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Urban Sprawl in Nepal: Changed Dynamics of Market Relationships

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Abstract

Urban sprawl is a widely discussed social phenomenon in the arena of sociology. In Nepal, urbanization is expanding rapidly that brings about various social impact and changes. According to the population census, the urban population increased from 63.2% in 2011 to 66.8% in 2021. In contrast, the rural population decreased from 36.8% in 2011 to 33.9% in 2021. This trend of population reveals the increasing migration from rural to urban areas, which leads to urban sprawl and contributes to the expansion of cities. Urban sprawl refers to the rapid and uncontrolled expansion of urban areas into the surrounding lands, with increasing new residential, commercial, and industrial developments spreading outward from city centers. This transformation leads to social, economic, and environmental impact, such as traffic congestion, the reduction of agricultural land, higher pollution, and overburdened public services. This article is focused to study urban sprawl in Lalitpur district and its impact on historical marketplaces and the process of generating new market places by it. This article has used in-depth interviews with the old market keepers and new market keeper and some inputs from observation. It is found that Urban sprawl not only expands residential areas and increases the population by occupying additional land but also transforms traditional marketplaces by shifting commercial activity to newly developed areas. This shift reduces the viability of traditional markets, leading to their decline, while congestion rises in emerging market areas, creating new economic opportunities.

Keywords

Urban sprawl, Market place, Urban population, New residence.

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1. Introduction

The study of urbanization is a central focus in sociology which encompasses its development, structural dynamics, and sustainability. Urbanization is the social process which is produced by extensive industrialization and shaped by political systems and economic progress. It stimulates massive migration from rural areas to urban centers with shifts in production structures. Urbanization increases employment opportunities in non-agricultural sectors, and also amplifies economic disparities. Additionally, urbanization enhances the services such as education, healthcare, and transportation that influences lifestyles, cultural norms, and social behaviours (UNDESA, 2018). Urbanization concentrates economic activities with the flow of transportation, trade, and information. Similarly, these urban centers incorporate advanced and basic services, technological development, intensified spatial and economic interactions, and relatively high population density (Sharma, 2003). The urban areas are evolved specially by three key factors: natural population increase, rural-to-urban migration, and the reclassification of settlements as urban. Ultimately, urbanization functions as a spatial response to broader economic structural transformations.

Urbanization and urban sprawl are among the most recent and rapidly expanding phenomena in Nepal. Despite their significance, they have yet to be thoroughly studied from a sociological perspective. Unlike the industrial-driven urbanization seen elsewhere, Nepal's urban growth is primarily fuelled by migration from rural areas. This shift leads to the loss of agricultural land, the expansion of roads and settlements, and an increased reliance on external sources such as remittances. As urban areas absorb surrounding suburban lands, land values rise, and rural boundaries diminish. Given the profound impacts of urban sprawl, a sociological examination of its trends and consequences is both timely and essential. This paper explores the recent patterns and effects of urbanization in Nepal, with a particular focus on the dynamics of urban sprawl.

2. Methodology

This research examines the effects of urban sprawl in Wards 10 and 11 of Godawari Municipality and its impact on the local market in Chapagaun. The study is based on in-depth interviews and direct observation. I conducted interviews with ten randomly selected shopkeepers out of approximately fifty shops in Chapagaun to gather insights into how urban expansion has influenced their businesses. The participants shared narratives about the past economic boom in Chapagaun and how urban sprawl has contributed to its decline. As a resident of the area, I have

personally observed both its periods of growth and its recent downturn. The data collected through observation and interviews were analyzed using narrative approaches to better understand and illustrate the impact of urban sprawl.

3. Sociology of Urban Sprawl

Urbanization has been a significant social phenomenon that has engaged sociologists for a long time, particularly since the Industrial Revolution (1750-1900). Following the Second World War, urbanization and urban sprawl emerged as major trends alongside globalization (Glaeser, 2011). While both urban expansion and urban sprawl are related to urban growth, they exhibit distinct characteristics. Urban expansion leads to population concentration in major centers, where high-rise apartments maximize land use efficiency. In contrast, urban sprawl involves the spread of development over larger areas, prompting people to move away from city centers in search of open residential spaces, resulting in lower population density. Due to the high cost of living in central areas, migrants from rural regions often settle in suburban zones, contributing to urban sprawl (Nechabya & Walsh, 2004). This phenomenon results in unproductive road congestion, increased vehicle emissions, loss of green spaces, disparities in access to public goods and services, rising residential segregation, and the emergence of poverty-stricken areas.

Urban sprawl lacks a singular, universally accepted definition, as its analysis spans diverse aspects—from visual design to the configuration of local streets. Despite this variation, several recurring features are commonly identified in scholarly literature. One key trait is low-density development, often characterized by single-family homes occupying relatively large plots of land, which can result in the loss of potentially productive areas. As urban expansion stretches outward, reliance on automobiles increases, even for short-distance travel. A defining aspect of sprawl is its scattered or fragmented nature, where development tends to leap over vacant parcels near urban cores in favor of more distant countryside locations (Torrens & Alberti, 2000). This leapfrogging growth pattern leads to inefficient and disorganized land use. Another notable feature is “ribbon” development—linear arrangements of residential or commercial buildings along roads extending from city centers (Tsai, 2005). Such layouts, particularly along rural highways, pose traffic safety risks and encourage automobile-dependent infrastructure, often marked by wide parking areas fronting fast-food outlets and big-box retail stores. Moreover, suburban-style residential expansion on the urban fringe gradually erodes the distinction between urban and rural areas (Heimlich & Anderson, 2001). This spread frequently results in the intrusion upon open spaces and agricultural land, contributing to the transformation of natural and rural landscapes into built environments.

Urban sprawl can be categorized into two models: monocentric and polycentric. The monocentric model is based on a single dominant city center where economic activities are concentrated. High land prices in the core push resident outward, leading to suburban expansion. As a result, more housing develops in

suburban areas, and people commute from these outskirts to the city center for work. In contrast, the polycentric model emerges when urban sprawl leads to the development of multiple centers in suburban areas, expanding toward edge cities (Henderson & Mitra, 1999; Anas, Arnott, & Small, 1998; McDonald & McMillan, 2000). This model promotes mixed-use development across different parts of the city, reducing dependence on a single central hub. As a result, commuting patterns become less centralized, with people living and working in various urban centers. People are drawn to the suburbs by their appealing features, while issues within the city center push individuals away from it.

Numerous scholars have identified several negative impacts of urban sprawl. These include the loss of open spaces, urban decay, and pollution of air and water. Additionally, sprawl leads to traffic congestion, low-density housing, fragmented developments, increased reliance on automobiles, and the separation of residential and work areas. Urban sprawl significantly influences economic activities in suburban areas. Scholars highlight key economic factors such as population growth, rising incomes, transportation costs, and agricultural land rent as primary drivers of urban expansion (Seto & Kaufmann, 2003; Li *et al.*, 2012). However, the functioning of market mechanisms and the interplay among these influencing factors remain under-explored. Beyond demographic shifts, urban sprawl brings challenges related to job accessibility, housing affordability, inequality, environmental concerns, and public health. The expansion of new business centers further reshapes suburban economies. Neoclassical theories emphasize the role of markets and prices in urban expansion, pointing to agricultural land values, commuting costs, rising incomes, population growth, transportation advancements, and consumer preferences as key contributors to sprawl, particularly in the United States (Brueckner & Fansler, 1983; Gordon & Richardson, 2000). Scholars have also applied neoclassical theories to developing countries, finding that similar economic factors drive urban expansion (Seto & Kaufmann, 2003; Li *et al.*, 2012). Many residents choose to move to sprawling suburban areas to escape the deteriorating conditions of central cities, characterized by higher taxes, crime rates, aging infrastructure, and underperforming public schools (Mieszkowski & Mills, 1993; Batchis, 2010).

4. Studies of Urbanization in Nepal

Research on urbanization in Nepal has, for the most part, lacked a sociological lens. Existing studies have mainly been confined to mapping urban growth patterns and highlighting impacts such as environmental degradation and certain infra-structural challenges (Dhakal, 2003; Haack, 2009; Bista, 2017; Chapagain, 2018; Singh & Dhakal, 2024; Kandel & Pokhrel, 2024). These studies highlighted that the rapid growth of unmanaged urbanization, population expansion, and rapid land transformation have contributed to the loss of vegetation and increased pollution. They also emphasized physical problems such as traffic congestion and the rising number of residential structures. Although these studies contribute some

understanding of urbanization in Nepal, they do not offer a comprehensive examination of urban sprawl and its wider social and economic consequences. This study serves as an initial effort to trace the course of urban development in Nepal. This section of the article makes an initial effort to trace the course of urban development in Nepal.

It is generally believed that the process of urbanization began during the Lichhavi period in the sixth century and continued through the Malla period in the 11th and 12th centuries. During the Lichhavi era, various Gramas (settlements) emerged as town centers within the Kathmandu Valley (Bajracharya, 1986). The Malla period marked a significant phase in the urban development of the valley, which became a prominent urban center of the time. Kathmandu Valley, during the Malla era, maintained active trade and economic relations with both India and China. Its vast fertile lands enabled high agricultural productivity, which in turn supported dense concentrations of economic activities. Local industries, including metalwork and textile production, thrived to meet the demands of flourishing trade and commerce. The valley was known not only for its economic prosperity but also for its rich cultural and domestic production. In recent times, urban sprawl has been gradually expanding in the Kathmandu Valley, with fertile peripheral lands increasingly being converted into residential areas. However, during the Rana period in the 19th century, urban growth across Nepal remained limited, largely confined to the Kathmandu Valley, where most economic activities were concentrated. Significant changes occurred after 1951, when Nepal was divided into five development regions, prompting the expansion of urban centers across each region. According to the 1952/54 population census, the term *Shahar* was used to denote urban areas, identifying just 10 urban settlements with populations slightly exceeding 5,000. With the introduction of democracy and decentralization, urban growth began to accelerate in various parts of the country.

The concept and definition of urbanization in Nepal have continued to evolve. Kathmandu, for instance, has progressed from a municipality to a metropolitan city. Today, Kathmandu District comprises one metropolitan city and ten surrounding municipalities, reflecting the ongoing transformation of urban administrative structures. According to the Local Government Operation Act, 2017, the classification of local areas into metropolitan, sub-metropolitan, or municipal levels is primarily based on population size and internal revenue. (LGOA, 2017). The population criteria vary by region. In mountain districts, an area must have at least 10,000 residents to be declared a municipality. In contrast, the requirement is much higher in the Kathmandu Valley, where a minimum population of 100,000 is needed. Other regions have different thresholds as well. In the hilly region, a population of at least 40,000 is required, while in the Terai region the minimum is 75,000. For the inner Terai, the requirement stands at 50,000. To qualify as a sub-metropolitan city, an area must have a population exceeding 200,000. For metropolitan status, the threshold is even higher, with a minimum of 500,000

residents. Income is another crucial factor. While municipalities in mountain districts must generate more than 1 million rupees in internal revenue, a metropolitan city must exceed 1 billion rupees (10,000 lakhs) in revenue to meet the standard. In short, a place must meet specific criteria for population and income to be officially recognized as a municipality.

Table-1: Number of Municipalities, and Urban Population as a Percentage of National Population in selected Years

Duration	Year of enactment	Number of new municipalities	Total number of urban municipalities	Urban population as percentage of total population of Nepal
Before 1980	Until 1981	—	23	6.2
1981-1990	1991	10	33	9.2
2001	2001	25	58	13.9
Political restructuring	2011	—	58	17.1
	2014 May	72	130	27.2
	2014 (Dec)	61	191	38.2
	2015 (Sept)	25	217	41.6
Nepal Federated with 7 provinces	2017 (Feb)	76	293	62.4
	Later 2017	—	293	66.08

Source: Bhattarai *et al.* (2023).

Recently, in Nepal, among the country's 753 local units, 293 were designated as municipalities in 2015, where 66.08% of the population resides (NSO, 2024). Until 1981, Nepal had only 23 municipalities, and this number increased to just 58 by 2011, indicating a relatively slow pace of urbanization before that period. However, urbanization accelerated rapidly after 2011. Nepal's urban population grew significantly—from 2.9% in 1954 to 13.9% in 2001. By that year, the number of municipalities had risen from 10 to 58. According to the 2011 census, only 17.1% of the total population lived in these 58 municipalities, underscoring the gradual but persistent trend of urban sprawl driven by rural-to-urban migration. The rise in the number of municipalities has led to an increase in urban populations. The establishment of new municipalities by government through political decisions highlights the rapid rural to urban migration in recent years. This trend is also reflected in the expansion of eleven sub-metropolitan cities. The major push factors behind rural outmigration include insecurity, limited employment opportunities, and inadequate infrastructure such as schools and health services. In contrast, the key pull factors attracting people to urban areas are better security, improved living standards, and increased job prospects (Shrestha, 2019). Metropolitan cities like Kathmandu, Lalitpur, Pokhara, Bharatpur, Birgunj, and Biratnagar exemplify the patterns of urban sprawl.

5. Urban Sprawl in Lalitpur

The phenomenon of urban sprawl in Lalitpur District has yet to be thoroughly explored. Separated from Kathmandu by the Bagmati River, Lalitpur lies on its southern bank. The area first developed as an urban center during the Kirat dynasty in the third century BC, with significant expansion under the Lichhavis in the sixth century. During the Medieval period, the Malla rulers further enlarged the city. Key urban settlements at that time included Patan, Champapur, Harisiddhi, Bungamati, and Khokana. Historically, Lalitpur thrived as a prosperous town during the Malla dynasty, particularly between the 11th and 13th centuries, marked by economic and cultural flourishing. This rich history highlights that urbanization in Lalitpur has deep roots extending back centuries. Urban development continued during the Rana and Shah periods, gradually shaping the modern landscape. However, it was after the restoration of democracy that urban expansion accelerated significantly.

Table-2: Municipalities in Lalitpur District

S.No.	Name of Municipality	Population (Census 2001)	Population (Census 2011)	Population (Census 2021)
1.	Lalitpur Metropolitan City	200,020	292,848	294,098
2.	Mahalaxmi Municipality	35,802	62,624	123,116
3.	Godawari Municipality	66,240	80,378	97,633

Source: National Statistics Office (NSO, 2024).

At present, there are three municipalities in the Lalitpur district: Lalitpur Metropolitan City, Godawari Municipality, and Mahalaxmi Municipality. Among them, Lalitpur Metropolitan City has the highest population and population density, although it is not the largest in terms of land area. Godawari Municipality covers the largest land area, totalling 96.11 square kilometers, and has the second-highest population. Mahalaxmi Municipality is the smallest, both in terms of population and land area, occupying only 26.45 square kilometers. In terms of administrative divisions, Lalitpur Metropolitan City comprises 32 wards, Godawari Municipality has 14 wards, and Mahalaxmi Municipality includes 10 wards. These municipalities are expanding rapidly, with new houses being built regularly, reflecting characteristics of urban sprawl. My study focuses on the impact of urban sprawl in Godawari Municipality, with particular attention to the shifting intensity of market activities from the center to the peripheral areas.

6. Impact of Urban Sprawl in Chapagaun

This research focuses on Godawari Municipality, where I explore the urban sprawl in Tahakhel, Ward No. 10, and its impact on the Chapagaun market in Ward No. 11. Chapagaun, historically known as “Stharudranga” during the Lichhavi

period and “Champapur” in the Malla era (Maharjan, & Pokherel, 2020), is situated in Ward No. 11 of Godawari Municipality, Lalitpur District. Established in the 6th century, it served as a significant settlement and a southern gateway to the Kathmandu Valley, functioning as a key checkpoint for goods entering from the southern regions. In its prime, Chapagaun thrived as a bustling market hub, catering to travellers and traders with establishments such as tea houses, sweet shops, clothing stores, and hardware outlets. Goods from southern Lalitpur were collected here before being transported into the valley. With the advent of urban sprawl and infrastructure development, commercial activities began shifting towards neighboring areas like Pyangaun and Tahakhel in Ward No. 10. Migration from southern Lalitpur has driven the urban sprawl in Godawari Municipality, resulting in an increase in population, residential housing, and market areas. This expansion is part of a broader connection between Patan and the Kathmandu Valley. Moreover, the relocation of the bus park from Chapagaun to these areas has further accelerated this transition, leading to a decline in Chapagaun’s traditional market prominence. Population growth statistics reflect this transformation: from 9,600 residents in 1991, Chapagaun’s population increased to 12,448 in 2001 and 16,420 in 2011. Following its integration into Godawari Municipality in 2017, the population reached 19,389 by 2021 (NSO, 2024). An in-depth study involving interviews with ten local shop owners in Chapagaun was conducted to assess the impact of urban sprawl on the area’s economic and social dynamics. The findings highlight significant shifts in commercial activities and community interactions, which have collectively contributed to the erosion of Chapagaun’s historical and cultural heritage.

My findings reveal five major impacts of urban sprawl on the marketplace in Chapagaun. *First*, the marketplace is experiencing growing challenges, accompanied by a generally pessimistic outlook for its future. *Second*, despite these difficulties, the market continues to persist, primarily due to its historical significance and deep-rooted presence in the community. *Third*, some shopkeepers have opened branches in newer market areas in an effort to attract more customers. *Fourth*, many property owners in the market area have alternative residences elsewhere. *Fifth*, the roads have become increasingly congested, making vehicle movement more difficult. During my visit to Chapagaun on a weekday after 4 PM, a time typically associated with peak shopping activity, I observed a stark decline in foot traffic. The market was nearly deserted, with only a few people present. Most shopkeepers were either chatting among themselves or sitting idly in their shops. This is in sharp contrast to the past, when the marketplace was lively and crowded with people from southern Lalitpur who came to shop, socialize, and rest.

In Chapagaun, only a handful of tea and snack shops remain in operation, and even these are struggling to sustain their businesses. I visited a small, timeworn tea shop that has been running for 45 years—a place I used to visit with my father during childhood, along with many other regular customers. After the original owner passed

away, his unmarried daughter took over the business. When I arrived for a conversation, she was knitting a woollen item—a quiet reflection of the idle hours she now faces. I ordered a cup of black tea, and we began to talk. She shared her memories and insights about how urban sprawl has affected her livelihood. When the bus park was located in Chapagaun, her shop used to be bustling with customers who stopped by for tea and snacks. Business was so brisk it was hard to keep up with the demand. But after the bus park was relocated to Pyangaun, farther from Chapagaun, foot traffic decreased sharply, and with it, their income. Today, only a few local residents stop by occasionally. Despite the slowdown, she still prepares traditional snacks like *Jerri* and *Sel Roti*, maintaining a link to the shop's past. On special occasions such as Father's Day, Mother's Day, and local festivals, she makes more sweets to sell, which helps offset some of the losses. On ordinary days, however, the shop serves more as a way to pass the time than as a reliable source of income.

Another sweet shop, run by a 77-year-old man, offered a glimpse into the past when Chapagaun served as the commercial hub for southern Lalitpur and even parts of Makawanpur. Recalling those vibrant times, he shared:

I have stopped serving snacks and tea for people to sit and eat. There's hardly anyone to clean the used plates. In the past, I used to collect buffalo milk and make *khuwa*. I made various sweets, and the shop was always full of people. But ever since the market shifted to Pyangaun, sales have dropped drastically. Even the traditional Newar sweet-makers, the *Rajkarnikars*, have abandoned their ancestral profession. My son now works in real estate.

His account reflects a broader trend: the decline of Chapagaun's traditional market and a shift in livelihoods as people leave behind age-old occupations in search of more sustainable alternatives. A similar sentiment was echoed by another shopkeeper, aged 76, who appeared ready to close his business. He once enjoyed a large flow of customers coming to buy vegetables, but has now reduced his stock significantly, stating that it is increasingly difficult to keep the shop running. Covering rent has become a burden. His wife, who was also present during my visit, mentioned that he hesitates to close the shop entirely, as it helps him manage small daily expenses like tea and cigarettes. They have added some potted plants to the storefront and cut down on vegetable items. During my visit, both appeared visibly frustrated and disheartened.

An older cloth shop nearby, however, appears to be doing relatively well. When I visited, the owner was busy attending to several customers. He explained that business tends to improve seasonally, especially during marriage ceremonies and *Bratabandha* rituals, when people from nearby villages come to purchase clothing. Although there are several cloth shops in Chapagaun, many of them remain deserted for most of the day, with shopkeepers sitting idly, chatting among themselves, and waiting for customers. I also entered a small grocery shop where only a limited selection of goods was on display. The shopkeeper, a 55-year-old

man, sat idle but was open to conversation. He shared both memories of the past and observations about the present. He said:

Now the market is running at just one percent of what it used to be. It was once vibrant. I used to make over fifty thousand rupees in a single day. People would stop here to rest because the bus stand was located nearby. Now, the road is too narrow, and people go straight home without stopping. I'm only continuing the shop because it has been in operation for 30 years.

This statement illustrates not only the dramatic decline in consumer traffic and income but also the emotional attachment and sense of duty that ties some shopkeepers to their businesses despite economic loss. This testimony reflects a broader trend of market displacement and economic marginalization experienced by traditional shops. The relocation of transport hubs, changing mobility patterns, and degraded infrastructure have all contributed to diminishing footfall in the old market. This frustration reveals the emotional toll and perceived inevitability of decline, further underscoring how urban sprawl disrupts not just economic systems but the social fabric and continuity of place-based livelihoods. Ultimately, urban sprawl not only reshapes population distribution but also reconfigures the spatial and economic dynamics of market systems, contributing to the erosion of traditional commercial centers and altering local economic behaviour.

The shopkeepers in Chapagaun also spoke about their long-standing relationships with customers, ties that persist even today. Some shops continue to attract customers through these older networks, reflecting what Granovetter (1985) refers to as "market embeddedness". For instance, the owner of a medical shop mentioned that customers still come to him because it is an old, trusted establishment. Similarly, a shopkeeper who sells utensils noted that people seek out his store for specific religious items that are hard to find elsewhere. One shopkeeper shared:

We have long-standing relationships with people from the nearby hilly areas. Sometimes, we even allow them to buy on credit. I keep my shop open all day just waiting for their arrival. These days, markets are opening everywhere, and people have more options and more money. Still, some of them come back to me.

This statement reflects how traditional market ties continue to support small businesses, even as such relationships gradually weaken due to changing consumer behaviour and expanding alternatives. It was also observed that some shopkeepers have moved their businesses to Pyangaun, where commercial activity is now more concentrated. In a few cases, such as a shop selling watches and sound systems, branches have been opened in both Chapagaun and Pyangaun. However, such dual operations are rare.

Chapagaun remains an old market area, but its infrastructure is increasingly inadequate. The roads are narrow, and many roadside houses are built with

traditional mud and brick, featuring small rooms. The owners of these houses have often constructed new residences behind their original homes or in nearby areas, contributing to the urban sprawl around Chapagaun. Another shopkeeper shared:

I've been running this shop for a long time, but it's no longer doing well. I've already opened a new shop for my son elsewhere. I'll stay here until this shop stops functioning completely. This space belongs to a relative, so the rent is low. A few customers still come, but the road is too narrow for people to stop and shop easily.

These narratives reveal not only the persistence of traditional market relationships but also the gradual transformation of urban space in Chapagaun due to shifting commercial centers and infrastructure constraints. A once-thriving grocery store in Chapagaun has now closed its doors. Another long-standing grocery shop in the same row continues to operate, but it is barely sustaining itself. Similarly, local television and watch shops are struggling to survive. A few vegetable shops remain, supported primarily by nearby residents. Notably, ten newly constructed market shutters were opened for rent in Chapagaun a few months ago, but none have been occupied highlighting the declining commercial viability of the area.

In contrast, a vibrant new market corridor has emerged along the stretch from Pyangaun to Tahakhel, spanning over a kilometer. This area has witnessed the establishment of numerous large and modern shops, including clothing showrooms, mobile phone outlets, gold jewelry stores, major hardware businesses, and branches of several prominent banks. The growing concentration of commerce and foot traffic has turned this area into a bustling economic hub. Goods from southern Lalitpur are now brought here for distribution, and many products are dispatched from this location as well. These developments clearly indicate the rise of Tahakhel as a flourishing new market center, drawing business away from the traditional core of Chapagaun.

7. Conclusion

This study concludes that urban sprawl has multifaceted impacts, one of the most significant being the shifting of market activities. In Chapagaun, the number of residential houses is increasing, expanding over a larger area and consuming previously open spaces. As Nechyba and Walsh (2004) note, high living costs in central urban areas often push rural migrants toward suburban zones, contributing to urban sprawl. This process encourages the development of a polycentric urban model, where new centers emerge on the periphery, evolving into "edge cities" (Henderson & Mitra, 1999; Anas, Arnott, & Small, 1998; McDonald & McMillan, 2000). In this context, Pyangaun has become a new commercial hub within the expanding urban landscape of Chapagaun.

The rise of these new centers has led to the decline of the traditional market in Chapagaun. Consumer flow to the old market has diminished, resulting in reduced income for shopkeepers, with some businesses on the verge of closure. The

once-thriving marketplace is losing its potential, and no significant new investments or market revitalization efforts are apparent. However, due to long-standing social and economic linkages with surrounding rural communities, some residents still frequent the old market. This pattern reflects Granovetter's (1985) concept of market embeddedness, emphasizing the importance of social networks in shaping market behaviour.

Urban sprawl has also created new opportunities, as some businesses from the old market have relocated or expanded into less congested areas. The older sections of Chapagaun, characterized by narrow roads, limited space, and aging infrastructure, have increasingly pushed property owners to seek alternative sites for both residential and commercial purposes. Ultimately, urban sprawl not only reshapes population distribution but also reconfigures the spatial and economic dynamics of market systems, contributing to the decline of traditional commercial centers and altering local economic behaviour.

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