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Urbanization and Social Transformation in Nepal

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Abstract

Urbanization has become an important feature of Nepal's social and economic change which is rapidly grown and reflecting in major transformation in population distribution, settlement patterns and development arrangements. This study examines the relationship between urbanization and development based on the data provided by the National Population and Housing Census, 2021. A descriptive and analytical approach is employed in this analysis. The analysis examines patterns of urban growth with new settlements, migration trends, development of housing and infrastructure, regional development and spatial inequality in Nepal. The findings show that urban areas have expanded rapidly in Nepal in recent decades. However, socioeconomic changes across social groups and regions have progressed more slowly with the compared with growth of urban population. Urban population growth is increasingly concentrated in municipalities in large size. Middle-sized urban centres are playing a larger role, particularly after improved road connectivity in the recent decade following state owned development practices. Migration is simultaneously reshaping settlement patterns and creating new demands for housing, urban infrastructure and opportunities. The study also finds clear regional differences in infrastructure, climate resilience, human development, and poverty after rapid urbanization in Nepal. These differences show that the benefits of urbanization are not shared equally across Nepal among different urban centers. The study concludes that urbanization in Nepal is a multidimensional process with administrative expansion. Balanced urban development requires stronger functional urban centres and better infrastructure and housing which is not equally distributed in Nepal. It also requires reducing regional inequalities through inclusive and coordinated planning to minimize gap between rural and urban areas and between different urban centres.

Keywords

Urbanization, Urban development, Functional urbanization, Development; Nepal.

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Urbanization and Social Transformation in Nepal

1. Background

Urbanization has become an important component of social and economic transformation in the twenty-first century mainly after industrial revolution initially expanded from global North. Cities have changed the way people work, live, maintain livelihood, and interaction in the new urban settlements. Urbanization has also influenced employment, governance, and development in both developed and developing countries with changing urban dynamics. The United Nations (2019) has projected that nearly 68% of the world's population will reside in urban areas by 2050. This makes urbanization one of the most influential demographic and social trends of modern times. It shapes people's lives and relations differently as they adjust to the new urban environment. Urbanization in each society involves more than an increase in the urban population with the expansion of the market. It also brings changes in social institutions, the economy, culture, and new modes of life.

Urbanization reflects a gradual shift from rural and agriculture-based communities to more diverse and interconnected urban societies. This transformation reshapes social relationships, economic activities, and the institutions to cope new problems that support everyday life and creates new opportunities and challenges. Similarly, it brings greater social diversity, changes in economic activities, and new forms of social organization in the city. Classical sociologists considered urbanization a major source of social change with new ideas of living than economic analysis. They believed that it transformed social relationships, occupational structures, family organization, and community life in a new environment. Urban growth from the development perspective, contributes to economic progress and expands opportunities with higher level of differentiations that support to people's education and social mobility. However, it may also widen inequality and place greater pressure on housing, the environment, and public services due to the population pressure that creates imbalance between demand and government capacity (Wirth, 1938; Harvey, 1973). It includes chances of population growth together with wider social and economic transformation mainly in developing countries.

Nepal has experienced remarkable urban expansion during the last two decades mainly after second people's movement. This transformation has been driven by major administrative restructuring following the federalization of the state and developed different government structure and historically urban-centred development priorities. The share of Nepal's population living in municipalities increased from 17.1% in 2011 to 66.2% in 2021 (National Statistics Office [NSO],

2025). This sharp increase was largely due to the restructuring and expansion of local government boundaries without properly support to the urban facilities. The number of municipalities has increased from 58 to 293 during the same period. These changes represent one of the most rapid urban transitions in South Asia within a short time period. They have influenced patterns of housing and settlement, governance system, infrastructure development, service delivery, hospitality and new ways of life which is main concern of present analysis because the gap between people's expectations and available urban facilities is in significant level

The National Statistics Office (2025) applied the internationally recognized Degree of Urbanization methodology to assess the level of urbanization in Nepal which able to explore categorization of urban center and make support to the urban planning. Based on this measurement only about 27% of Nepal's population resides in functionally urban areas which challenged to the government planning. Another, 40% people live in peri-urban settlements that have both rural and urban characteristics is under basic urban requirement. These findings suggest that Nepal's urban transition cannot be understood only through the expansion of municipalities in number. It is also important to consider the broader socioeconomic changes associated with urban growth in its particular social and political context which is important for urban studies.

Urbanization can affects differently access to education, health care, employment, housing, and other basic services across social groups which is important for proper urbanization. It creates new opportunities and expands investment for development and change is important. However, it can also increase inequality and exclusion mainly for marginalized and underprivileged groups is present challenges of present haphazardously urban growth. The benefits of urbanization are not shared equally across all regions and communities in Nepal, which is a challenge of current urban development from a social justice perspective. Most of researches in Nepal focus on demographic trends and transitions, municipal governance, land-use change, and infrastructure development. These studies examine few aspects of urbanization beyond social demography and right-based perspective. These changes also provide an opportunity to re-examine the changing pattern of urban development for the scholars.

This study examines how urbanization contributes to social transformation and sectoral development using national-level data from the National Statistics Office (NSO, 2025). It takes a broader view of urbanization rather than focusing population growth and physical infrastructure development which need to be taken importantly in sociological analysis. The study considers changes in migration, employment, housing, infrastructure, and regional development associated with urban growth in recent decades. Examining theses patterns helps to understand how Nepal's urban transition is reshaping society and creating different development opportunities and challenges across the country at different level. It is important to examine the pattern of urbanization and change. The study provides a broader understanding of

urbanization and its importance for balanced and equitable development in the context of developing countries like Nepal. Specifically, the study has follows two objectives to examine urbanization and transformation in Nepal in recent decades. First, it examines recent patterns and characteristics of urbanization practiced in Nepal using the latest census data. Second, it analyses the relationship between urbanization, migration, infrastructure, employment, housing, and social transformation from a sociological perspective.

2. Literature Review

2.1 Urbanization and Social Transformation

Urbanization is widely recognized as an important force of social and economic change in the process of modern development mainly under liberal economies. Urbanization, as a way of development influences employment, infrastructure, public services, and people's everyday life (United Nations, 2019). It can create new opportunities compared with rural setting for economic development, innovation, and better living conditions (World Bank, 2023). Recent urban studies therefore consider poorly managed urban growth and its impact in housing shortages and environmental sectors which are make environment to increase social inequality and urban exclusion (UN-Habitat, 2022). Unmanaged urban growth without proper supporting urban plan can create unequal access to opportunities and services among different social groups.

Urban governance has become more complex as cities grow rapidly particularly in developing countries. Cities now need to address environmental, economic, and social challenges through more collaborative forms of decision-making (Long *et al.*, 2023). Recent research also shows that uneven urban development can increase spatial and social inequalities which helps to make divided society within urban places. This raises important concern in the present context of urban development when the benefits of urban transformation are not equally shared across communities (Uitermark *et al.*, 2023). Reducing diverse social and economic inequalities has become important goal of sustainable urban development and inclusive city planning (Jupp, 2023). Urban growth is a part of a broader process of social transformation that depends on inclusive urban policies. It is shaped by demographic change, internal migration, globalization, and changes in the city economy. These changes reshape family pattern and life, community relationships and cultural performances, employment, and governance which is important for sociological research and knowledge formation. In Nepal, recent census evidence in access to education, work and social security further shows that politically expanded municipalities does not fully explain the country's urban transition and development (National Statistics Office, 2025).

2.2 Classical Perspectives on Urban Society

Classical sociologist Tönnies (1887) observed urbanization as a process of social change through the shift from *Gemeinschaft* to *Gesellschaft*, which means society transform gradually from kin-based rural communities to more formal and

complex urban societies. His ideas help explain how migration and urban growth in a modern society reshape social relationships and community life. Durkheim focused on changes in the organization of society during the course of societal development and social differentiations. He argued that the increasing division of labour in the modern society leads to greater occupational specialization and significant interdependence among people. As societies do not remain in static form and become more complex and diverse with new forms of social integration which are needed to maintain social cohesion to maintain social function (Durkheim, 1893). Wirth later explained that urbanization also changes every day social interaction and relationship with under new social organization. Urban life tends to encourage individualism, occupational specialization, and greater social mobility during the process of urbanization significantly. These changes can weaken traditional community ties and forms of social relationships in a long term social interaction to meet complex relations (Wirth, 1938). The Chicago School was concerned with the process of urban growth through a comprehensive approach and further developed the understanding of cities as changing and dynamic social environments. It emphasized how migration, competition for urban space, and economic activities shape neighbourhoods and patterns of urban development which is important to know the changing process of urban society. This perspective also drew attention in sociology to the exploration of the relationship between social groups and the spaces they occupy unequally in the urban growing cities. These ideas remain useful for understanding urban inequality and exclusion simultaneously with urban growth and neighbourhood changes in the cities including the formation of spatial organization and new livelihood practices in urban society (Park *et al.*, 1925).

2.3 Urbanization and Development

Urbanization and development are closely associated with the perception of modern development, new settlement patterns and social transformation. Early modernization theory viewed urbanization as an important driver of economic development (Rostow, 1960). However, later studies showed that urban growth does not always lead to better living conditions as per growth of urban centers. Cities have expanded rapidly to adjust people's perceptions without sufficient employment, housing, or public services that creating urban poverty and inequality mainly in developing countries (Davis, 2006). Modern development perspectives have broadened the meaning of development beyond economic growth mainly after the 1990's paradigm shift in development which is important for urban development policy. Sen (1999) argued that in explain people's capability and enlarging people's choices development should be understood in terms of healthy, educated, and secure lives. Similarly, the human development approach, initiated mainly after 1990s, focuses on improving people's well-being and expanding their opportunities (UNDP, 2024). More recent approaches also emphasize the need to balance economic growth with social inclusion and environmental protection which is important to measure and mitigate urban inequality. These concerns are particularly important for Nepal's urban inequality where rapid urban growth is closely

associated with spatial inequality and emerged vulnerable squatter settlements (UN-Habitat, 2022).

2.4 Migration, Urbanization, and Social Mobility

Migration plays an important role in changing population composition, employment, family life, community relationships and social belonging, which is associated to urbanization (de Haas *et al.*, 2020). Urban areas often attract migrants because they provide comparatively better opportunities for employment and social security. People migrate to the cities for better education, health care, opportunities, business and other public services. Moving to urban areas can therefore improve the livelihoods of migrants by increasing access to jobs, income, freedom and wider social opportunities (World Bank, 2023). However, migration does not always lead to better living conditions mainly for low income holder people in developing countries, where the government has not meet people's expectations through urban planning. Rapid population growth in the cities can put pressure on housing, employment, infrastructure, and public services provided by municipal authorities. It can also contribute to the growth of informal settlements due to population pressure and adequate urban planning and increase greater social inequality in urban areas in present context of rapidly growing cities (UN-Habitat, 2022).

Internal migration has played an important role in Nepal's changing settlement patterns in both urban and rural areas. Since the 1950s, Rana rule ended and the practice of state-initiated development started at first in Nepal. Particularly from the 1990s onwards, after the restoration of democracy and the end of the autocratic Panchayat system, many people have moved from the hill and mountain regions towards the Terai and growing urban centres with new political movements. These movements and changing urban dynamics have changed the geographical distribution of the population and contributed to urban growth (Goldstein *et al.*, 1983). Recent national data also show that internal migration remains an important part of Nepal's urban transition with problems and challenges (NSO, 2025). In the Kathmandu Valley, the concentration of the urban population rapidly increased due to economic opportunities and better access to services being a capital city of Nepal (Thapa & Murayama, 2010). However, these opportunities are not equally available to everyone in the city. The ability to benefit from migration often depends on people's social and economic conditions (Castles *et al.*, 2020). Migration can improve social mobility by creating new educational and economic opportunities unequally. These benefits are not distributed equally among different social groups, and they often depend on social and economic conditions of people living in urban areas (de Haas *et al.*, 2020).

2.5 Urban Inequality and Social Exclusion

Theoretically, urbanization creates opportunities for development and social transformation and reflected as modern development. However, its benefits and outcomes are not shared equally between the social groups which is weak side of urbanization, which is depend in the nature of political system and commitment.

From the imagination of political economy approach, unequal access to housing, employment, education, health care, infrastructure, and public services remains a major challenge in many cities shows capitalist injustice (Harvey, 2008). He argued that access to urban resources is shaped by political and economic power, which make situation to exclusion for underprivileged groups. Urbanization creates uneven patterns of urban development in the process of development shaped by power relations and neoliberal development processes which is not favor to underclass people (Harvey, 2008). Similarly, Silver (1994) explained that social exclusion is rooted in broader social structures, which is also reflecting in underprivileged group in the cities widely. Limited access to education, employment, housing, and participation mainly of lower class people can prevent them from benefitting equally from urban development. Inclusive urban development therefore requires appropriate policy responses to ensure equal access to housing, public services, and opportunities for all citizens in the present context of rapidly growing urban areas (UNDP, 2024).

Recent studies in Nepal show that rapid urban expansion is associated with growing social vulnerability and marginalization in the urban areas and increased informal settlements mainly in the city center. Uneven urban development without inclusive planning and increasing disaster risks have also become important concerns in rapidly changing urban areas of Nepal (Mesta *et al.*, 2022; Poudel *et al.*, 2023). At the same time as urban growth, changing patterns of migration and mobility are reshaping urban settlements differently between rich and poor people. It is reforming livelihood practices and social relationships with people's urban mobility differently. These changes contribute to wider social transformation in Nepali society and create new opportunities as well as new challenges for local communities (Abbing *et al.*, 2026). This study examines how urban growth is related to migration, development, and exclusion and social inequality in Nepal based on national-level data provided by Nepal Statistics Office in 2021.

3. Methodology

This study uses a descriptive and analytical research design to explore urban exclusion. It is based on secondary data from the Urbanization and Development in Nepal (NSO, 2025) initiated by National Statistics Office, 2021. This study depends on nationally representative census data associated with multiple indicators has taken in national census. These include frequencies, percentages, and comparative indicators to identify major patterns and trends of urbanization and development. It shows the latest data on urban dynamics and development of Nepal. The study examines how urbanization is connected with migration, housing, infrastructure, employment, and development in the context of Nepal's urbanization. It is based entirely on the official thematic report published by the National Statistics Office in 2025. The National Population and Housing Census 2021 provides wide coverage to grasp the diverse nature of data mainly concentrate on urban development. It covers all seven provinces, 77 districts, and 753 local governments of Nepal, which means

it cover widely. The census follows standard data collection procedures and analytical tools to collect and analyze data across the country. This process provides a strong national basis for understanding patterns of urbanization and development in Nepal. Its nationwide coverage also makes its reliable and useful for comparing regional differences and examining recent changes in Nepal's urban development.

The analysis focuses on key dimensions of urbanization, including urban population distribution, migration, growing cities, housing and basic infrastructure. These dimensions were selected to collect and analyze major demographic, social, economic, and spatial changes associated with urbanization. The analysis is narrow in terms of the census variables and the conditions at the time of data collection. However, its nationwide coverage provides a strong basis for understanding recent changes in urbanization and development across Nepal for a comparative study.

4. Analysis and Results

4.1 Urbanization Trends and Spatial Distribution

Urbanization in Nepal has expanded significantly over the past seven decades. The pace and degree of urban growth increased primarily after the introduction of the federal system in Nepal, which is controversy with state devolution and solution of underdevelopment. It is based on primarily on the restructuring process of local governments in 2015 after the declaration of the current Constitution. Much of the increase in the urban population resulted from administrative reclassification does not justify of equal development in data (National Population and Housing Census 2021). However, urbanization has accelerated since the 1990s following the restoration of democracy. This change has also brought rapid population growth in urban areas which contributes in role for shifting settlement patterns mainly in urban areas. These changes help us understand how urbanization is taking place in Nepal with changes in politics and what it means for the country's socioeconomic development.

Table-1: Trends in Urban Population and Municipal Classification in Nepal (1952/54-2021)

Census Year	Number of Municipalities	Population Living in Municipalities (%)
1952/54	10	2.9
1961	16	3.6
1971	16	4.0
1981	23	6.4
1991	33	9.2
2001	58	13.9
2011	58	17.1
2021	293	66.2

Source: National Statistics Office, *Urbanisation and Development in Nepal*, 2025.

Table-1 shows that Nepal's urban population has grown considerably over the past seven decades, reflecting in a significant form in size and pattern. Data shows the increase was gradual from 1952/54 to 2011 with rising population lived in urban areas from 2.9% to 17.1%. However, a sharp increase occurred between 2011 and 2021, which was remarkable growth of urban population. During this period, the urban population reached 66.2%. This change followed the introduction of the federal system in Nepal. It increased the number of municipalities from 58 to 293 for an administrative purpose. The findings suggest that this rapid growth was mainly driven by administrative reclassification without proper urban planning and requirement. It has not adopted the characteristics of a gradual urban transformation. Many rural areas were redesignated as municipalities after the government's policy. It resulted in a higher urban population and a huge difference between the census of 2011 and 2021. Therefore, the increase in urbanization does not necessarily reflect equal improvements in infrastructure, employment, or public services during this decade. Administrative expansion has been faster than urban development in Nepal's growth of urbanization which is not justifiable for urbanism. It creates uneven levels of development and service delivery across municipalities, which are new development issues generated by further development and planning and need to be further discussed.

4.2 Functional Urbanization and Degree of Urbanization

Urbanization in Nepal has usually been measured by the number of municipalities along without urban requirements. However, a government declaration of an area as a municipality does not mean that is fully equipped with functions as an urban settlement. The National Statistics Office used the Degree of Urbanization (DEGURBA) method which is developed by the United Nations and the European Commission is able to measure level of urbanization from the development perspective. This method classifies settlements according to their population, settlement patterns, and urban characteristics in a comparative method. It provides a more realistic way to understand Nepal's urbanization and their level. It shows the difference between administrative classification and the actual level of urban development, which is important for examining urban dynamics, achievement and level. The findings presented below help explain the spatial pattern of urbanization and its implications for balanced regional development.

Table-2: Functional Urbanization (DEGURBA) Indicators in Nepal, 2021

Indicator	Value
Population Distribution by DEGURBA	
Population living in urban areas (cities)	27.0%
Population living in peri-urban areas (towns and semi-dense areas)	40.0%
Population living in rural areas	33.0%

Local-Level Urbanization Indicators	
Total local levels	753
Local levels with no urban population	487 (64.7%)
Population living in local levels with no urban population	62.6%
Urban-classified wards within rural municipalities	139
Rural municipalities with urbanization above 40%	17
Share of total urban population living in these 17 rural municipalities	2.3%

Note: Population born in another district refers to internal migrants living in municipalities. Foreign-born population refers to people living in Nepal who were born outside the country. Source. National Statistics Office, *Urbanisation and Development in Nepal: National Population and Housing Census 2021, Thematic Report XV*, Government of Nepal, 2025.

The above table shows a clear difference between Nepal's functional and administrative levels of urbanization associating with gap between functional and administrative structure. This difference is important for understanding the gap between actual urban development and administrative expansion of municipalities, mainly political motives and voter size combination. In 2021, census data showed that 66.2% of Nepal's population lived within municipalities, which remains in significant size compared to previous census. However, the DEGURBA classification, which identifies the level of urban areas based on urban requirements, shows that only 27.0% lived in areas that met internationally recognized criteria for urban settlements in Nepal. Another 40.0% lived in peri-urban areas according to the 2021 census. It shows the growing importance of these settlements in Nepal's urban transition and urban development. Similarly, about 33.0% of the population still lived in predominantly rural areas according to the same census. These findings suggest that many areas were officially classified as municipalities without basic urban requirements and proper planning.

The distribution of local levels greatly further shows the uneven pattern of Nepal's urban transformation, which depends more on spatial relocation. However, this aspect has taken few attentions in urban development research in Nepal. The data shows that out of 753 local levels, 487 (64.7%) have no functionally urban population. However, 62.6% of Nepal's population lives in these areas, which shows a controversy whether urbanization is in minimum standard. This suggests that many areas were given municipal status even though they still have mostly rural characteristics. Similarly, although 139 wards within rural municipalities are classified as urban by this measurement. The data shows that only 17 rural municipalities have an urbanization level above 40%, and they contain just 2.3% of Nepal's urban population. These findings show that functional urban development is concentrated in only a few places. Most local governments have experienced limited urban transformation based on basic urban requirements for urban settlements. These findings show a clear gap between administrative and functional

urbanization which justified its political motives rather gradual process of development. It presents a debates to examine and explore urban challenges, trend and pattern. Many municipalities still have predominantly rural conditions. It creates challenges for adequate service delivery and urban planning for urban dwellers. Strengthening infrastructure, employment opportunities, and public services is essential for balanced urban development in Nepal in present context of haphazardly declaration of urban center. Social aspects of urban development are also important for achieving sustainable urbanization, which is basically ignored in policy debate in Nepal.

4.3 Migration and Housing Characteristics

Migration has played an important role in Nepal's urbanization and transformation. People have moved from rural to urban areas, between districts, and across different regions without have basic facilities in destiny areas. People have mainly migrated in the city center in search of better employment, education, and access to services which is associated with Nepal's imbalanced development. This movement has also changed settlement patterns in rural and urban areas. It has increased the demand for housing, and influenced urban labour markets in new places. Migration becomes important factors in shaping Nepal's urban growth and changing settlement patterns which is useful for urban planner and researcher.

Table-3: Migration and Housing Characteristics in Nepal, 2021

Indicator	Value
Migration Characteristics	
Population born in another district	25.2%
Foreign-born population	2.6%
Housing Tenure (Rental Households)	
Kathmandu Valley	50.1%
Metropolitan cities	42.6%
Other urban municipalities	34.3%
Rural municipalities	2.6%

Note: Population born in another district refers to internal migrants living in municipalities. Foreign-born population refers to people living in Nepal who were born outside the country.

Source: National Statistics Office, *Urbanisation and Development in Nepal: National Population and Housing Census 2021, Thematic Report XV*, Government of Nepal, 2025.

The above table shows that migration has become an important part of Nepal's mobility pattern. According to the 2021 census, 25.2% of people living in municipalities were born in another district, and 2.6% were born outside Nepal. This shows that urban growth is mainly determined by internal migration compare with international migration. Most migration is directed towards the Terai, especially from the Hill and Mountain regions. Similarly, the data show that the movement within the Terai has also increased as previous pattern of migration to

the Terai. These patterns have changed the country's settlement structure and contributed to the growth of urban areas. Housing patterns also reflect these migration trends. Half of all households (50.1%) in the Kathmandu Valley live in rented housing, which shows deficiency in housing mainly depend on government policy. The proportion is also high in metropolitan cities (42.6%) and other urban municipalities (34.3%) compared with only 2.6% in rural municipalities. These differences show that many people move to urban areas in search of a secure life. Such a trend of migration has increased demand for new settlement places and rented housing has become increasingly common in growing urban areas. These changes reflect changing patterns of mobility is in increasing trend and people's choices in the city is also increased.

4.4 Climate Vulnerability and Urban Infrastructure

Urban growth can be sustained when infrastructure develops together with it in a balanced way. This also helps settlements survive with environmental risk in a changing environment in which mainly affected under class people. Urban areas have expanded rapidly without proper urban safety and urban equity in Nepal. The improvement of infrastructure has not kept speed everywhere with the growth of population, which is the main problem with the current trend of urban growth. Many urban centres still face problems such as poor road access and greater exposure to climate-related hazards and risks mainly for excluded people. These differences affect people's access to services, transportation, and development opportunities. It further explores modern debates on urban development and planning. The 2021 census shows differences in infrastructure and climate vulnerability across settlements based on rural and urban and among municipalities.

Table-4: Climate Vulnerability and Urban Infrastructure Indicators in Nepal

Indicator	Value
Climate Vulnerability Index	
Rural municipalities	0.592
Municipalities	0.325
Sub-metropolitan cities	0.057
Metropolitan cities	0.005
Road Infrastructure	
Mountain wards with black-topped roads	65.6%
Hill wards without black-topped roads	53.0%

Note: The Climate Vulnerability Index (CVI) ranges from 0 to 1. A higher value indicates greater climate vulnerability

Source: National Statistics Office, *Urbanisation and Development in Nepal: National Population and Housing Census 2021, Thematic Report XV*, Government of Nepal, 2025.

Table-4 shows clear differences in climate vulnerability and infrastructure across different types of settlements, which is depend on proper urban planning. It is mainly based on the level of urban growth and associated with prerequisites of development in Nepal. The data show that rural municipalities have the highest climate vulnerability index (0.592) compared with metropolitan cities which have the lowest (0.005) vulnerability index. Municipalities (0.325) and sub-metropolitan cities (0.057) fall between these two extremes is also important to analyze environmental vulnerability. The findings show that larger cities are better prepared for climate-related risks and their mitigation. They generally have better infrastructure, stronger institutions, and easier access to public services compared with peri-urban and rural areas. In contrast, urban centres within rural municipalities are more vulnerable due to limited infrastructure and weak climate-bearing planning. The data show that the differences in road networks also reflect the uneven pattern of development across Nepal.

The data also show clear differences in road conditions across Nepal's ecological regions, a problem that has been faced by Nepali people for decades. Around 65.6% of wards have access to black-topped roads in the Mountain region, in contrast with 53.0% of wards in the Hill region still lack black-topped roads. Such differences can affect people's access to schools, health facilities, markets, and government services in where a large number of people reside. Limited road access in different places mainly from rural areas may also encourage people to move to urban areas. Similarly, the migration trend is associated with the search for better infrastructure and economic opportunities mainly for urban areas.

4.5 Human Development and Regional Disparities

The thought is that the urbanization can improve people's lives and livelihoods, freedoms and choices. It can provide better access to education, health care, employment, public services, and entrepreneurship for whom is not researched as much as need. According to the different sources including those from Nepal, these benefits are not equally shared across regions or ecological belt. It indicates imbalanced development associated with economic and social characteristics among different regions. The 2021 census uses the HDI, IHDI, and MPI to measure differences in development among provinces is important for measuring intensity of development. These indicators all provide a better understanding of the relationship between urbanization, human development and multidimensional poverty.

Table-5: Human Development and Multidimensional Poverty by Province

Indicator	Province	Area Value
Human Development Indicators		
National Human Development Index (HDI)	Nepal	0.602
Highest HDI	Bagmati Province	0.650
Second highest HDI	Gandaki Province	0.624
Lowest Inequality-adjusted HDI (IHDI)	Karnali Province	0.419

Multidimensional Poverty Indicators		
National multidimensional poverty	Nepal	17.0%
Lowest multidimensional poverty	Bagmati Province	7.0%
Highest multidimensional poverty	Karnali Province	39.5%

Note: HDI refers to the Human Development Index, while IHDI refers to the Inequality-adjusted Human Development Index. Multidimensional poverty is measured using the National Multidimensional Poverty Index (MPI).

Source: National Statistics Office, *Urbanisation and Development in Nepal: National Population and Housing Census 2021, Thematic Report XV*, Government of Nepal, 2025.

The above table shows that the benefits of urbanization are not shared equally across Nepal's provinces and associated municipal regions. It may be influenced by the practice of ecologically imbalanced development for decades which is affected by decades of centralized development. Similarly, human development varies across Nepal's provinces and its diverse locations. Bagmati Province has the highest HDI at 0.650 compared with national average of 0.602. Similarly, Gandaki Province obtained an HDI of 0.624 which is above the national average. Their higher levels of human development are associated with greater urbanization and urban-centered development, which has initiated by government. In contrast, Karnali Province has the lowest Inequality-adjusted Human Development Index (IHDI) at 0.419, which is significantly below the national average. This shows that lower living standards and greater inequality remain as important challenges to development in the province need to be addressed through inclusive development planning.

The data in Table-5 show that the Multidimensional Poverty Index (MPI) is also shows wide provincial differences in Nepal as does the HDI distribution. Nationally, 17.4% of the population lives in multidimensional poverty, which is also differs among provinces. The rate is lowest in Bagmati Province (7.0%) and highest in Karnali Province (39.5%). Many people of Karnali continue to face multiple disadvantages in education, health, and living standards. The results suggest that urbanization has brought greater benefits to provinces with larger cities and stronger economies, which benefitted from the centralized state before the adoption of federalism.

5. Discussion

The findings show that urbanization has changed migration, infrastructure development, governance system, and development differently in Nepal. Latest urbanization trend has been shaped by administrative restructuring after the federalism practiced in Nepal. The data prove that the benefits of urbanization remain uneven across the country with rapid urbanization and people's mobility. Differences in infrastructure, climate resilience, and development continue to shape the urban experience significantly differently between urban and peri-urban centres based on different development indicators. One another finding is the rapid increase in the urban population after the restructuring of local governments, which shows

political motives to declare municipalities without urban facilities, it does not meet urban requirement. The census shows that about two-thirds of the population live in urban areas without basic urban requirement. The Degree of Urbanization (DEGURBA) analysis shows that only about one-quarter of the population lives in functionally urban areas. Many newly declared municipalities still have rural characteristics and are not able to meet urban basic requirement. It means that urban requirements are not fulfilled after physical separation in many newly declared municipalities. Nepal's administrative urbanization has therefore been unable to meet functional urban development.

The study also emphasizes the growing role of medium-sized municipalities. The number is large and increasing across Nepal. It is a fact that a large share of Nepal's urban population now lives outside the major metropolitan cities with under human requirements. Peripheral cities remain with minimum basic urban facilities and development infrastructure. The growth of intermediate cities can gradually improve their ability to meet urban requirements. It expands people's access to education, markets, technology, and public services through urban policies. Migration continues to be a major factor of urban growth and social transformation in Nepal. Many people move from rural areas to cities for employment, education and healthcare in the growing cities from rural areas. The study further shows that infrastructure and climate resilience are essential for sustainable urban development because climate vulnerability and urban infrastructure indicators are considered basic standards in Nepal. Similarly, they are not equally developed across municipalities. Metropolitan cities have lower climate vulnerability than rural municipalities because they have better resource, infrastructure and services.

Regional differences in human development remain another major challenge, which is also reflecting in urban development. Bagmati and Gandaki provinces show higher human development in comparison with the lower human development and higher multidimensional poverty in Karnali Province. The regional variations suggest that urbanization depends on resources, geographical locations and human capabilities. The fact justifies that provinces of Nepal with stronger economies and better public services continue to attract more investment. It creates more opportunities and support efforts to reduce poverty and exclusion. The findings show that Nepal's urbanization is still in an evolving and expanding stage with few urban requirements in comparison with developed societies. However, the number of municipalities has increased rapidly without adequately meeting urban requirements compared to developed cities. The evidences suggest that improvements in social and physical infrastructure, employment, public services, and human development have not progressed equally among the urban centres including peri-urban centres, which is a major question to the state mechanism and state politics.

6. Conclusion

This study examined the relationship between urbanization and development in Nepal in association with migration trend, infrastructure development, regional progress, and social transformation in an integrated way. The analysis shows that Nepal's urban transition has been shaped mainly by administrative restructuring and migration pattern mainly since two decades. It shows the different conditions of infrastructure development among regions, which is reflecting to the centralized development. It is associated with the regional differences in human development which is reflecting in differently in different provinces. However, the urban population has increased rapidly without adequately functional prerequisites of urbanism. The data show that many newly designated municipalities by political decisions have limited urban facilities and services. The study also emphasizes that the outcomes of urbanization vary across provinces and settlement types among metropolis and municipalities. Urban facilities and people's access to them contribute to minimizing the gap that persist in human development and poverty. Better infrastructure in larger urban centres and greater economic opportunities support higher levels of human development. In contrast, less-developed regions from the urbanization perspective continue to face higher poverty and exclusion which is associated with limited infrastructure and greater climate vulnerability. These unequal patterns of social transformation suggest that urbanization does not always lead to balanced and inclusive development equally. The findings indicate that future urban policy should focus on improving the quality of urban development with equally distributed development outcomes among social groups. It needs to expand affordable housing through inclusive urban planning and banking supports. Proper infrastructure, social development, expanded opportunities and climate resilience mechanisms are essential to reduce regional inequalities and sustainable urban development. These efforts through policy response by municipal bodies can support more balanced and sustainable urban development, which can help promote more inclusive and equitable urban transformation.

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