p. 10. (Mimeographed).

38. *Ibid.*, pp. 4-5.

39. *Ibid.*, p. 6.

40. *Ibid.*, pp. 10-11 ; and National Planning Commission, *Basic Principles of the Fifth Plan* (Kathmandu : National Planning Commission, His Majesty's Government of Nepal, 1973), p. 13.

performance terms, foreign aid contributed higher percentages than the percentages showed in the outlay of development plans.⁴¹

The impact of foreign capital on urbanization of the Terai is quite apparent. The eradication of malaria under foreign aid led here to agricultural and industrial developments which in turn brought about the urbanization. It is assumed that a significant proportion of the firms, especially in the Terai region, are financed and managed by Indians or Indian managing agencies.⁴² Moreover, the Nepal Industrial Development Corporation whose main objective and function are to stimulate industrial activities to assist industrial enterprises, and to help establish new industries, is primarily financed by foreign aid.⁴³

The experience of other urbanizing countries leads to the expectation that the urban population of Nepal will continue to grow. In the course of urbanization the rural population of industrialized countries often declined in absolute as well as relative numbers. However, Nepal like other contemporary developing countries is undergoing urbanization without an accompanying decrease in rural population, Davis' observations concerning this phenomenon may well be applicable to Nepal: "In spite of the enormous growth of their cities, their rural populations— and their more narrowly defined agricultural populations- are growing at a rate that in many cases exceeds the rise of even the urban population during the evolution of the now advanced countries. The poor countries thus confront a grave dilemma. If they do not substantially step up the exodus from rural areas, these areas will *be* swamped with underemployed farmers. If they do step up the exodus, the cities will grow at a disastrous rate."⁴⁴ As a matter of fact, Kathmandu has already experienced this situation as shown earlier.

Nepal can avoid this crisis resulting from over-urbanization experienced by many developing countries, by preparing her regional development planning which makes allowance for future urbanization. Besides, all growing urban areas of Nepal are in immediate need of a master urban development plan in order to avoid negative consequences of haphazard development.

41. Reejal, *op. cit.*, footnote 1, p. 78.

42. Catherine Anne Tisinger, "The Modernization of Nepal: A Socio-Economic Perspective" (unpublished Ph. D. Dissertation, University of Pennsylvania, 1970), pp. 192-93.

43. See *ibid.*, pp. 168-69.

44. Davis, *op. cit.*, footnote 26, p. 20.