

## Demographics-Urbanization Interrelationship in Nepal

<sup>1</sup>Suman Kharel, Ph. D., <sup>2</sup>Prajwal Man Pradhan, <sup>3</sup>Susmita Gautam

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<sup>1</sup>Associate Professor of Rural Development, University Campus, Tribhuvan University

[Email: [suman.kharel@cdrd.tu.edu.np](mailto:suman.kharel@cdrd.tu.edu.np), ORCID: <https://ORCID.org/0000-0002-4675-9157>]

<sup>2</sup>Assistant Professor of Rural Development (Corresponding Author), Central Department of Rural Development, University Campus, Tribhuvan University


[Email: [prajwal.pradhan@cdrd.tu.edu.np](mailto:prajwal.pradhan@cdrd.tu.edu.np), ORCID: <https://orcid.org/0009-0006-0944-2330>]

<sup>3</sup>Assistant Professor, Trichandra Multiple Campus, Trivbhuvan University

[Email: [susmita.gautam@trc.tu.edu.np](mailto:susmita.gautam@trc.tu.edu.np), ORCID: <https://orcid.org/0009-0000-3673-0994>]

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### Abstract

*In order to understand demographic-urbanization interrelationship in the Nepalese context based on three sources of data (e.g., World Bank, UN and 2021 National Population and Housing Census), the article presented some demographic variables (e.g., crude birth rate, fertility rate, life expectancy at birth, infant mortality, and migration) and percentage of urban population residing in Nepal during 1960-2022. These demographics played vital role in the level of urbanization. The plausible reason is that crude birth rates, fertility rates, and infant mortality rate have been declining gradually whereas life expectancy at birth and migration rates have been rising since 1960-2022. The paper also reviewed definition of urbanization in Nepal, indicating there is problems of definition of urbanization in Nepal. The sister organization of Government of Nepal (GoN), e.g., National Statistics Office (NSO) has introduced 3-category of new classification (e.g. urban, per-urban and rural) based on wards of municipals. The paper suggests that such classifications are significant to carry out research in the future in addition to restructuring the existing urban-rural definitions.*

**Key Words:** Challenges, demographics, municipal, problems, urbanization

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### Introduction

The term population dynamics describes how a population evolves over time, taking into account variables like fertility, mortality, and migration rates, and population growth or decline. In turn, urbanization influences social services, infrastructural demand, economic growth, and environmental sustainability (Lawton, 1996). In order to maintain cities' ability to support future generations and stay livable and inclusive, it is imperative that population growth and sustainable urban planning be balanced as cities continue to expand, especially in developing countries. To improve the quality of life for urban dwellers and accomplish long-term development objectives, population dynamics and urbanization must be managed effectively. Similarly, development includes a wide range of

environmental, social, and economic advancements that enhance people's quality of life and that benefit society. The way a nation or region grows can be shaped by the interplay between population dynamics and development, which affects everything from environmental sustainability to economic output (Lerch, 2014; 2018). In this context, this paper starts with panel data on fertility, mortality and migration.

## **Literature Review**

For a better understanding of the current demographic shift in developing countries, it is imperative to analyze demographic shift. It clarifies, in particular, how the population shift has led to urbanization (Dyson, 2011). Due to the rapid drop in mortality in developing nations since 1950, the excess of births over deaths has been the primary driver of urban growth (Preston, 1979; Chen et al., 1998; Jedwab et al., 2017; Jiang & O'Neill, 2018). The velocity of the urban fertility fall determines how quickly this endogenous population growth occurs. However, in several developing countries, urban fertility has dropped to low levels, which has led to an increase in the role of rural-to-urban migration in urban growth (Gebreselassie, 2011). Developments in rural fertility provide insight into population pressure and, thus, the likelihood of urban migration in this environment. Additionally, Menashe-Oren and Stecklov (2018) state that the degree of population concentration in working age groups is determined by the combined trends of declining fertility and urban in-migration. Development policy requires an understanding of the timing and size of this demographic dividend (Notestein, 1953).

Urbanization is both a cause and an effect of development (Subedi, 2014). Urbanization has historically been linked to industrialization, specialization, and the consequent growth of the economy. While the exact nature of this relationship has been up for debate, academics generally agree that the structural change in employment from agricultural to non-agricultural pursuits is a key aspect of urbanization. Put differently, urbanization is a geographical reaction to economic structural shifts. Basic principles of urbanization include a clear division of labor, technology-based production, trade in a wide range of commodities and services, a high degree of economic and spatial connection, and a comparatively high population density and diversity. The definition of urban and rural is not just dependent on the type of settlement; it is also based on the social relations and economic structure of production and reproduction, as well as the processes of social and political consciousness and how it is expressed. Urbanization, then, is frequently used as a stand-in for overall development. (Potts, 2018). In the light of discussion, the paper presents data of demography dynamics such as fertility, mortality and migration, which come from panel data produced by World Bank. These data play vital role in defining urbanization. The census data is also included in the paper. In the second part, definitional problem of urbanization highlights the mismatch of current definition of urban-rural category.

## **Methodology**

Both projected (UN, 2024) and census data (NSO) are used to understand population dynamics and urbanization. Actual enumeration is used to gather census data, typically by a government or statistics organization (Table 2). It gives precise information about the demographic, sociological, and economic traits of a population at a given moment in time and represents the actual population count. Contrarily, population projections are predictions of future population sizes and characteristics that are predicated

on specific hypotheses regarding migration patterns, birth and death rates, and other variables. Statistical models and assumptions based on historical and current data, including previous census data, are used to create these projections (see Table 1, Table 3).

## Results and Discussions

### *Trends of Demographics*

Around the world, population growth is slowing down, and people are getting older. Both trends have low fertility as their common cause (Kulu, 2013). Throughout their reproductive lives, women in many Asian and European nations give birth to less than two children on average, and frequently closer to one. Given the low birth rate, population reduction is unavoidable. The number of children and young adults is decreasing due to fewer births, which will eventually result in a population where the elderly exceed the young. Ongoing increases in life expectancy are exacerbating the consequences of low fertility. Historically, mortality benefits were attained by lowering newborn and child mortality rates. While this remains the case in the world's poorest nations, young people's mortality rates have dropped significantly elsewhere. Further benefits are being realized by lowering the mortality rate among the elderly, which strengthens the impact of fertility on the age distribution of the population. As a result, those in their 70s, 80s, and beyond are the demographic categories that are expanding the fastest in many countries (UN, 1983).

**Table 1: Population, Its Annual Growth, Total Fertility Rate, and Migration in Nepal (1960-2022)**

Year	Total	Male	Female	PAG	CBR	TFR	Migration per 000
1980	15,600,442	7,920,157	7,680,285	2.35	40.53	5.64	5
1981	15,969,792	8,112,119	7,857,673	2.34	40.36	5.60	-5
1982	16,347,124	8,307,692	8,039,432	2.34	40.23	5.58	-4
1983	16,740,664	8,512,469	8,228,195	2.38	40.11	5.56	1
1984	17,141,610	8,720,141	8,421,469	2.37	40.02	5.54	-19
1985	17,540,571	8,924,478	8,616,093	2.30	39.60	5.47	-30
1986	17,936,926	9,125,435	8,811,491	2.23	39.28	5.42	-47
1987	18,326,204	9,319,489	9,006,715	2.15	39.02	5.36	-72
1988	18,720,745	9,514,748	9,205,996	2.13	38.74	5.31	-64
1989	19,145,077	9,727,439	9,417,638	2.24	38.35	5.25	-40
1990	19,616,530	9,968,610	9,647,920	2.43	38.11	5.21	-1
1991	20,130,779	10,233,862	9,896,916	2.59	37.61	5.14	17
1992	20,702,133	10,527,373	10,174,760	2.80	37.15	5.04	84
1993	21,267,359	10,814,338	10,453,021	2.69	37.15	5.00	-38
1994	21,794,751	11,079,433	10,715,317	2.45	36.44	4.91	-27
1995	22,305,571	11,332,246	10,973,325	2.32	35.64	4.79	-86
1996	22,783,969	11,563,404	11,220,566	2.12	34.46	4.60	-92
1997	23,249,417	11,786,496	11,462,922	2.02	33.16	4.39	-98

<b>Year</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>PAG</b>	<b>CBR</b>	<b>TFR</b>	<b>Migration per 000</b>
1998	23,703,328	12,001,525	11,701,802	1.93	32.32	4.24	-108
1999	24,143,157	12,206,968	11,936,189	1.84	31.39	4.08	-123
2000	24,559,500	12,397,651	12,161,850	1.71	30.61	3.94	-147
2001	24,956,071	12,576,001	12,380,071	1.60	29.52	3.76	-149
2002	25,332,178	12,738,215	12,593,963	1.50	28.49	3.59	-154
2003	25,682,908	12,880,352	12,802,557	1.38	27.88	3.46	-168
2004	26,003,965	13,002,461	13,001,504	1.24	27.07	3.31	-197
2005	26,285,110	13,098,713	13,186,397	1.08	26.03	3.14	-211
2006	26,518,971	13,165,531	13,353,440	0.89	24.98	2.97	-241
2007	26,713,655	13,208,569	13,505,086	0.73	24.19	2.84	-253
2008	26,881,544	13,236,099	13,645,445	0.63	23.55	2.72	-262
2009	27,026,941	13,250,671	13,776,271	0.54	23.00	2.60	-266
2010	27,161,567	13,260,079	13,901,487	0.50	22.59	2.51	-270
2011	27,266,399	13,250,056	14,016,343	0.39	22.37	2.44	-348
2012	27,330,694	13,212,056	14,118,638	0.24	22.34	2.39	-372
2013	27,381,555	13,164,892	14,216,663	0.19	22.25	2.33	-373
2014	27,462,106	13,138,985	14,323,121	0.29	22.22	2.29	-310
2015	27,610,325	13,162,846	14,447,479	0.54	22.05	2.25	-221
2016	27,861,186	13,259,469	14,601,718	0.90	21.76	2.20	-342
2017	28,183,426	13,405,797	14,777,629	1.15	21.38	2.15	-369
2018	28,506,712	13,554,172	14,952,540	1.14	21.03	2.10	-295
2019	28,832,496	13,704,208	15,128,288	1.14	20.87	2.08	182
2020	29,348,627	13,980,445	15,368,183	1.77	20.64	2.06	162
2021	30,034,989	14,370,965	15,664,025	2.31	20.40	2.03	130
2022	30,547,580	14,646,246	15,901,334	1.69	20.17	2.01	-379

*Source: World Bank (1980-2022). <https://data.worldbank.org/>, PAG = Population Annual Growth*

The de facto definition of population is used to calculate the total population, which includes all inhabitants regardless of citizenship or legal status. These figures are mid-year estimates. Whether due to immigration or more births than deaths, population growth can have an effect on social infrastructure and natural resources. This may put strain on a nation's sustainability. The amount of land available for agricultural production will be severely impacted by a large population increase, which will also increase demand for infrastructure, social services, energy, food, and water.

However, a declining population size—which can be caused by fewer births than deaths as well as individuals leaving a nation—can affect a government's resolve to keep infrastructure and services in place (UN, 2024). The number of births during a specific time period divided by the average population during that same period is the crude birth rate (CBR). The time frame for human populations is typically one year, and the population at the midpoint of the year is used as the divisor if

the population's size fluctuates over that time. For instance, a crude birth rate of 20.1 (per 1000 people) in a population of one million would indicate 20,100 births year in the entire population. The rate is typically given in units of 1,000 persons. When a woman reaches the end of her reproductive years (15–49) and bears children in accordance with the age-specific fertility rates of the given year, her total fertility rate is the number of children that she would have.

The number and spacing of children a woman prefers to have can also be reflected in her status within household. As a valid indicator of fertility in the recent past, the predicted rates are widely accepted (WB, 2023). The wider social, economic, and environmental systems in which people live depend on fertility, in addition to the individual and family lives. It has to do with well-being, health, and the sustainability of society. To guarantee that people can make educated decisions about reproduction and that populations can flourish, it is essential to support reproductive health, family planning, and fair access to fertility treatments.

Net migration is the net total of migrants during the period, that is, the number of immigrants minus the number of emigrants, including both citizens and noncitizens. Migration per 1000 were positive in different nine years (e.g., 1980, 1983, 1991, 1992, 2019, 2020, 2021). During 2019-2021, one of the major regions was Covid-19 pandemic. Real data on population census is presented in Table 2. In 1960, total fertility was 6 children per women aged 15-49 and has started declining gradually and now it approaches the replacement level (2.01).

Table 2 shows that the annual growth of population was recorded highest (2.62 percent) during 1971-1981). The number of deaths that occur throughout the year per 1,000 people, as assessed at midyear, is known as the crude death rate (CDR). The rate of natural increase, or the rate of population change in the absence of migration, is calculated by subtracting the crude death rate from the crude birth rate.

**Table 2: Population, its Growth, and Sex Ratio (1991-2021)**

<b>Census Year</b>	<b>Population</b>	<b>Sex Ratio</b>	<b>Annual Growth</b>	<b>Population Density</b>
1911	5,638,749	-	-	38
1920	5,573,788	-	-0.13	38
1930	5,532,574	-	-0.07	38
1941	6,283,649	-	1.16	43
1952/54	8,256,625	96.8	2.27	56
1961	9,412,996	97.0	1.64	64
1971	11,555,983	101.4	2.05	79
1981	15,022,839	105.0	2.62	102
1991	18,491,097	99.5	2.08	126
2001	23,151,423	99.8	2.25	157
2011	26,494,504	94.2	1.35	180
2021	29,164,578	95.6	0.92	198

*Source: Population Censuses (1911-2021)*

One reliable measure of the general health of a region or community is the crude death rate. It is inappropriate to compare various populations or regions with significant age distributions using the crude death rate. Even with high life expectancy, certain industrialized nations have higher crude death rates because, generally speaking, their share of older citizens is higher due to lower recent birth rates and lower age-specific mortality rates.

Infant mortality rate (IMR) is the number of newborns who pass away before becoming one year old per 1,000 live births in a year. Mortality rates for newborn infants, children, and adults as well as general mortality indicators (survival to a specific age or **life expectancy at birth**) are significant markers of a nation's health. Because illness incidence and prevalence data are typically unavailable, vulnerable populations are often identified using mortality rates. They are also among the most often used measures for comparing the socioeconomic progress of different countries. In general, the average life expectancy of women in the world is higher than that of men, but in Nepal, the average life expectancy of women has decreased in the 80s, according to the projected data (see Table 3). In addition, like annual population growth rate and total fertility rate, there has been gradual reducing in infant mortality rate but increasing life expectancy at birth during 1960-2022 in Nepal. This is a symbolic measurement of population dynamics- urbanization- interrelationship

**Table 3: Life Expectancy and Infant Mortality in Nepal (1960-2022)**

Year	CDR	Life Expectancy at Birth			Infant Mortality Rate		
		Both Sexes	Male	Female	Both Sexes	Male	Female
1980	17.24	47.89	47.83	47.88	139.2	145.5	132.5
1981	16.87	48.39	48.30	48.41	135.0	141.2	128.5
1982	16.48	48.94	48.95	48.85	130.9	136.9	124.5
1983	16.14	49.43	49.55	49.24	126.7	132.8	120.3
1984	15.62	50.23	50.37	50.01	122.5	128.5	116.2
1985	15.17	50.88	51.03	50.67	118.3	124.2	112.1
1986	14.72	51.54	51.68	51.33	114.1	119.8	108.1
1987	14.13	52.48	52.53	52.35	109.8	115.5	103.8
1988	13.74	53.07	53.10	52.98	105.3	111.1	99.4
1989	13.10	54.13	54.08	54.12	100.8	106.5	95.0
1990	12.66	54.83	54.75	54.86	96.3	101.8	90.5
1991	12.13	55.71	55.41	55.97	91.8	97.2	86.2
1992	11.55	56.71	56.42	56.96	87.4	92.6	82.1
1993	11.07	57.62	57.05	58.16	83.2	88.1	78.2
1994	10.55	58.55	57.87	59.22	79.2	84.0	74.3
1995	10.11	59.32	58.56	60.07	75.4	80.0	70.7
1996	9.71	59.98	59.06	60.91	71.7	76.1	67.2
1997	9.25	60.77	59.71	61.86	68.2	72.5	63.7
1998	8.84	61.55	60.19	62.96	64.8	69.0	60.4
1999	8.54	62.11	60.76	63.51	61.6	65.6	57.3

Year	CDR	Life Expectancy at Birth			Infant Mortality Rate		
		Both Sexes	Male	Female	Both Sexes	Male	Female
2000	8.29	62.61	61.20	64.08	58.5	62.5	54.4
2001	7.95	63.34	61.78	64.95	55.7	59.5	51.7
2002	7.95	63.26	61.36	65.26	53.1	56.8	49.3
2003	7.59	64.20	62.38	66.10	50.7	54.2	47.0
2004	7.36	64.82	62.89	66.83	48.5	52.0	44.8
2005	7.13	65.46	63.53	67.47	46.5	49.9	42.8
2006	7.01	65.87	64.02	67.79	44.6	48.0	41.1
2007	6.89	66.33	64.50	68.21	42.9	46.2	39.4
2008	6.94	66.42	64.66	68.22	41.2	44.5	37.9
2009	6.90	66.76	64.99	68.58	39.7	42.8	36.4
2010	6.99	66.81	65.09	68.57	38.2	41.1	35.0
2011	6.89	67.31	65.56	69.09	36.7	39.5	33.7
2012	6.96	67.47	65.74	69.22	35.2	37.9	32.3
2013	6.89	67.97	66.19	69.75	33.8	36.4	31.0
2014	6.98	68.09	66.36	69.82	32.4	34.9	29.7
2015	7.38	67.46	65.84	69.08	31.0	33.4	28.4
2016	6.93	68.78	67.03	70.52	29.7	32.0	27.2
2017	6.97	68.91	67.17	70.64	28.4	30.7	26.0
2018	7.04	68.98	67.23	70.72	27.2	29.4	24.8
2019	6.87	69.56	67.76	71.35	26.0	28.1	23.7
2020	7.21	69.25	67.35	71.17	24.9	26.9	22.7
2021	7.78	68.45	66.57	70.36	23.9	25.9	21.8
2022	6.65	70.48	68.61	72.36	23.0	24.9	20.9

Source: UN (2024).

### Urbanization in Nepal

Urbanization is spreading throughout the world. By 2050, it is expected that almost two-thirds of the world's population would reside in urban regions, up from about one-third in 1950. In both industrialized and developing nations, the creation of sustainable cities is largely dependent on the effective control of urban growth.<sup>1</sup>

<sup>1</sup> <https://www.un.org/development/desa/pd/content/urbanization-0#:~:text=Today%2C%20more%20than%20half%20of,both%20developed%20and%20developing%20countries.>

*Table 4: Percentage of Urban Population in South Asia (1960-2023)*

Year	Afghanistan	Bangladesh	Bhutan	China	India	Maldives	Nepal	Pakistan	Sri Lanka
1980	16.00	14.85	10.13	19.36	23.10	22.25	6.09	28.07	18.61
1981	16.56	15.80	10.65	20.12	23.42	22.91	6.38	28.38	18.68
1982	17.15	16.21	11.18	20.90	23.65	23.57	6.62	28.62	18.66
1983	17.75	16.63	11.75	21.55	23.88	24.26	6.86	28.86	18.64
1984	18.37	17.06	12.33	22.20	24.11	24.95	7.12	29.10	18.63
1985	19.00	17.50	12.94	22.87	24.35	25.49	7.39	29.34	18.61
1986	19.65	17.94	13.58	23.56	24.59	25.57	7.66	29.59	18.60
1987	20.31	18.40	14.24	24.26	24.82	25.65	7.94	29.83	18.58
1988	21.00	18.86	14.93	24.97	25.06	25.73	8.24	30.08	18.57
1989	21.09	19.33	15.65	25.70	25.31	25.81	8.54	30.33	18.55
1990	21.18	19.81	16.39	26.44	25.55	25.84	8.85	30.58	18.54
1991	21.27	20.26	17.16	27.31	25.78	25.78	9.18	30.83	18.52
1992	21.36	20.61	17.96	28.20	25.98	25.71	9.58	31.08	18.50
1993	21.44	20.97	18.79	29.10	26.19	25.65	10.00	31.33	18.49
1994	21.53	21.33	19.65	30.02	26.40	25.59	10.43	31.58	18.47
1995	21.62	21.69	20.54	30.96	26.61	25.64	10.88	31.84	18.46
1996	21.71	22.06	21.46	31.92	26.82	26.01	11.35	32.09	18.44
1997	21.81	22.44	22.40	32.88	27.03	26.38	11.83	32.35	18.43
1998	21.90	22.82	23.38	33.87	27.24	26.76	12.34	32.59	18.41
1999	21.99	23.20	24.38	34.87	27.45	27.13	12.86	32.78	18.40
2000	22.08	23.59	25.42	35.88	27.67	27.71	13.40	32.98	18.38
2001	22.17	24.10	26.48	37.09	27.92	28.86	13.95	33.18	18.37
2002	22.26	24.76	27.57	38.43	28.24	30.04	14.24	33.38	18.35
2003	22.35	25.43	28.69	39.78	28.57	31.25	14.54	33.58	18.33
2004	22.50	26.11	29.84	41.14	28.90	32.49	14.84	33.78	18.32
2005	22.70	26.81	30.97	42.52	29.24	33.75	15.15	33.98	18.30
2006	22.91	27.52	31.71	43.87	29.57	34.79	15.46	34.18	18.29
2007	23.11	28.24	32.47	45.20	29.91	35.20	15.78	34.39	18.27
2008	23.32	28.97	33.24	46.54	30.25	35.61	16.11	34.59	18.26
2009	23.53	29.71	34.01	47.88	30.59	36.02	16.43	34.79	18.24
2010	23.74	30.46	34.79	49.23	30.93	36.43	16.77	35.00	18.23
2011	23.95	31.23	35.59	50.51	31.28	36.85	17.11	35.20	18.21
2012	24.16	31.99	36.37	51.77	31.63	37.27	17.46	35.41	18.20
2013	24.37	32.76	37.15	53.01	32.00	37.69	17.82	35.61	18.20
2014	24.59	33.54	37.92	54.26	32.38	38.11	18.18	35.82	18.22
2015	24.80	34.31	38.68	55.50	32.78	38.53	18.56	36.03	18.26



<b>Year</b>	<b>Afghanistan</b>	<b>Bangladesh</b>	<b>Bhutan</b>	<b>China</b>	<b>India</b>	<b>Maldives</b>	<b>Nepal</b>	<b>Pakistan</b>	<b>Sri Lanka</b>
2016	25.02	35.08	39.43	56.74	33.18	38.95	18.94	36.23	18.31
2017	25.25	35.86	40.17	57.96	33.60	39.38	19.34	36.44	18.38
2018	25.50	36.63	40.90	59.15	34.03	39.81	19.74	36.67	18.48
2019	25.75	37.41	41.61	60.31	34.47	40.24	20.15	36.91	18.59
2020	26.03	38.18	42.32	61.43	34.93	40.67	20.58	37.17	18.71
2021	26.31	38.95	43.01	62.51	35.39	41.10	21.01	37.44	18.86
2022	26.62	39.71	43.69	63.56	35.87	41.54	21.45	37.73	19.03
2023	26.93	40.47	44.35	64.57	36.36	41.97	21.90	38.04	19.21

*Source: UN (2024)*

Compared to the urbanization of its two neighbors, China (64.67 percent) and India (32.38 percent), the percentage of population living in cities in Nepal is low (21.90 percent). Not only that, but the latest projected data (Table 4) also show that Nepal is the second lowest among other South Asian countries after Sri Lanka (19.21 percent). Although this low rate of urbanization raises serious concerns for the nation's economic growth, the current stage of urbanization and development also exhibits unique traits and issues that require immediate action.

Nepal's development vision must include urbanization and the ensuing process of economic, social, and even political changes because a significant portion of the population relies on traditional agriculture for their livelihood and lives in remote settlements with inadequate facilities, infrastructure, and services.

**Table 5: Urban Places, Population Size, and Percent Share of Total Population (1952/54-2021)**

<b>Year</b>	<b>No. of Urban Places (Municipalities)</b>	<b>Population Size</b>	<b>Urban Population (%)</b>
1952/54	10	238,275	2.9
1961	16	336,222	3.6
1971	16	461,938	4.0
1981	23	956,721	6.4
1991	33	1,695,719	9.2
2001	58	3,227,879	13.9
2011	58	4,523,820	17.1
2021*	293	19,296,788	66.17

*Source: Subedi (2014, p.109), \*NSO (2023)*

The majority of people are rapidly moving into urban areas. The majority of them reside in developing nations, with a growing percentage of them residing in the largest cities. Today, emerging nations are home to many the world's largest cities, which are expanding to sizes. Due to either natural growth (the difference between births and deaths) or migration from rural regions, the urban population is expanding several times faster than that of the rural areas. Table 5 present the urban places, and its population size based on population censuses.

The proportion of the population that lives in urban areas has been continuously rising between the 1950s -2001. In 58 urban areas included in both censuses, there was an increase of almost 1.3 million persons between 2001 and 2011. The population of new municipalities has increased by almost 11 million. By 2021, the country's urban population accounted for 66.2% of the total population.

### ***Problems in Classifications of Urbanization in Nepal***

The study of Nepal's urbanization faces significant definitional challenges since the areas classified as "urban" have undergone numerous definitional revisions throughout time, and the definition is obviously inconsistent. Ten "prominent" towns with a population of 5,000 or more are listed in the 1952–54 census, although they were not classified as urban areas. The definition of an urban area, or "sahar," was first established in the 1961 census as "an area with a population cluster of 5,000 and over and having an urban environment such as high school, college, judicial and administrative offices, bazaar, communication facilities, mills, factories etc." However, it was also noted that the definition was not strictly adhered to (Bastola, 1995).

Since 1962, Nepal has viewed an urban area as a unit of local self-government rather than a settlement unit in and of itself. The Panchayat (prior to 1990), Village Development Committee, or VDC (1990-2014), now known as municipal has been the fundamental unit of census enumeration since 1971. The idea of settlement configuration as a census enumeration unit has thus been lost because a VDC's areal extent comprises numerous, frequently remote, settlement units. The idea of localities that has been included in censuses since 1971 is actually misleading because they are just Panchayats or VDCs and not "localities" in the sense of settlement units. Additionally, the Ministry of Local Development, made the decisions for locality designation and areal determination. Since 1971, municipalities have automatically been regarded as urban regions (Sharma, 2003; Subedi, 2014).

At least four of the newly designated Nagar Panchayats (now known as municipality) in 1971 had a population of less than 10,000, whereas 12 other "localities" in the nation had a population of over 10,000 but were not designated as Nagar Panchayats, indicating that the population size criteria was not consistently followed in the designation of Nagar Panchayats. The minimum population required to be granted municipal status was lowered to 9,000 in 1976 (Sharma, 1989).

Three types of municipalities are distinguished by the Local Self-Governance Act of 1999 (GoN, 1999): Mahanagarpalika (Metropolitan city), Upa-Mahanagarpalika (Sub-Metropolitan city), and Nagarpalika (Municipality). The following criteria must be met for a municipality to be considered Mahanagarpalika: "minimum population size of 300,000, annual revenue of at least Rs. 400 million, facilities of electricity, drinking water, communication, paved main and subsidiary roads, provision of specialized health services, essential infrastructure for international sports events, adequate opportunities for higher education in different fields, at least one established university, adequate urban facilities, and an area that has already received the status of an upamahanagarpalika." A municipality that meets the following criteria is considered an Upa Mahanagarpalika: "minimum population size of 100,000, annual revenue of at least Rs. 100 million, facilities of electricity, drinking water, communication, paved main roads, education and health services of a high standard, general infrastructure for national and international sports events, provision of public parks and a city hall and similar urban facilities, and an area that has already received the status of a nagarpalika." "Minimum urban facilities such as electricity, road, drinking water, communication and other similar urban facilities" and a minimum population of 20,000 in the Tarai and 10,000 in the hill/mountains, as well

as an annual revenue of 5 million in the Tarai and 500,000 in the hill/mountains, are stipulated in the Act as prerequisites for the designation of municipal status or a Nagarpalika. Although the Act's Article 88 (2) C regards a Nagarpalika as merely a "semi urban area," the double standard in identifying a municipal territory between the Tarai and the hills is still inexplicable. There was one Mahanagarpalika (Kathmandu), four Upamahanagarpalikas (Biratnagar, Lalitpur, Pokhara, and Birganj), and fifty-three Nagarpalikas when the Act was enacted. The Act states that the 53 Nagarpalikas are semi-urban areas (see Sharma, 2003; Subedi, 2014).

In order to guarantee economic equality, prosperity, and social justice, Nepal enacted a new constitution in 2015 (GoN, 2015), changing from a centralized unitary state to a federated nation. With the passage of the new constitution, Nepal's sub-national governments (SNGs) system, structure, and operation have undergone a profound paradigm change. The federal government, located at the center of the country, the seven provincial governments that supervise each province, and the 753 local governments (in 293 municipalities and 460 rural municipalities) are the three levels of government defined by the constitution.

The constitution provides exclusive and concurrent rights and responsibilities, as outlined in schedules five through nine, to ensure basic devolution of authority to the various levels of government. The three tiers of government are envisioned by the constitution to have a non-hierarchical relationship based on the concepts of coexistence, cooperation, and collaboration. The three tiers of government are treated as independent full governments (exclusive functions) that are dependent on one another via common "Rules" (concurrent functions) under the federalism envisioned by the constitution. All sectors are included in the comprehensive devolution.

According to Clause 5 (1) of LGCA (local Government Operation Act 2017), the Government of Nepal (GoN, 2017) determined at least five and a maximum of twenty-one wards in a rural municipality and at least nine and a maximum of thirty-five wards in a municipality in 2017. The Government of Nepal declared six metropolis, 11 sub-metropolis or 276 municipalities based on 21, 15, 16 fulfilling the conditions and facilities respectively.

Undoubtedly, a municipality represents advancement and growth. The primary indicators of urbanization and development status are municipalities. Nonetheless, these localities need to be robust from a political, social, economic, and infrastructure standpoint. Physical infrastructure is necessary for a few essential services, such as recreation, health, education, transportation, and communication, in an ideal urban center. Many of Nepal's current municipalities or sub-metropolis or metropolis are devoid of these amenities, and the recently established municipalities also fall short of these standards.

The proclamation of municipal areas without sufficient planning or local input, together with the ongoing implementation procedures, have caused problems for both local residents and civil personnel. In municipalities, the budget, taxation, and governing structure differ from rural municipalities. People are forced to pay more taxes for the same services that the rural municipalities provide. The government will be required to take on additional obligations in these new municipalities because of their limited capacity to generate income.

*Table 6: Classification of New 3-Category*

Category	Area Sq. Km.	2011		2021		
		Population	%	Area Sq. Km.	Population	%
Rural	124,392.0	10,106,315	38.5	124,078.06	9,600,393	33.2
Peri-Urban	18,547.3	10,287,464	39.2	19,753.764	11,496,375	39.8
Urban	4,741.2	5,857,811	22.3	4,223.65	7,828,712	27.1
<b>Total</b>		<b>26,251,590</b>	<b>100</b>		<b>28,925,480</b>	<b>100</b>

*Source: NSO (2024, p.32)*

These classifications have not followed the criteria mentioned above at all. So called local landlords, political leaderships who hold the lands in the potential headquarter of municipalities and they pressurized the change from rural to urban status. As a result, the existing urban-rural classification mismatches the concept of rural and urban. Of late, National Statistics Office (NSO, 2024) has categorized the whole country into 3-category, for example, rural, peri-urban and urban based on current wards of municipalities. In the future based on these criteria, wards of municipalities should be adjusted and redefined.

## Conclusion

The prime objective of the study was to identify relationship between demographics and urbanization in the Nepalese context. Some panel data on trends of population dynamics suggest demographic transition are maintaining by declining fertility rate, mortality rate and improving life expectancy at birth. A trend of migration indicates that unbalanced population structure is pervasive in the society. Growing urban populations help with social advancement, economic expansion, and cross-cultural interaction, but they also bring with them problems with inequality, infrastructure, and environmental sustainability. Effectively managing urbanization while striking a balance between expansion, environmental practices, inclusivity, and long-term planning is essential for successful development. When properly managed, urbanization can be a potent instrument for furthering development; yet it necessitates close consideration of the social, economic, and environmental effects of fast urban expansion. Urbanization offers a lot of potential for economic growth, but it also brings with it demographic problems that call for careful planning and creative solutions. Ensuring that urban places remain livable, equitable, and resilient in the face of fast change requires striking a balance between growth, sustainability, and inclusivity. It is urgently needed to describe and discuss on the interrelationship between population dynamics and urbanization at great length.

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