



**Political economy of urban change: contestations and contradictions in urban development in Kathmandu Valley focusing on a case of Southern Part of Lalitpur Metropolitan City**

Netra Prasad Timsina, Dilli P. Poudel, Rojani Manandhar and Binod Adhikari

**TOMORROW'S CITIES WORKING PAPER**

March 2022



UK Research  
and Innovation



GCRF

Tomorrow's Cities is the UKRI GCRF Urban Disaster Risk Hub

## About **Tomorrow's Cities**

**"Our mission is to reduce disaster risk for the poor in tomorrow's cities."**

Tomorrow's Cities is the UK Research and Innovation (UKRI) Global Challenges Research Fund (GCRF) Urban Disaster Risk Hub – a five-year global interdisciplinary research hub.

Our aim is to catalyse a transition from crisis management to multi-hazard risk-informed and inclusive planning and decision-making, for cities in low-and-middle income countries.

Globally, more than two billion people living in cities of low-to-middle income countries are exposed to multiple hazards such as floods, earthquakes, landslides, volcanoes and fires, which threaten the cyclical destruction of their lives and livelihoods. With urban areas expanding at unprecedented rates, this number is expected to reach four billion by 2050.

Failure to integrate multi-hazard disaster risk into urban planning and decision-making presents a major barrier to sustainable development, including the single greatest global challenge of eradicating poverty in all its forms.

But this global challenge is also major opportunity: as ~60% of the area expected to be urban by 2030 remains to be built, we can reduce disaster risk in tomorrow's cities by design.

We are one of [12 UKRI GCRF Hubs](#) funded by a UKRI Collective Fund Award, as part of the UK AID strategy, putting research at the heart of efforts to deliver the United Nation's Sustainable Development Goals (SDGs).

[www.tomorrowcities.org](http://www.tomorrowcities.org)

[@UrbanRiskHub](#)

The UKRI GCRF Urban Disaster Risk Hub

ECCI High School Yards, Infirmary Street, Edinburgh EH1 1LZ

## Table of Contents

<b>1. Introduction.....</b>	<b>5</b>
<b>2. Urbanization and changes in land use in Kathmandu valley .....</b>	<b>6</b>
<b>3. Real Estate Boom.....</b>	<b>8</b>
<b>4. Urban change in Southern part of Lalitpur Metropolitan City (LMC) .....</b>	<b>10</b>
<b>4.1. Historical flow of capital and labour to Southern Lalitpur - Bhanisepati/Sainbu Aawas     area currently as a hub of urban expansion .....</b>	<b>10</b>
<b>4.2. Urban expansion in Khokana area.....</b>	<b>11</b>
<b>4.3. Trends of flow of capital and labor triggering urban change in Khokana area .....</b>	<b>12</b>
<b>4.4. Contestations and contradictions on the urban development in Khokana .....</b>	<b>14</b>
<b>5. Discussion- multiple dimensions of the urban change in Southern Part of Lalitpur ....</b>	<b>16</b>
<b>6. Conclusion: Building resilience- addressing the impact of urban change .....</b>	<b>17</b>
<b>References .....</b>	<b>20</b>

## Abbreviation

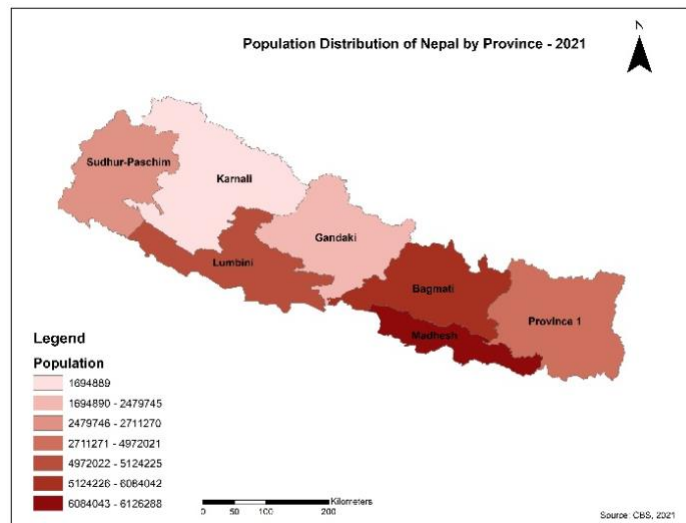
ADB	Asian Development Bank
BAP	Bagmati Action Plan
BRBIP	Bagmati River Basin Improvement Project
CBS	Central Bureau of Statistics
GoN	Government of Nepal
KV	Kathmandu Valley
KVDA	Kathmandu Valley Development Authority
LMC	Lalitpur Metropolitan City
LULC	Land Use and Land Cover
MoFAGA	Ministry of Federal Affairs and General Administration
MoUD	Ministry of Urban Development
NGO	Non-Government Organization
NLHDA	Nepal Land and Housing Developers Association
NRB	Central Bank of Nepal
NUDS	National Urban Development Strategy
ORR	Outer Ring Road

# 1. Introduction

Nepal is one of the least developed countries but is one of the 10 fastest urbanizing countries in the world (UNDESA, 2014). The urban population growth has been very fast in the last decade due to both the political and economic reasons of Nepal (ibid.). The urbanization is accelerated during the political conflict and heightened after the settlement of the political issue in 2006 and the country is going through multiple urban transitions (spatial, demographic and economic) (UNDESA, 2014). Till 2013, only 17% of the total population was living in urban areas of Nepal. In the fiscal year 2014/15, the urban population reached to 40%, which in 2017 increased to 56.5% of the total population. At the same period, there were 58 municipalities in the year 2013, which increased to 217 in 2014/15 and subsequently to 293 municipalities in 2016/17. The political decision of government to annex rural areas into urban has increased the percentage of population living in urban areas in Nepal (Ishtiaque et al., 2017).

According to the Ministry of Urban Development 2017, sixteen urban centers cover 33.5% of the total urban population where each center has over 100,000 populations. Bagmati Province, which also includes Kathmandu Valley (KV), has the highest proportion of the urban population, followed by Province 1 and Gandaki Province. The distribution of the urban population is relatively low in the Karnali Province and Far Western Province (see map 1).

KV, the capital valley with tremendous opportunities for education, hospitals, job, business and good weather conditions throughout the year is pulling many people every year. The unplanned



Map 1: Province-wise Population Distribution of Nepal, Census, 2021

/haphazard growth of the built environment has led to rapid and uncontrolled population densification in the core cities and uncontrolled urban sprawl in the periphery. With the availability of infrastructures in peripheral areas, KV has its rapid expansion outwards ( Poudel et al. n. d.). The peripheral rural areas are now grown as urban with new market centers (Ibid). But basic public utilities like roadways, open spaces, solid waste management, sewerage system and communication channels have not received sufficient attention from the city authorities (Focus Group Discussion in Khokana, 2021), as surfaced after the 2015 earthquake and during the Covid-19 pandemic.

Rapid urbanization has alienated people from their land due to a number of driving factors. The major driving factors include (1) centralization of public services such as health, education and economic opportunities, (2) large development projects planned and executed by the government

and Real Estate investors, which compelled local inhabitants to sell their lands, particularly the agricultural land, from which they used to earn their livelihoods. Likewise, the public spaces have either been grabbed or abandoned<sup>1</sup>, the history and culture of the indigenous communities have been threatened and the traditional collective institutions are weakened. These phenomena of urban change have brought tension and contradictions in the communities in various forms including protests against the infrastructure development projects implemented by the governments at different levels<sup>2</sup>.

Given these anomalies in the ongoing urban change in Nepal and particularly in KV, this report describes and analyses the trend of urbanization in KV with a reference of land use in general. Specifically, taking a case from Khokana (see map 2), it looks at the responses from the traditional communities as part of the tension and contradictions brought by the urbanization process. Khokana is located in the Southern Part of the Lalitpur Metropolitan City (LMC) or Ward 21 of Lalitpur Metropolitan City (LMC). This report takes a perspective of displacement and alienation of local people through urbanization from their land, where they have been living for centuries. Some sections of the communities in Khokana are protesting and resisting the ongoing but presently stranded development interventions- the major drivers for accelerating the urban activities (construction of buildings and other facilities). This report will take into account and document the nature of the resistant movements around the infrastructure projects developed and implemented by the federal government and will come up with some policy recommendations in order to achieve a resilient and equitable development in tomorrow's cities.

## 2. Urbanization and changes in land use in Kathmandu valley

During the last three decades, substantial change in the built-up area of the Kathmandu valley has been observed, the ultimate effect of the rapid urbanization. A study conducted by Ishtiaque et al. (2017) shows that Kathmandu Valley's urban area is expanded up to 412% in the last three decades and most of this expansion occurred with the conversions of 31% agricultural land.

Until the 1980s, the urban areas (interchangeably used as built-up areas) of KV were limited within the confines of the historic settlements of the five municipalities<sup>3</sup>. The outward expansion of the urban area began in the early 1990s. In the 2000s, the built-up areas continued to expand further along the major roads that link the outskirts of the five municipalities, replacing agricultural lands that once were considered the most fertile and productive in the country. During the period (1999–

---

<sup>1</sup> Spaces in river banks, public lands, lawns and ponds are rampantly encroached in Kathmandu Valley by the land speculators.

<sup>2</sup> There were public protests in Kathmandu Valley during the expansion of the roads and a large number of people are still protesting against the construction of concrete structure in Open Theatre (khula manch) and renting out by the Kathmandu Metro City.

<sup>3</sup> Name of the five municipalities: Kathmandu, Lalitpur, Bhaktapur, Sanathimi and Kirtipur

2009), the built-up areas in the KV grew by 117% (Ishtaque et. al, 2017). There has also been a huge influx of internally displaced people to the valley due to the decade-long civil unrest that began in the mid-1990s (Bohora-Mishra et. al, 2011). While triggering the socio-political crisis, the conflict disrupted local economic activities by frequent strikes, closures of businesses, extortion, and threats. More than 500,000 people are believed to have been displaced during the insurgency period from the rural areas of Nepal (Shrestha, 2017). Nepal's urban centers, especially KV, had to absorb the influx of these migrants. Hence, land fragmentation is very fast in KV and is leading to increasing hazards, pollution, and deterioration of the ecosystem (Ishtiaque et. al, 2017). Different pull and push factors were vital for the land use changes in Kathmandu Valley. Establishment of major commercial services with numerous employment opportunities, business opportunities, availability of major tertiary hospitals, wide educational opportunities were the major reasons for changes in the land use from agriculture to commercial uses (Thapa, 2010).

As a result, the built-up area of KV has increased from 38 sq. km in 1990 to 119 sq. km in 2012 over the period of 22 years, with a 211% increase (Ishtiaque et. al, 2017). The proportion of mixed residential/commercial area has increased by 524% and that of residential has increased by 331% over the last two decades (Timisina et.al 2020; KVDA, 2016). Consequently, cultivated land has decreased from 421 sq. km to 342 sq. km, a decrease of 19% over the period of 22 years (Thapa and Murayama 2010, Thapa and Murayama 2012). The majority of this expansion occurred in Kathmandu and Lalitpur municipal areas. During this period, the valley also observed a substantial loss of forest cover whereby about 36% of the tree-covered area were cleared up for agriculture purpose (Ishtiaque et. al, 2017). While farmland in conflict-affected villages has sometimes been left uncultivated, the displacement of people has simultaneously put more pressure on peri-urban farmlands. The rapid growth of built-up areas pushed the farmers to clear up the forest and expand agriculture on the foothills (Ishtiaque et. Al, 2017).

Kathmandu, as a capital city, is naturally the political and administrative centre of the country and also the hub for tourism, finance, industry, education, transportation, health care, and sports. As discussed above, the combination of 'pull factors' in urban areas - expansion of industrial, business and service activities, and the 'push factors in the rural areas - low socio-economic development, social stigma, natural disaster causing loss of lives and properties, etc. have been the major causes of urban expansion. Similarly, government policies including the adaptation of centralized policy by the past successive government have attracted huge population migration into the Kathmandu valley, the preferred destination for residence and better income opportunities, education, health, safety, and other services (Shrestha, B.K, 2013).

With more than 90 percent of cultivated lands and 61 percent of registered lands, private land ownership<sup>4</sup> is a dominant form of tenure arrangement in the valley (USAID, 1986). Since most of

---

<sup>4</sup> Land ownership in the KV can be divided into private land with absolute ownership (can be held by the owner or may be leased or mortgaged), traditional organization or Guthi (different types of Guthi land such as Rajguthi) Nigiguthi, Chutguthi, Guthi Tainati and Guthi Adhinastha), government and public (public land belongs to the government but is used by the public or community whereas government land is handled by itself) (Acharya, 2008).

the land in Nepal is privately owned, urban development has been carried out by either land acquisition or compulsory purchase of private land by the government in cadastral value for physical development works. Domestic commercial land acquisition is a recent phenomenon in Nepal; it is rapidly expanding and increasingly occupying productive agricultural land for real estate and other nonagricultural commercial purposes. Though large scale direct foreign investment in the land sector in Nepal is not evident because of its unfavorable topography and unfavorable investment environment (e.g. conflict and political instability), domestic investment for real-estate development in urban centres and other business enterprises is increasing (Upreti et al, 2008; Shrestha 2010, 2011), especially in urban areas and agricultural land accessible by road in mountain areas. (Upreti et al, 2017).

Moreover, domestic land acquisition has developed at the expense of highly fertile agricultural lands, thus affecting the food production capacity and productivity, thereby contributing to food insecurity. In addition, it has affected the lives of people whose livelihoods were based on agriculture. The study by Thapa (2011) indicates a serious threat to agriculture in Kathmandu Valley in terms of decrease in production and productivity triggered by the fast urbanization and real-estate development expansion.

### 3. Real Estate Boom

In urban Nepal and KV more specifically, real estate has become one of the most lucrative forms of investment. The trend for acquiring intangible physical assets in terms of land and buildings has been snowballing in recent decades. It has become such an unparalleled investment that people no longer are searching for alternative options. It is also known as a dependable source of passive income as it has limited liquidity compared to other business investments.

The increase in the demand for land, especially in urban areas, is attributed to the inelastic supply of land and the absence of viable investment opportunities. The speculative assumption of people that the price of real estate will never decline and it is the safest sector to invest, has played an instrumental role in increasing the real estate price. With the accelerating growth of remittances (20 % of the GDP) and lack of alternative investment opportunities, huge amount of money has been invested into land and housing business that created a real estate boom. The proliferation of financial institutions together with an excess financial liquidity situation in the past also fueled the real estate boom, especially in the urban areas (NRB, 2011). According to Nepal Land and Housing Association, the land price in the KV has risen by 300% since 2003, and is one of the key drivers of Land Use and Land Cover (LULC) change.

The housing scenario in the valley is undergoing an urban explosion rather than managed urban growth. As per the recent figure of the Central Bank of Nepal (NRB 2018), there has been a total of Nepalese Rupees (NRs) 88 billion worth of investment in the real estate and housing sectors. Further, the share of commercial banks is NRs. 65 billion, that of development banks NRs. 12 billion and that of finance companies is Rs. 10 billion. In fact, the contribution of housing and real



estate sector to the GDP of Nepal is 8 percent (Source: NRB 2018). In the fiscal year 2016/17, the market scenario of real estate in Nepal went through real transformation. According to Nepal Land and Housing Developers Association (NLHDA), the investment in housing accounts for 15-35 percent of the country's total investment and Kathmandu real estate accounts for 42 percent of the organized real estate sectors. Despite the excessive rise in land prices, which was 40 to 45 percent in the fiscal year 2016/17, , the real estate price is booming. It has also been noticed that there has been a substantial increment in the number of companies and projects involved in this sector. Furthermore, the number of companies engaged in this sector (particularly land acquisitions, pooling, and housing in the KV) within the valley currently stands at above 150, according to the membership Roaster of Nepal Land & Housing Developers Association (<https://gtm.com.np/2021/02/current-scenario-of-real-estate-in-nepal/> accessed on 29 January 2022).

Land acquisition is also driven by a nexus of politicians, land brokers, and real-estate actors, and that caused numerous conflicts between local people and the land deal actors (Upreti et al., 2017). This means that there is little government control over the land and housing business in the KV. Because of a lack of efficient and meaningful land-acquisition laws in practice, most of the government efforts to regulate land use through environmental policies have been largely ineffective. The environmental and sectorial policies and legislations in the past were found to be outdated and inadequate to address the challenges brought about by the domestic land acquisition process in Nepal and the booming real estate market (Paudel et al., 2012). The policies on Land Acquisition, Resettlement and Rehabilitation for Infrastructure Development Projects 2014 and the Land-use policy 2015 have not yet been effectively enforced through legislation.

During the fiscal year of 2008–2009 close to 185,000 people and firms bought new land and housing in the valley (Sharma, 2009). According to the NLHDA, the annual demand for houses and apartment in Nepal stand at around 140000 units. Kathmandu valley alone occupies about 42 percent but the organized real estate sector is able to construct barely 25000 units per year (<https://gtm.com.np/2021/02/current-scenario-of-real-estate-in-nepal/> accessed on 29 January 2022).

The increasing number of middle-class families in the KV is demanding new modern facilities such as housing sub-divisions and colonies with modern amenities (e.g., private parking, modern grocery stores, restaurants) in the suburbs, further contributing to the land use and land cover change in the fringe areas of the valley. The rise of informal settlements, mostly on river banks, forest areas, and open public lands, encroached by both land brokers and squatters, in most cases with the tacit backing of political cadres also contributed to the same. The fertile area along the riverside has been permanently occupied by the squatters and landless migrants and has been converted into a slum area, further contributing to the land-use change (Upreti et al, 2017). The economic centrality and urban population growth swelled primarily by the rural-to-urban migration played a major role in the rapid urban growth of the KV. It is essentially the large

differences in economic opportunities between the KV and the rest of the country that resulted in a growing influx of people from rural areas to the KV. As a result, land price in KV has increased drastically that has resulted in the displacement of original landowners from their land (Ishtiaque et. al, 2017). Land fragmentation is very fast in KV and is leading to increasing hazards, pollution, and deterioration of the ecosystem.

## 4. Urban change in Southern part of Lalitpur Metropolitan City (LMC)

### 4.1. Historical flow of capital and labour to Southern Lalitpur - Bhanisepati/Sainbu

#### Aawas area currently as a hub of urban expansion

Bhanisepati/Sainbu Aawas Housing area is a popular residential area for Kathmandu's elite class. Primarily, politician and business class elites reside in the Sainbu residential area. Currently, residential buildings for the parliament members and ministers are being constructed in this area (bordering area of Khokana). About three decades back, the people (farmers) of the Khokana area owned this land and they primarily used to cultivate paddy, maize and millet along with other crops. A child rights activist who lives in Khokana said that his family used to own the bari (high land) land in Sainbu area about three decades back (when he was a teenager). As the flow of capital from the core reached their place, they sold the land to the people who offered them relatively high price<sup>5</sup> than the actual market price. Later, the trend of land selling rapidly increased with the entry of the housing companies in the Sainbu area. With this phenomenon, according to the activist, majority of Khokana residents were alienated from their land in the last 10-15 years from Sainbu area. Likewise, an activist of the Non-Government Organization (NGO), who is also a resident of Khokana shared a similar story about the history of land alienation of his family. According to him, they used to have ample farmland in Sainbu area for cultivating crops. However, his family sold their land to the land brokers following the footsteps of their neighbors who also sold their land. Now, they have limited land to grow crops in Khokana area, which is just enough to cultivate some seasonal vegetables.

Both of the activists mentioned that in the last 10-15-years, the land of Sainbu area previously owned by the Khokana people, was completely occupied by the Housing Company and the land brokers. They also said that they lost the property as the money they received from selling their

---

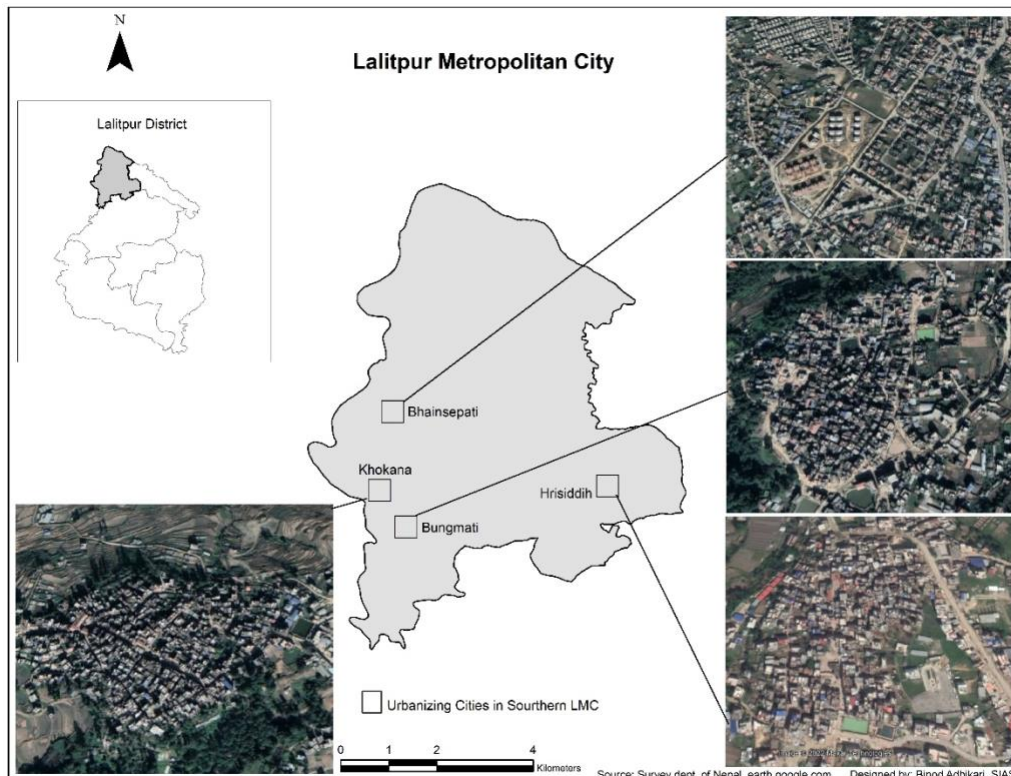
<sup>5</sup> According to Nepal Land and Housing Association, the land price in the KV has risen by 300%<sup>5</sup> since 2003, one of the key drivers of urban growth. There has also been an increase in the number of estate agents in the capital city, Kathmandu. Moreover, the land value is gone up outside of Kathmandu Valley particularly in the headquarters of provinces and Palikas after 2015. The land values are also high around ring road and highways throughout the country.

land was mostly used for daily consumption and they neither had a chance nor knowledge to reinvest for wealth creation.

Bhainsepati area symbolizes one of the centers of the KV with the rapid urban change and it has greater influence on its periphery - Khokana. Since the wealthiest people live in this area, the place has already become a high-class residential area which has also pushed the periphery to grow and expand but erratically. The current trend of urban growth in adjacent areas of Khokana clearly indicates that this area has experienced an unprecedented level of urban growth in the last two decades.

#### 4.2. Urban expansion in Khokana area

The Government of Nepal has considered Khokana as one of the historical places to be preserved the culture and tradition of the Newari communities in Kathmandu Valley and be promoted as a place of tourism in the valley (GoN, 2017). However, Khokana is under huge pressure with the flow of capital and migrants as drivers of urbanization as described above. The flat land in Khokana area is being used for agricultural activities by the local inhabitants, but the peri-urban



Map 2: Rapidly urbanizing cities in the southern part of LMC

nature of Khokana and its proximity to Bhainsepati, the emerging urban hub, is leading to the rapid occupancy of these land by the real state owners and migrants from outside of Khokana.

Moreover, the government is aiming to develop smart cities in some areas of Kathmandu Valley. Khokana is one of the proposed areas to build the Smart Cities. The government is also implementing the fast-track road project that connects Kathmandu to Terai where the capital and labour flow massively take place. The project has been significantly contentious among the locals as it planned to be run through the farmlands of Khokana. A group of local people have protested multiple times and that has created tension and contradiction between the government authorities and the communities at Khokana.

#### 4.3. Trends of flow of capital and labor triggering urban change in Khokana area

In Khokana, a number of projects such as fast-track, outer ring road, smart city, river basin improvement project, and transmission line are planned by the federal government, that all pass through Khokana and Bungamati of LMC. After these projects were put into implementation, the local people were divided into for and against the projects. A small section of the community in Khokana are in strong opposition of the projects (primarily fast track and transmission line). Despite the resistance of the local people, some of the projects such as fast track are progressing well and almost halfway through during this study time. Making Khokana part of the place that

intersects a number of national-level development projects, has put Khokana under tremendous pressure of urbanization with the non-transparent flow of capital and labour. This also contradicts with the major policy documents on urban development (NUDS, 2017 and KDVA, 2016) that stipulate the protection of the history and culture of Kathmandu Valley in tandem with urban development. Several protests happened across Kathmandu Valley against the government's push for the fast-track project affecting their settlements that have cultural and historical importance and calling for the withdrawal of the project<sup>6</sup>. However, despite all those efforts, their concerns and demands are yet to be effectively addressed. In a group discussion held in 2020 in Khokana, the local people expressed that the development projects in Khokana mean man-made disaster for ruining their culture and livelihoods they are engaged with, thereby increasing threat of the displacement and alienation from their land, particularly the Jyapu (i.e., peasants) community.

All these interventions made by the federal government through development projects have promoted the investments by the land brokers and real estate companies; people who move from core city to periphery, migrants from outside of Kathmandu who wanted to be settled in Kathmandu Valley, and the business entities such as restaurant, hotels, etc. have considered Khokana as a place for creating *space* for economic activities in near future (Poudel et al. n.d.). With all these potential new economic phenomena in Khokana, there is fear among the local community about modification of the traditional looks of the historical Khokana. Some of the areas are already expanding as commercial centres such as crossroad market centres, industrial areas, modern settlements along a historical route called *Tar-lan*, and commercial farming communities near the historical place called *Ku-desh*<sup>7</sup>.

Since the capital and labour are flowing to Khokana area, migrants and local inhabitants are less connected by culture, but have stronger interaction with capital and labour. The migrants of the crossroad, industrial areas, temporary settlements, and some of the *Tar-lan* settlements are culturally less connected with Thulo and Sano Khokana. But, economically, all these settlements are interlinked and interdependent. The migrants in the industrial area lease land for their economic activities with the local landlords. The landlords also find this relationship beneficial as the yearly crop production provides them less income than renting the same land. Additionally, as most of the local youths do not prefer engaging in farming, leasing land is the easiest, simplest, and the most beneficial way for making a living too. Furthermore, the historical Shikali, a cultural core, is evolving as a local core of tourism and recreational activities. In a decade or so this place has substantially been modified commercially, targeting visitors. Similarly, the crossroad settlement near Bhainsepati (elites' residential area), is evolving as a core market centre for the middle class such as migrants living in temporary settlements, industrial areas, Sano Khokana, and poor and labour classes living in Bhainsepati. The crossroad settlement thus has a huge potential to be a new centre for business development in the near future as it is formed in a flat land (i.e., *tar*), located

---

<sup>6</sup> <https://www.recordnepal.com/wire/fast-track-brings-fear-of-displacement-to-khokana/>

<sup>7</sup> Changing socio-spatial patterns of Khokana are extensively described in Poudel et al. n.d.

near the proposed bus park of the fast-track project, and located near the rapidly growing industrial area. The potential expansion of urban activities in Khokana area will attract a huge flow of capital and labour in near future.

#### 4.4. Contestations and contradictions on the urban development in Khokana

The contestation and contradiction created by the process of urbanization have been manifested in different forms. While some of the local people are making efforts to protect the age-old traditions and culture as part of the indigenous communities, some others have opted for modernized Khokana with urban growth-flow of capital and modern amenities.

As mentioned above, the most contested project in Khokana is the fast track. This is a four-lane highway starting from Nijgadh (Bara District, Tarai) and ends at Khokana (it is called as zero point). It was started in 1996 by the Nepal Government with the support of the Asian Development Bank (ADB, 2006). The project came into visible contestation in the form of local resistance when the government started the implementation of the project and set up facilitation office in Khokana under the leadership of the Nepal Army. This project is also a priority project of the government of Nepal (also called the National Pride<sup>8</sup> project). However, the local people, especially the Newar indigenous community have a reservation on the project, the way it was designed and put into implementation without the consultation of the local people. A section of the indigenous community of Khokana and the adjoining settlement- Bungamati, are protesting against the fast track project. Majority of the inhabitants of Khokana were resisting the project with the fear of displacing and alienating from their lands, places, cultures and losing their livelihoods.

To reduce the risk of displacement, the people of Khokana are demanding the track be constructed along the west bank of the Bagmati river. The Nepal Army (who is managing the project), however, claims that the flat area in *Sano Khokana* is the most appropriate site for the fast track compared to the west bank of the Bagmati river. The fast track as a development project which is considered to be the driver of urban change, escalated the captures of land and increased the flow of capital as part of the investment, both for land and infrastructure in the Khokana and Bungamati areas.

Kulekhani High Tension Project also runs through Khokana and people's protests against the impact of the project were observed in several places such as Harisiddhi (Ward 28 of LMC) and Khokana (Ward 21 of LMC). The transmission line that runs through the flat land of Khokana, has not been completed as the local protested (The Himalayan Times, 2019) demanding hundred percent compensation for the land that lies in the right of way (ROW) within 25 meters on either side of the transmission line, while the government rule is compensating land only within 9 meters.

---

<sup>8</sup> The concept of National Pride Project was introduced in 2012 as a strategy to expedite the construction process of infrastructures that are critical to sustainable development of the country. The projects were declared as 'National Pride Project' based on cabinet decisions. The National Planning Commission(NPC) has formulated a guideline for selection in 2019. Available at: [https://www.npc.gov.np/images/category/national\\_priority\\_guideline.pdf](https://www.npc.gov.np/images/category/national_priority_guideline.pdf)

The locals are also against the present route chosen by the Nepal Electricity Authority for the transmission line as the metal truss towers and wires affect the cultivated land, aesthetics of the traditional Newar community and the scenic beauty of the place (ibid).

Kathmandu Valley Development Authority (KVDA) in its 20-year strategy (2015-2035) envisages the Satellite City project or Smart City (KVDA, 2015). KVDA aims to improve existing urban space within KV through the development of smart satellite cities. Within this scheme, four cities are planned on the periphery of the core of Kathmandu that will span approximately 6000 ha. of land through land pooling method. One of the proposed satellite cities covers some of the areas of Ranikot, Bhainsepati, Khokana, Bungamati, and Chhampi, in the south-west of Kathmandu spreading over 500 ha. of land ( Karki, 2019; My Republica, 2016). During an interview in April 2020, a KVDA official mentioned that the Detailed Project Report (DPR) for the cities, apart from the southern part of Kathmandu valley which includes Khokana has been submitted to the council of ministers for approval. The DPR of the southern part was not submitted because of the ongoing protest in Khokana and Bungamati area against the smart cities.

The Outer Ring Road (ORR) project has also been an issue of contestation between the government authority and the local people. ORR project aims to construct a 72 k.m. long road that will connect the traditional settlements surrounding the city core in all three districts of KV. The ORR project planned to construct a 50-meter-wide road and develop 250 meters of land on either side of the proposed road through land pooling technique (Shrestha, 2013). At present, the ORR is proposed for the ‘homogenous development’ of all parts of KV by linking the traditional settlement and the new satellite cities and controlling the urban sprawl (Sharma, 2017).

In group discussions held in 2020 in Khokana, the locals said that the outer ring road project has created fear of displacement from their lands and residents. People also had uncertainties if the appropriate compensation and resettlement mechanism will be in place if the ring road passes through their lands. They have also indicated that after the concept of outer ring road came in media and public debate, the real estate and land brokers started to buy land in the alignment area of the proposed outer ring road, unnecessarily increasing the land value and forcing the local farmers to sell their land in Khokana area.

The Bagmati River Basin Improvement Project (BRBIP), designed under the Bagmati Action Plan (BAP) ( 2009-2014)<sup>9</sup> is popularly referred to as the Bagmati corridor project. This project along with Bagmati Area Physical Infrastructure Development Project have carried out various activities like canaling of the river through sewer road construction along the Bagmati river and its tributaries in KV, beautification of the river corridor, etc. The Ministry of Urban Development in its Annual

---

<sup>9</sup> Available at:

[https://un.info.np/Net/NeoDocs/View/7697#:~:text=The%20Bagmati%20Action%20Plan%20\(BAP,Shivapuri%20hill%20to%20Katuwal%20Daha](https://un.info.np/Net/NeoDocs/View/7697#:~:text=The%20Bagmati%20Action%20Plan%20(BAP,Shivapuri%20hill%20to%20Katuwal%20Daha)

Development Program (2020-21) has allocated some budget for the feasibility study of Chovar-Khokana-Bungamati- Dakshinkali road under the Bagmati corridor project heading.

The fear of the local community with the Bagmati Corridor Project seems to have potential risk of flooding in the future if the river is narrowed in the name of beautification. Also, the local communities express their fear of land grabbing in the corridor as there is an increasing trend of land grabbing by different groups in the river corridor areas in KV.

## 5. Discussion- multiple dimensions of the urban change in Southern Part of Lalitpur

Since Kathmandu Valley is the fastest urbanizing valley in the world, its peripheries are also growing faster; the drivers of the urban growth of the Kathmandu Valley already discussed above. The southern part of the Lalitpur Metropolitan City is one of the hot spots of the urban sprawl due to two reasons- i) Ruling political class and business elite have shifted from core cities to Bhainsepati Aawas area for residential purposes and it has again become a core urban area and ii) factories, hospitals, and educational institutions are also shifting from core cities to the southern part of LMC. Despite the resistant movements against some of the strategic development projects such as fast-track linking KV and Nijgadh (Terai- Madhes), the southern part of the LMC, primarily Khokana, has become the major area for land occupancy by the individual, real estate and business houses. Khokana area is also largely affected by the trend of in-migration from the core to the periphery.

The tensions and contradictions in the five development projects discussed above, demonstrate that institutional arrangements for implementing urban development plans are not well-coordinated, but mostly fragmented. While urban planning and infrastructure development are supported by the Ministry of Urban Development (MoUD); urban governance and administration come under the Ministry of Federal Affairs and General Administration (MoFAGA). And there is a lack of strong coordination mechanisms between MoFAGA and MoUD, though they share the same urban space for action. Often, there is temporary coordination in place at the project level. However, , there seems to be an inadequate legal basis to manage and govern large urban regions such as clustered city regions and urban industrial corridors comprising several local municipalities. Both KVDA and Town Development Acts seem to be inadequate to deal with the emerging issues of urban development particularly to address the rights of urban poor and slums, and resilient livelihoods and environment (both cultural and natural environments). Since 2014, GoN have declared several new programmes on the development of cities; for example, megacities, satellite cities, smart cities, new town developments, corridor cities, etc. but their planning and implementation seem to be too weak. Many of the projects developed by the government as part of the smart city does not fully match the concept of a smart city (for example constructing a multi-story building in open space available in the valley core is not the only



indicator for smart cities)<sup>10</sup>.

Furthermore, there are issues mostly about the relations between the federal government, province, and local government (Palikas) particularly on mandate, authority, and resource sharing even after more than four years of their tenure after the first election held under the new constitution.

Not only have increasing areas of fertile farmland been converted to residential and other urban land uses, the huge increase in the price of land, due to increasing demand for land for development combined with a supply of financial capital from remittances and transfers of savings from less secure rural areas, has resulted in the consolidation of the urban lands with Real Estates and land brokers. These trends are also reflected in Khokana. In the context of weak governance structures, speculative land prices and poorly regulated development activities have become rife, with various negative consequences including the alienation of the local people from their land and unplanned urban sprawl that may result in multiple hazards in the area in future.

The resistances against the development projects in Khokana are mainly concerned with the fear of displacing local people from their places and alienating them from their lands and livelihoods. Land pooling, land development and infrastructures projects displace people without appropriate compensation and resettlement plans. Likewise, the haphazard development of infrastructure also destroys the beauty of the traditional settlement areas, thereby destroying the religious and historic places, traditions, and cultures of the communities.

Moreover, most of the urban infrastructure projects do not have resilient plans for the negative impact of the development projects. For example, if the Bagmati river bank is narrowed in the name of corridor improvement, communities have fear of having their areas flooded. Likewise, the Bus Park construction in zero point near the Bagmati river has no plan to reduce the risk of flooding in the future.

## 6. Conclusion: Building resilience- addressing the impact of urban change

The urban growth trend in Kathmandu Valley in general and the southern part of the Lalitpur Metropolitan City (LMC) with a case study from Khokana (i.e., LMC 21) shows that KV will continue to grow in the future, expanding from the core to peripheral areas and also due to the influx of migrants from outside of the valley. The growth of settlements in the southern part of LMC like in Khokana and adjoining areas is generally spontaneous, and there is very little planned intervention on the part of the local government. The local government does not have the policy to acquire huge parcels of land where planned urban development can be promoted and the current constitutional provision does not allow the government to impose any kind of restriction on the

---

<sup>10</sup><http://english.lokaantar.com/articles/making-nepali-cities-smart/>

use of land as private property. Therefore, the government has only one legal tool to regulate the construction of infrastructure. This tool, however, has been grossly misused in Kathmandu Valley mainly due to political mismatch (Panta and Dangol, 2009).

Centrally planned development projects in the southern part of LMC have also been the major drivers of urban growth and urban sprawl. There are both contestations and contradictions about these projects in Khokana as people are protesting against these projects fearing that they will be alienated from their land, community, tradition, and culture. Yet, the federal government is implementing these projects in between the people's resistance, the local government (LMC 21, Khokana) has no role in these centrally planned projects and also has not clearly come out in favor or against these projects.

Besides, poverty in urban areas is also on the rise and hence the capacity to develop the resilience of the urban poor against the risk is weak. Based on the data of Central Bureau of Statistics or CBS (2012), the percentage of people below the poverty line in the urban areas of Nepal increased from 9.55 in 2004/05 to 15.46 in 2010/11. The rise of poverty in the urban area is an indicator of a decrease in resiliency of the urban population to livelihoods and disasters. Level of resiliency is low in majority of the population with weak economic status, primarily the urban poor in many urban areas in Nepal. Additionally, people who used to earn livelihoods from agriculture are being rapidly displaced by the real estate investment and land pooling for development activities and the urban poor are converted into urban laborers. From the perspective of holistic urban management, this may be a major hindrance in future that needs urgent attention from the government and other relevant stakeholders.

If rational urban planning and development strategies are not formulated and implemented effectively, its growth will create severe consequences. Policies need to be updated where required for the sustainable development of the Kathmandu Valley at both regional and local levels. While valley-wide strategies should ensure basic urban infrastructures (drainage, water, road, solid waste management, etc), local-level strategies should address the development of city or ward level infrastructures (e.g., drainage, water, road, solid waste management). Above all, the cooperation and coordination between national and local institutions are essential in promoting and implementing development activities effectively.

For an inclusive and equitable urban development, all levels of governments including the Municipal government should properly account for urban poverty particularly focusing on the urban poor – landless, slums, informal workers, women, people with disabilities, senior citizens and youth in order to enhance disaster resilience. This needs to be further explored to develop methods and processes for tomorrow's cities to be developed.

Drawing on the lessons from the implementation of the policies and programs in the context of state restructuring, the lessons provide important avenues to rethink urbanization policy in a new light. This would include consolidating the positive gains in such areas as an inclusive process of

policymaking and city planning through local governments, resolving the inter-agency competition over mandates and resources, and engaging the members of the community both in the planning and implementation process. The contestations and contradictions created in Khokana are mainly due to the forces of capital and centralized decision-making process by the government. Hence, the current contexts of Khokana imply for participation of local people and prioritization of urban development projects based on the consent and need of the local people.

## References

- ADB. (2006). *Nepal: Preparing the North–South Fast Track Road Project. Technical Assistance Report*. Retrieved from <https://www.adb.org/sites/default/files/project-document/66905/40011-nep-tar.pdf>:
- Bohra-Mishra, P. and Massey, D.S. (2011). Individual decisions to migrate during civil conflict. *Demography* 2011, 48, 401–424. [CrossRef] [PubMed].
- CBS (2012). National Population and Housing Census 2011: National Report. Kathmandu: Central Bureau of Statistics, Government of Nepal.  
<http://countryoffice.unfpa.org/nepal/drive/Nepal-Census-2011- Voll1.pdf>
- Ishtiaque, A, Shrestha, M., and Chhetri, N. (2017). Rapid Urban Growth in the Kathmandu Valley, Nepal: Monitoring Land Use Land Cover Dynamics of a Himalayan City with Landsat Imageries
- KVDA (2015). Implementation of 20 Years SDMP (2015-2035) from KV.  
[http://www.kvda.gov.np/documents/Document\\_201603060203.pdf1](http://www.kvda.gov.np/documents/Document_201603060203.pdf1)
- Karki, S. (2019). Katmandu Valley to Get Four Smart Cities in Five Years, Khabar hub.  
<https://english.khabarhub.com/2019/25/40175/> accessed on 17 March 2022.
- Muzzini, E.; Aparicio, G. (2013). *Urban Growth and Spatial Transition in Nepal: An Initial Assessment*; The World Bank: Washington, DC, USA, 2013.
- My Republica (2016). 3 Satellite Towns Planned in Kathmandu Valley.  
<https://myrepublica.nagariknetwork.com/news/3-satellite-towns-planned-in-kathmandu-valley/>
- Nepal Rastra Bank (NRB), (2011). *A Report on Real Estate Financing in Nepal: A Case Study of Kathmandu Valley* Nepal Rastra Bank Economic Analysis Division Research Department July 2011
- Pant, R. and Dongol, D. (2009). *Kathmandu Valley Profile: Briefing Paper*. Paper presented at Governance and Infrastructure Development Challenges in the Kathmandu Valley, Kathmandu.  
[http://www.eastwestcenter.org/fileadmin/resources/seminars/Urbanization\\_Seminar/Kathmandu\\_Valley\\_Brief\\_for\\_EWC\\_\\_\\_KMC\\_Workshop\\_\\_Feb\\_2009\\_.pdf](http://www.eastwestcenter.org/fileadmin/resources/seminars/Urbanization_Seminar/Kathmandu_Valley_Brief_for_EWC___KMC_Workshop__Feb_2009_.pdf)
- Paudel, B, Pandit, J. and Reed, B.F. (2012). Fragmentation and conversion of agriculture land in Nepal and Land Use Policy 2012. Online at <https://mpra.ub.uni-muenchen.de/58880/> MPRA Paper No. 58880, posted 26 Sep 2014 15:40 UTC
- Poudel, D. P.; Adhikari, B.; Maharjan, R.; Timsina, N. P.; Ensor, J.; Shrestha, A.; Blackburn, S. and Banjade, M. R. Changing spatial patterns of urban society and understanding Risks in Kathmandu: A basis for planning an equitable and resilient tomorrow’s city. Working paper. Submission intended for the International Journal of Disaster Risk Reduction

- Sharma, M.M. (2009). Realty Business Grows Across Major Cities Migration by Choice, Force Spurs Transactions. Republica. 2009. Available online: [http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=10666](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=10666) (accessed on 18 January 2017).
- Sharma. (2017). Building Sustainable Cities for Future, New Business Age, 12 July 2017. [https://www.newbusinessage.com/magazine\\_articles/view/1855](https://www.newbusinessage.com/magazine_articles/view/1855) accessed on 17 March 2022.
- Shrestha, B. (2011). The Land Development Boom in Kathmandu Valley, CDS/CIRAD/ILC. 2011. Available online: [http://www.landcoalition.org/sites/default/files/documents/resources/CDS\\_Nepal\\_web\\_11.03.11.pdf](http://www.landcoalition.org/sites/default/files/documents/resources/CDS_Nepal_web_11.03.11.pdf) (accessed on 18 January 2017).
- Shrestha, B. K. (2010). Housing provision in the Kathmandu Valley: public agency and private sector initiation, Urbanization, vol. 21, no. 2, pp. 85–95.
- Shrestha, B (2011). The Land Development Boom in Kathmandu Valley, CDS/CIRAD/ILC. 2011. Available <sup>[[L]]</sup><sub>[[SEP]]</sub>online: [http://www.landcoalition.org/sites/default/files/documents/resources/CDS\\_Nepal\\_web\\_11.03.11.pdf](http://www.landcoalition.org/sites/default/files/documents/resources/CDS_Nepal_web_11.03.11.pdf) (accessed on 18 January 2017). <sup>[[L]]</sup><sub>[[SEP]]</sub>
- Shrestha, B.K, (2013). Implementing the proposed outer ring road in Kathmandu Valley, Journal of Management and Development Studies Vol. 25(1): 23-38 Available online <http://nasc.org.np> ©2013
- Thapa, R.B (2009). Spatial Process of Urbanization in Kathmandu Valley, Nepal, **January 2009**
- Thapa, R.B., Murayama, Y. (2010). Drivers of urban growth in the Kathmandu Valley, Nepal: Examining the efficacy of the analytic hierarchy process. Applied Geography, 30 (1), 70-83.
- Thapa, R.B., Murayama, Y. (2012). Scenario based urban growth allocation in Kathmandu Valley, Nepal. Landscape and Urban Planning, 105 (1-2), 140-148.
- The Himalayan Times (2019). Local Obstructs the Transmission Line Tower Work in Khokana. <https://thehimalayantimes.com/business/locals-obstruct-transmission-line-tower-work-in-khokana>
- Timisina, N.P (2020). Trend of urban growth in Nepal with a focus in Kathmandu Valley: A review of processes and drivers of change; Tomorrow’s Cities Working Paper 001 August 2020 <https://doi.org/10.7488/era/722>
- UNDESA (2015). *World Urbanization Prospects. The <sup>[[L]]</sup><sub>[[SEP]]</sub>2014 Revision*; UNDESA (United Nations, Department of Economic and Social Affairs). New York, NY, USA, 2015. <sup>[[L]]</sup><sub>[[SEP]]</sub>

Upreti, B. R., Sharma, S. R. & Basnet, J. (2008). Land Politics and Conflict in Nepal: Realities and Potentials for Agrarian Transformation (Kathmandu: Community Self Reliance Centre, Human and Natural Resources Studies Centre, Kathmandu University and South Asia Regional Coordination Office of NCCR North-South).

Upreti, B.R, Breu, T. and Ghale, Y. (2017). New Challenges in Land Use in Nepal: Reflections on the Booming Real-estate Sector in Chitwan and Kathmandu Valley, *Scottish Geographical Journal*, DOI: 10.1080/14702541.2017.1279680

USAID (United States Agency for International Development) (1986). Kathmandu Valley: Urban Land Policy Study; PADCO (Planning & Development Collaborative International): Washington, DC, USA, 1986.