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Problems and Challenges of Urbanization at Banepa Municipality of Nepal

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Abstract. The process of urbanisation has significantly increased when rural-urban migration, economic gains, and improved connectivity after the implementation of neo-liberal economic policies in 1990 in Nepal. The paper examines the changing economic policies induced urbanization and socioeconomic transformation of Banepa Municipality, one of the developing urban centers in Kavrepalanchok District. The study, based on demographic survey and policies induced socio-economic evidence, makes some important observations: Banepa is a young and ethnically diversified society with a moderate level of education, most of the workforce is uneducated/semi-educated, and it is highly dependent on agriculture and foreign labour. Along with migration and remittance-based expansion, the municipality experiences severe problems, such as pollution, housing affordability, traffic congestion, and poor public services, which become more serious with the uncontrolled urban development and poor governance. The study cites economic opportunities and higher standards of living as some of the major causes of urbanization, with proposed solutions laying more emphasis on enhanced urban planning, skill development, infrastructure investments, and environmental management. The levels of public awareness about the existence of urban development projects are limited to the local levels, and this is why the participation of various stakeholders is necessary. The study of urbanization of Banepa and its specific situation can be helpful in the context of a wider discourse on neo-liberal policies, sustainable urban governance, promoting healthy practices through inclusive, resilient, and strategically carried out development to prevent the mistakes of larger metropolises from being repeated.

1. INTRODUCTION

The process of urbanization is the most radical process of settlement in the 21st century. Neoliberal policy can be considered a significant factor influencing urbanization and development in Nepal after 1990. The urbanization rates in India, China and Nepal were 29, 51.3, and 66.08 percent, respectively, and Nepal, being a country with a comparatively shorter urban history, is currently transforming urbanization rapidly (Kohlhase, 2013, Bhattrai et.al., 2023, NSO,2023). By the year 2050, 66 percent of the total world population is expected to live in cities, and almost 90 percent of this escalation will be experienced in Asia and Africa (UN, 2016). This is more than a demographic shift, an intricate socio-economic process that is concomitant with urbanization, transformation of labor markets, growth of infrastructure, and reconfiguration of space and governance. Major regional policies like the 2030 Agenda for Sustainable Development Goal (SDG), the New Urban Agenda, and the Sendai Framework expressly focused cities to the centre of the sustainable development agenda (UN, 2015). Their demands are inclusive governance, resilience to disasters, and environmental sustainability, yet the challenge to convert this aspiration into reality has been a major issue, particularly in the second-tier towns in the Global South (Kundu et. al., 2020).

1.1. Urbanization in Nepal: National Patterns and Limitations

The urbanization experience in Nepal indicates a swift and skewed change process. Having had only 6.3 per cent population in urban parts in the year 1981, the population came to the level of 66.08 per cent in the year 2021 (NSO, 2023). The dramatic shift of place from rural to urban was the growth of the middle class in the hinterlands after the penetration of NGOs, foreign labour migration and the open market. The regime change of 1990, welcomed foreign donations, goods and currency for the transformation of the place and people. Land, road, and other infrastructural development policies were changed with the application of the deregulation principles of neo-liberal stands of free market and privatization of services like education, health, and many more (Shah, 2012). Such a dramatic increase is, however, partly statistical, owing to the administration reclassifying the rural areas as municipalities. Migration is, however, the leading factor that causes urban expansion, which is triggered by wage gaps, education, healthcare services, and underemployment in rural areas (Todaro, 1969). One of its distinctions is urban primacy, as the Kathmandu Valley, Pokhara, and a handful of highway towns suck up much of it. That dominance has introduced spatial imbalance, pressure on resources, and delivery gaps in both metropolitan hubs and new municipalities (Sharma,2003).

In Nepal, urbanization has usually been done reactively as opposed to strategically. The declaration of municipalities, despite the lack of commensurate investment in infrastructure, has been a policy decision that has resulted in urban centers with few urban qualities. Problems like water inadequacy, sanitation insufficiencies, poor management of solid waste, housing scarcity, and traffic were some of the critical issues that are defined as the manifestations of poor enforcement of planning, inadequate fiscal capabilities, and the absence of integrated urban governance. Although urbanization has also spurred trade, commerce, and cultural exchange, its gains are not evenly shared, and this is one way that the process reproduces socio-economic differences between towns and municipalities, and within them (Thapa et al.,2010).

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1.2. Banepa Municipality: A Developing Urban Node

A recent study of the secondary urban centers of Nepal is the Banepa municipality in the Kavrepalanchok District, which is merely 25 kilometers from the eastern part of Kathmandu. Traditionally a Newar marketplace along the trans-Himalayan trade route to Tibet, Banepa is an urban environment that was structured by commercial, religious, and geopolitical factors. It is currently a regional service centre since it is located at a height of 1,500 meters that serves as education centres, health and market centres to the nearby rural locations (MoFAG,2017).

The number of inhabitants of the municipality in 2021 was 67,690, spread over 16,698 households (CBS, 2021). This has been boosted by rural-urban migration, better road access through the Arniko Highway, and the expansion in retailing and small-scale manufacturing. However, this expansion of the city is not combined with the corresponding development of the infrastructure. Increased land value, the informal division of land, and minimal action in applying building code and zoning restrictions have contributed to uneven urban growth. Environmental Outcomes Environmental effects of the increased pressure on the public service provision, such as piped water, sewerage, and waste, include air pollution, shrinking green space, and loss of agricultural land useful in crop cultivation (Tatwana et al.,2020).

1.3. An Urgent Review of Processes of Urbanization in Banepa

Banepa became exemplary of the urban transition that has taken place in Nepal. On the one hand, its position, the history of trade, and links make it a fringe growth pole in Kathmandu Valley. The introduction of economic diversity, particularly in business and education, has increased the level of households' income, with recent surveys indicating the number of households earning above NPR 30,000 per month stands at above 80 percent. Conversely, the cost of living has increased drastically, with a huge percentage of earnings consumed in housing, commuting, and subsistence items-as in the case with other towns that are fast urbanizing (Murthy et al.,2007).

Governance-wise, the fast spatial expansion has posed a challenge to Banepa in aligning the available municipal capacity. Although the federalism system of decentralization provides municipalities with more control, the fiscal and technical means are weak. Urban planning tools are already in place, and that implementation has been patchy, as political patronage and land speculation have a hold over the situation. This type of disconnect between policy and action continues the unintended settlement patterns and poor service delivery (Tatwana et al.,2020).

In terms of sustainability, the development process in the city of Banepa is in danger of following the footsteps of Kathmandu, that is, creating the adverse externalities that are already being experienced in the capital city: traffic jams, environmental degradation, and loss of cultural landscapes. The agricultural land used for residential and commercial purposes reduces the food security of the place and weakens the sustainability of the ecology. However, the relatively smaller size of Banepa and the fact that it serves as a mid-tier urban center provide a chance of a course correction. Land-use planning, environmental safeguard enforcement, and resilient infrastructure investments may allow Banepa to demonstrate how the ideal urban development could look in the hill towns of Nepal.

2. THEORY

Urbanization theories explore the processes, causes, and consequences of the growth of cities. These theories range from understanding urbanization as a byproduct of economic development to viewing it as a global historical process driven by technological and institutional innovations (Shah. 2012). Theories also address the spatial expansion of cities, social and cultural changes, and the impact of urbanization on various aspects of society (Clark & Wu, 2021). Economic Development Theory prevalent in the 20th century posits that urbanization is a natural consequence of industrialization and economic growth, with rural populations migrating to urban centers for better job opportunities (Finance & Swerts, 2020). World-Systems Theory argues that urbanization is shaped by global power dynamics and inequalities, particularly between core and peripheral nations (Pumain & Raimbault, 2020). It suggests that core nations experience rapid urbanization while peripheral nations may experience over-urbanization due to uneven development and reliance on the core. Ecological Theory, rooted in biology, views cities as ecosystems, emphasizing competition for resources, adaptation, and spatial patterns of growth (Bettencourt, 2021). It focuses on how different groups and activities compete for space and resources within the urban environment, leading to distinct spatial arrangements. Cultural Theory highlights the role of culture and social practices in shaping urban spaces and experiences. It explores how cultural norms, values, and identities influence urban development and how urban life, in turn, shapes culture (Clark & Wu, 2021).

New Urbanism is a kind of planning and design movement that advocates for walkable, mixed-use neighborhoods with accessible public spaces and a focus on community building, often in response to the perceived negative consequences of urban sprawl. Planetary Urbanization theory, emerging in the 21st century, proposes that urbanization is a global phenomenon that is no longer confined to traditional city boundaries (Wu et al., 2018). It suggests that the urban fabric is spreading across the planet, blurring the lines between urban and rural areas.

The Four Stages of Urbanization model outlines the typical stages of urban development: urbanization (growth of cities), suburbanization (expansion into surrounding areas), counter-urbanization (decline of cities), and re-urbanization (revitalization of cities).

Urbanization without Growth addresses situations where urbanization occurs without significant economic growth, such as in parts of sub-Saharan Africa,challenging the traditional economic development model (Li & Gong, 2016). Urban Sprawl also examines the spatial expansion of cities, often leading to urban sprawl and its associated consequences, such as environmental degradation and social inequalities. The Role of Technology and technological advancements, particularly in transportation and communication, has significantly shaped urbanization patterns and continues to influence urban development. Sustainability is focused on the need for sustainable urban development, addressing issues like resource management, climate change, and social equity. Urbanization theories offer diverse perspectives on the complex processes of urban growth and transformation, highlighting the interplay of economic, social, cultural, and spatial factors. A deeper understanding of these theories is crucial for addressing the challenges and opportunities presented by urbanization in the 21st century.

Urbanization, while driving economic growth and innovation, also presents a multitude of challenges. These problems stem from rapid population growth, increased density, and the concentration of resources within urban areas (Pumain & Raimbault, 2020). Theories on the problems of urbanization often focus on issues of social inequality, environmental degradation, and

inefficient resource management. Rapid urbanization can exacerbate existing social inequalities, leading to concentrated poverty, inadequate housing, and limited access to basic services like healthcare and education for marginalized populations.

Theories of urban marginality explore how certain groups are excluded from the benefits of urban life, often facing discrimination, limited access to resources, and social exclusion. Urbanization often results in environmental degradation, including air and water pollution, waste management problems, and increased energy consumption. These issues are often intensified by high population density. Theories of ecological modernization suggest that economic growth and environmental protection can be achieved simultaneously through technological innovation and improved resource management. Theories of environmental justice highlight the disproportionate impact of environmental problems on marginalized communities, often those living in areas with higher levels of pollution or inadequate infrastructure.

Cities require significant resources, including water, energy, and land. Rapid urbanization can strain these resources, leading to shortages and unsustainable practices. Theories of sustainable development emphasize the need to balance economic growth with environmental protection and social equity to ensure long-term sustainability. Unplanned urban expansion can lead to inefficient infrastructure, increased transportation costs, and loss of valuable open space.

Theories of urban form explore the spatial organization of cities and how different urban forms (e.g., compact cities, sprawling cities) impact various aspects of urban life. Managing the complex challenges of urbanization requires effective urban planning and governance structures. Theories of public governance explore the role of different actors (government, private sector, civil society) in addressing urban challenges and promoting sustainable development. Theories on urbanization emphasize the need for integrated planning approaches that address social, environmental, and economic dimensions. This includes promoting social equity through inclusive urban development and affordable housing initiatives, implementing sustainable urban development strategies that minimize environmental impact and promote resource efficiency. Strengthening urban governance and promoting participatory planning to ensure that all residents have a voice in shaping their cities, investing in infrastructure and public services to meet the needs of growing populations. By understanding the theories behind the problems of urbanization and adopting a holistic approach to urban development, it is possible to create more sustainable, equitable, and livable cities for all.

This paper also questions the urbanization of Banepa in the view of a critical theory that combines the domain of political economy, urban ecology, and the study of city governance. In essence, the analysis questions the neoliberal discourse of the urbanization process being both natural and harmless, but instead it demonstrates how existing power imbalances and institutional dysfunctions replicate space and social inequalities.

The structural transformation theory (Todaro, 1969) takes an overarching view of explaining the rural-urban migration by variations in wages and job opportunities. Nevertheless, this economically focused perspective blights the precarity of the Banepa economy that runs on remittance (34.03% of working abroad) and informal jobs (7.64% daily wage labor). The shortage of theory is also exposed in the case of Banepa, yet it would not explain the manifestation of labor mobility in the presence of how migration created urban poverty through trafficking, informal work, and affordable home insecurity (27.08% affordability crisis).

This is critically supplemented with an urban political ecology (Swyngedouw, 1996) that focuses on the politics of access to a resource. It is not by chance that Banepa has a 31.25 percent pollution rate and dwindling greenery areas, as the act is a deliberate consequence of the speculative land market and loose business regulation. Such a lens reveals the fact that Atlanta was being urbanized in the interest of elite actors such as landowners, developers, as the environmental costs were shifted to the marginal inhabitants.

Institutional contradictions are manifested in the sustainable urban governance framework (UN-Habitat, 2016). Although decentralization is required, the politics of Banepa have not undergone reforms, and planning activities have been compromised by patronage politics and financial tightness. Not only do information discrepancies as measured by the data on the awareness of the general population (56.25% municipal efforts vs. 2.08% NGOs) represent information gaps, but, also reveal greater democratic deficit as far as participatory planning is concerned.

Finally, this hypothetical triad is a step toward criticism of the urbanization of Banepa since it is all about the struggle with economic transitions, environmental misdistribution, and governance breakdowns. The analysis requires the re-politicization of scholarship on urban areas in the secondary cities of Nepal by focusing back into the questions of equality in the policy reaction.

3. METHODS AND MATERIALS

In an attempt to analyze urbanization in Banepa Municipality, this study was carried out using a mixed method, which involved both a household survey (N=144) and secondary data analysis. Data collected (primary) was done using structured questionnaires on demographic profiles, economic status, drivers of migration, urban challenges, and the level of awareness of governance, whose representation was done with the use of stratified random sampling. Secondary information was based on census reports (NSO, 2021), urban policy papers, and scholarly literature. A qualitative tool was used to evaluate policy frameworks, whereas quantitative analysis implied descriptive statistics (Excel/SPSS). Because informed consent from participants and anonymity among respondents were taken into account, the study was ethical and is strong in terms of understanding Banepa and its issues in urban development.

3.1. Study Area

Although Banepa is a very strategic place, not much has been done to study it as compared to other bigger cities. The current studies at the national level obscure the unique dynamics in the mid-sized municipalities, which are becoming the centre of urban future in Nepal. Based on its geographical position, Banepa Municipality sits in Kavrepalanchok District, Province of Bagmati, which is about 25 km to the east of Kathmandu at the foot of the Arniko Highway connecting the Kathmandu Valley and the eastern part of Nepal and Tibet. Geographically, it is 1,500 meters above sea level, in a valley surrounded by mid-hill ridges, which gives not only beautiful landscapes but also a comfortable climate(see detail in fig 1 location map of the study area). The region has cool winters and mild summers with the average annual temperature varying between 10 °C and 25 °C and moderate rainfall during the monsoon season that permits farming and a comfortable life (Ghimire et al., 2023).

Physical infrastructure within the municipality has developed very fast in the recent past, and now there is a road network that links all the big wards. All households have electricity, except in a few households; drinking water supply is gaining coverage, and sewerage facilities, as well as waste management, are poor. Educational institutions at the primary, higher secondary, and an increasing number of colleges, hospitals, health posts, financial institutions, and local markets form the sphere of public facilities. The historical center of Banepa still upholds the old Newar architecture, whereas its fringes are characterized by unplanned and

hastily built residential and business establishments.

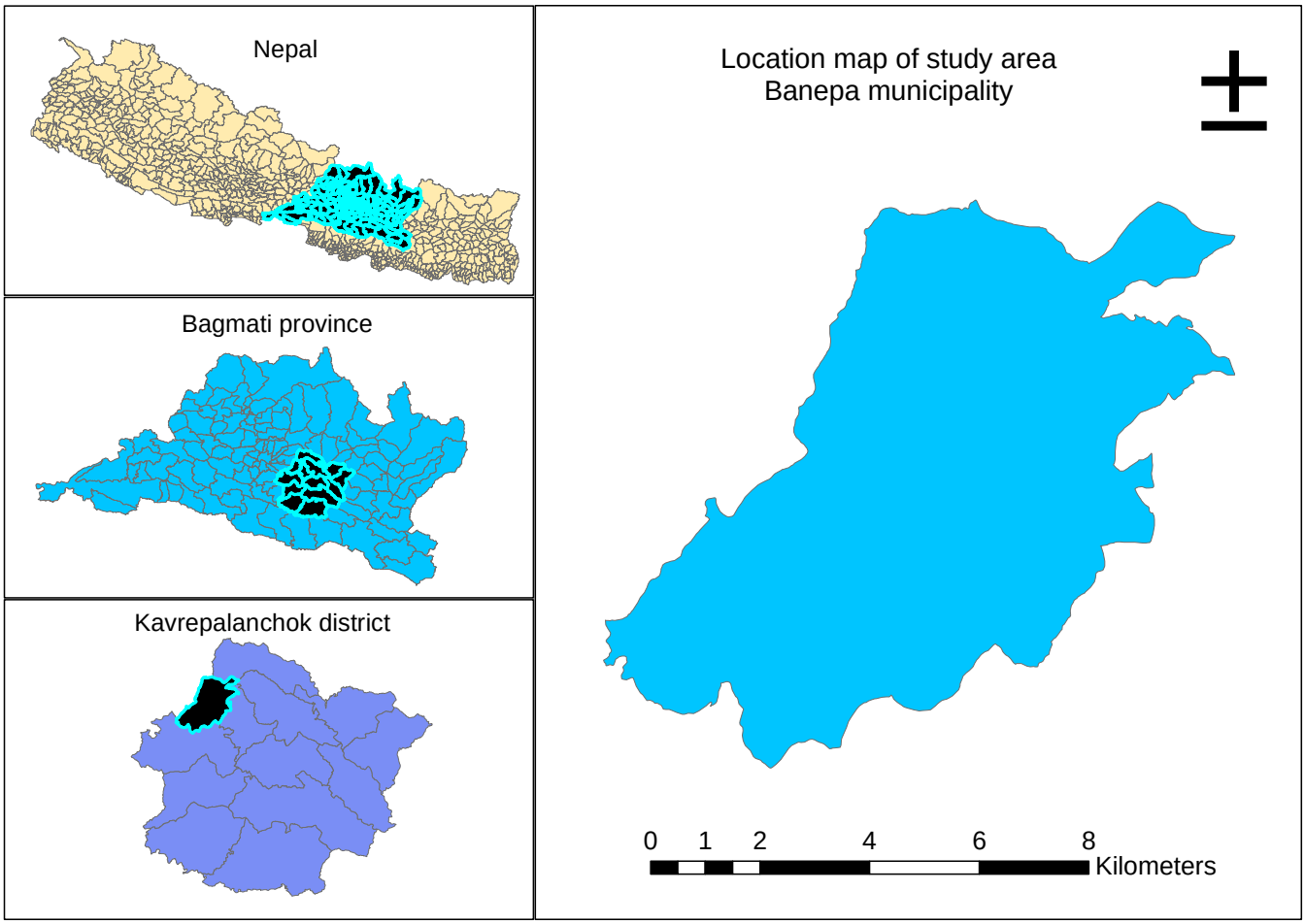

Figure 1. Location map of the study area.

The Banepa 2021 National Census produced data indicating that there are a total of 67,690 people living in 16,698 houses, a household on average has approximately four people. It has an area of about 5.56 square kilometers, its population density is well above 12,000 persons per square kilometer, and hence one of the most densely populated municipalities outside Kathmandu Metropolitan Area. This density and its urban form of compact cities and towns put a lot of stress on land, housing, and social services (CBS, 2021).

This paper fills the knowledge gap by utilising the fields of demographic study, socio-economic profiling, as well as community perception in analysing the trend of urbanisation in Banepa, including its challenges and opportunities. This research is useful to the policy debate of how the secondary towns of Nepal can be urbanized in an economically dynamic, socially inclusive, and environmentally feasible fashion since it locates Banepa in the larger discourse of urban governance and urban sustainability.

4. RESULTS AND DISCUSSION

4.1. Population Trend of Banepa Municipality

Population is the total number of people living in a particular geographical location at a given instance, and the size of the population, its composition, and its spatial distribution. Population comprehension is crucial in planning because it is directly related to demand in sectors such as infrastructure, education, healthcare, and housing, among others, that are under the government. Economic strategies are also informed by population data, which show the availability of the labor force and the market potential, as well as the information related to the management of resources to address food, water, and energy needs. Additionally, the demographic behavior of the population influences the environment through the occupancy of land and the strain on resources. Correct population analysis will assist policymakers in distributing the resources rationally and enhance equal sustainable growth.

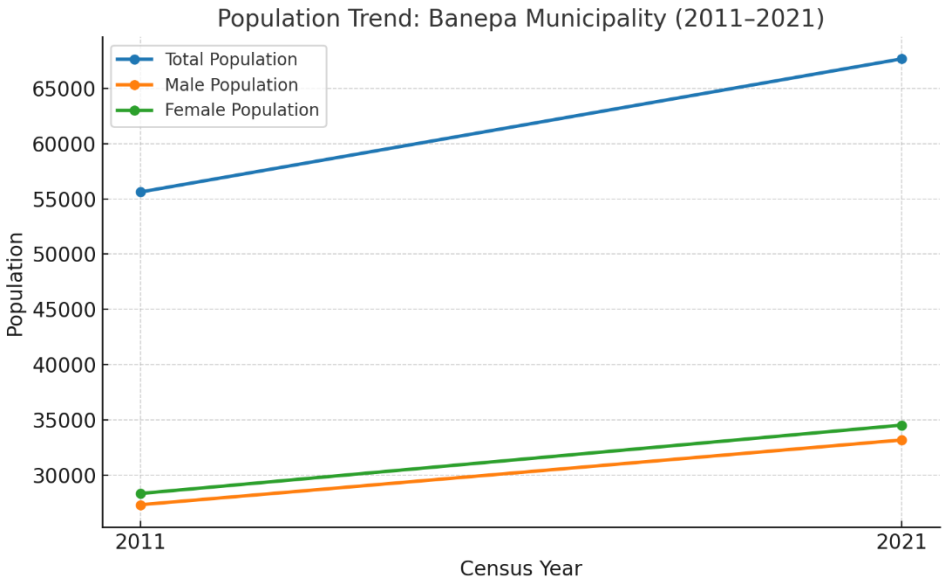

Figure 2. Population trend of Banepa (Census 2011-2021).

As shown in the line graph (in figure 2), Banepa Municipality, Nepal, had a mild but stable demographic growth between 2011 and 2021, where its population grew by 21.7 percent or just above 1.98 percent per annum on average. A stable sex ratio of 0.96 males per female has correspondingly shown this rise and implies natural growth as well as in-migration that has taken place. Although this growth is an indication of active socio-economic life in the municipality, on the other hand, it overstresses the city's infrastructure, housing, and social amenities. This trend, therefore, highlights the need to have active, sustainable urban planning as well as resource allocation to allow the population demographics to shift with trends.

4.2. Demographic Profile of Respondents of Banepa

Table 1. Demographic profile of respondents of Banepa.

Variable	Category	Frequency (No.)	Percentage (%)
Age Group	Below 20	9	6.25%
	20-40	81	56.25%
	41-60	45	31.25%
	Greater than 60	9	6.25
Household Size	0-3 Members	27	18.75
	4-5 Members	66	45.83
	6-7 Members	165	22.92
	Higher than 8 Members	18	12.50
Ethnicity	Brahmin	48	33.33
	Chhetri	18	12.50
	Janajati	69	47.92
	Others	9	6.25
Literacy Level	Below SLC/SEE	45	31.25
	SLC/SEE- Intermediate	63	43.75
	Bachelors	33	22.92
	Masters or above	3	2.08

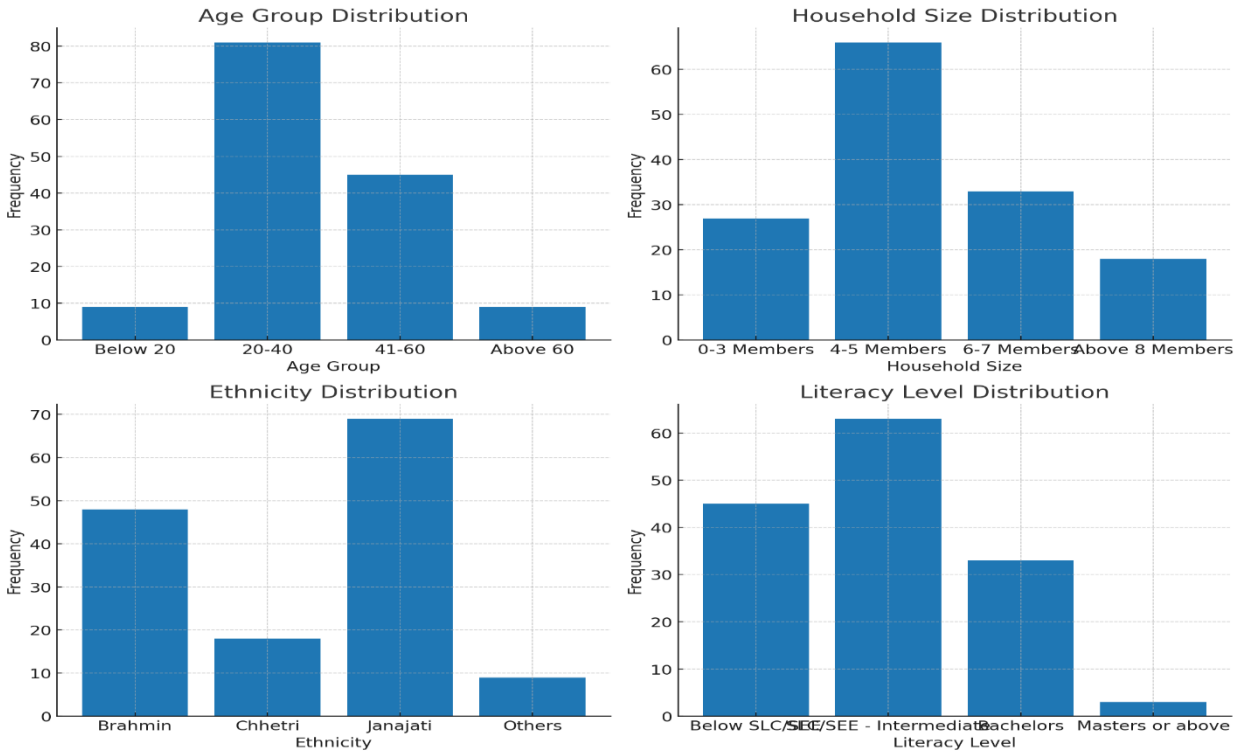

Figure 3. Demographic profile of respondents of Banepa.

Demographic overview of the respondents in Banepa reflects a young and economically active population with 56.25 percent of their age group comprising 20-40 years; therefore, it reflects a very strong base of the labor force and potential economic productivity (see details in table 1 and figure 3). Nevertheless, there is a relatively low percentage of seniors (6.25%), which implies a demographic trend related to migration and perhaps to a lack of aging-in-place structure. Most of the households have a medium-sized family on household size with 45.83 percent recording 4-5 members, which signifies the shift from extended to nuclear families that is normally characteristic of urban living communities.

There is a varied ethnic composition whereby Janajati groups comprise almost 48 percent (47.92) of the respondents, followed by Brahmin (33.33) and Chhetri (12.50). This diversity is probably a result of the historical migration patterns and the fact that Banepa is positioned as a trading center, but also that culturally inclusive urban policies should be developed.

The level of literacy indicates the medium level of education: 43.75 percent have secondary to intermediate levels of education, and only 2.08 percent are post-graduate students. Although the excellent percentile in basic and intermediate education might suit the semi-skilled sectors of jobs, the low percentage of higher education degrees might restrain the competency of the municipality in the knowledge-intensive industries.

Generally, the data describe the municipality as having a busy, multicultural, and moderate university-educated population, with deficiencies in its progression of human capital, as well as ensuring the provision of both goods and services to its various demographic groups is equitably distributed.

4.3. Length of Residency and the Monthly Income and Monthly Expenditure of the Respondents

The table and figure both provide indicative results under the length of residency and the monthly income and monthly expenditure of the respondents, which bring out notable socio-economic features of the population of the study.

Table 2. Demographic profile of respondents of Banepa

Variables	Category	Frequency (No.)	Percentage (%)
Length of Residency	0 -5 years	48	33.33
	6-10 years	27	18.75
	11-15 years	9	6.25
	above 15 years	60	41.67
HH Monthly Income (NPR)	Less than 10,000	3	2.08
	10,000- 20,000	3	2.08
	20,000- 30,000	27	18.75
	Above 30,000	111	77.09
HH Monthly Expenditure (NPR)	Less than 10,000	3	2.08
	10,000-20,000	15	10.42
	20,000-30,000	30	20.83
	Greater than 30,000	96	66.67

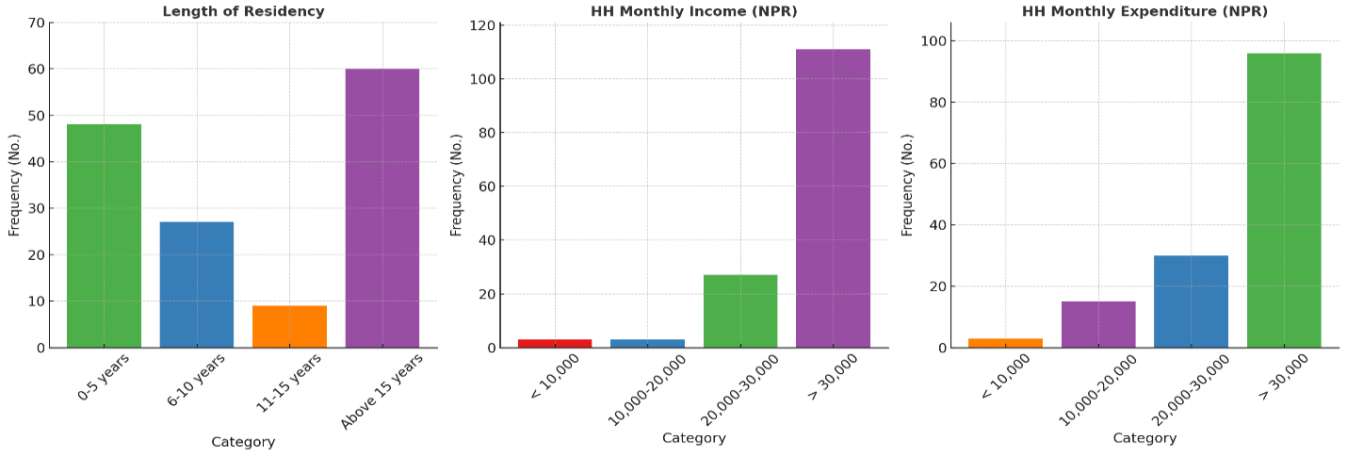

Figure 4. Length of residency and the monthly income and monthly expenditure of the respondents

In terms of length of residence, a large percentage (41.67) have stayed in the area more than 15 years, pointing to a relatively stable presence of the community, and one-third (33.33) of the population arrived in less than five years (as shown in table 2 and figure 4). This implies that the community has a dynamic demography, both established and emerging settlers; hence, this may affect community integration and the aggravation of resources.

When considering the monthly household income, there is a dominant majority (77.09%) with a monthly household income of above NPR 30,000, indicating that the level of income within the sample is broadly moderate to high. A very minor percentage of people lie in the lower categories of income earnings 2, 08 percent of the people having less than NPR 10,000. Such income bias can influence consumer behavior and livelihood patterns. In the same pattern, household monthly spending reflects the patterns of income, where two out of three (66.67%) have a higher monthly spending compared to those with NPR 30,000 per month consumption pattern showing a supply of expenditure which mainly resembles the income level. It is interesting to note that about 20.83 percent of the spending range of NPR 20,000-30,000, which indicates that there is a middle level of expenditure segment.

In general, the statistics can be characterized as those of a community with a wide range of different terms of residency but with an overall higher level of income and spending, which might provide a relative economic stability. The future studies should take into consideration how those factors are related to the livelihood resilience and vulnerability, particularly among newer residents or lower-income inhabitants.

4.4. Occupational Structure of Respondents

The occupational structure of the working-age population of Banepa indicates the presence of a two-tier economy with co-existent traditional and modern forms of livelihood strategies.

Table 3. Occupational structure of respondents.

Occupation	Frequency (N=144)	Total%
Agriculture	63	43.75
Business	14	9.72
Daily Wage Work	11	7.64
Government Services	4	2.78
Foreign Employment	49	34.03
Livestock Farming	2	1.39
Others	1	0.69
Total	144	100.00

The most prevalent occupation is agriculture, with a proportion of 43.75% of the respondents, showing the stay of reliance on the primary sector, even though urbanization came suddenly. The second-largest sector of livelihood (34.03%) is foreign employment, which indicates the reliance of the municipality on remittance economies that ensure household consumption and influence the local development patterns. The signs of the presence of a small and slowly developing urban commercial sector can be seen in the connection to the business activities (9.72 %), whereas the informal and frequently secure job opportunities are reflected in the daily wage labor participation (7.64 %) (see details in table 3). With government services contributing 2.78%, there is low formal sector absorption. The minor part is represented by livestock farming (1.39%) and miscellaneous occupations (0.69), meaning that the rural population is leaving the limited access professional direction of livelihoods. Generally, the statistics indicate that although Banepa is entering new economic activities, the process of structural change is yet to be completed, with much dependence on agriculture and foreign remittances dictating its social-economic progress.

4.5. Drivers of Urbanization in Banepa

Table 4. Occupational structure of respondents.

Drivers	Frequency	Percentage (%)
Economic opportunities	66	45.83
Better life	33	22.92
Rural to urban migration	24	16.67
Better education	9	6.25
Environment factors/ Natural disasters	6	4.17
Better health care facilities	3	2.08
Government policy /incentives	0	0.00
Others	3	2.08
Total	144	100

The above table 4 identifies the leading causes of urbanization in Banepa as perceived by the respondents. Due to their position as the factor mentioned by 66 respondents, economic opportunities are the dominant element, supporting the significance of employment, business opportunities, and income generation as the prime motives of the urban migration. This discovery compares to that of the general literature on urbanization within developing countries, wherein cities draw in populations that are in search of more profitable opportunities to live.

The second most important driver is improved quality of life, which 33 respondents said that urban amenities, infrastructure, and quality of life in the city make a big difference in attracting people to Banepa. This is an indication that the migration of urban is not only economically driven but also is influenced by social and environmental expectations like good houses, electricity, water, and access. Rural-urban migration, as reported by 24 respondents, arises out of push factors in the rural setting related to either low agricultural productivity or underutilization of manpower, which forces households to migrate to the cities.

Other aspects like better education (9 respondents), natural disaster/environmental factor (6), and healthcare facilities (3) are less paramount but very relevant in determining migration decisions. Interestingly, the government policies or incentives as the driver were not chosen by a single respondent, signalling a minor importance of the policy to steer urbanization actively. Comprehensively, the evidence points to the fact that economic uses and desires to achieve good living standards are the main drivers of urbanization in Banepa, as has been the general case in medium-sized towns in Nepal.

4.6. Economic Challenge Due to Urbanization in Banepa

Table 5. Economic challenge due to urbanization in Banepa.

Challenges	Respondents	Percentage (%)
Increasing cost of living	78	54.11
Job competition	17	11.81
Hardship of small business	19	13.19
Infrastructure gap	14	9.72
Lack of equivalent opportunities	13	9.03
Others	3	2.08
Total	144	100

The Table 5 provides a complex context within the data capture of economic issues associated with urbanization on the territory of Banepa, with the high cost of living providing the most significant concern to 54.11 percent of respondents. This observation shows the effect of the increased demand on the supply of housing, goods, and services in an expanding population of an urban economy, which exerts undue strains on household budgets, most especially amongst the low-income and middle-income groups. Difficulty of small businesses (13.19%) and job competition (11.81%) together mean that not only venture but also job opportunities are stressed, possibly because of competitive saturation, and poor economic development. A lack of infrastructure (9.72%) highlights the lack of good facilities that are necessary in urban areas, like transport, drainage, and water, and these can hamper not only productivity but also the quality of life. The stated in-absence of similar opportunities (9.03%) implies the socio-economic inequalities, which may be based on the educational differences, abilities, and access to the source. The low percentage of the Others (2,08) shows that the main categories reflect the main issues. In general, the table indicates that urbanization in Banepa is causing economic pressure with the enhancement of prices, limitation of structures, and unequal access to opportunities. These problems need intervention strategies that focus on affordable living, inclusive employment, supporting small businesses, and improving infrastructure to promote sustainable and equitable urban expansion.

4.7. Major Urbanization Problems in Banepa

Table 6. Major urbanization problems in Banepa.

Problems	Respondents	Percentage (%)
Pollution	45	31.25
Housing Affordability	39	27.08
Traffic jam	24	16.67
Poorly provided public services	21	14.58
Lack of resource (water, land, energy)	15	10.42
Total	144	100

The Table 6 shows the major urbanization-related issues in Banepa, and environmental pollution (31.25 percent) is the most concerning problem. This is an indication of the negative environmental effects of rapid urbanization, which is attributable to poor air and water quality and uncontrolled waste products. The housing affordability (27.08%) is not far behind, as it means that the increases in prices of property and rental rates are making decent housing less affordable for many tenants. Congestion (16.67%)

appears to be a major urban stressor, indicating the lack of an appropriate transport system and traffic control. Inadequate public services (14.58%) indicate there are inadequacies of vital services like healthcare, education, and sanitation, which are key attributes to sustaining urban wellness. Scarcity of resources, including water, land, and energy (10.42%), highlights the pressure on the finite resources, which probably increases due to population growth and unregulated population expansion. All in all, all these findings indicate that the challenges of urbanization at Banepa are not only environmental and infrastructural related, but that coordinated planning and policy-related actions are required to bring about sustainable and equitable urban development at Banepa.

4.8. Proposed Solution for Urban Challenge in Banepa

Table 7. Proposed solution for the urban challenge in Banepa

Proposed Solution	Respondents	Percentage %
Improve urban planning	29	27.08
Skill development programs	30	20.83
Affordable housing programs	24	16.67
Investment in infrastructure	24	16.67
Strengthening waste management and environmental control	18	12.50
Community engagement and participatory governance	9	6.25
Total	144	100

The data summarizes the scope of the proposed solutions to discuss the Banepa urban problems, and the enhancement of urban planning (27.08%) got the most support. This shows the acknowledgment that spontaneous growth has augmented the problems, like a lack of housing, stretched transport systems, and an observable criterion is the directionality of the means of zoning, integration of fields, and an allocation of green space (see details in table 7). Skill development programs (20.83%) are also on top of the list, and this explains the need to have more employable persons, alleviating competition in the workplace due to diversity in the urban economy. Housing and infrastructure investments that receive the same percentage of the respondents, 16.67 percent, suggest simultaneous issues regarding basic living conditions and the availability of services. Enhanced waste management and environmental control (12.50%) deals with the increasing pollution and sanitation issues in the city, and such an increase in the need to be controlled by local communities and participatory governance (6.25%) is much smaller but significant. In sum, these solutions manifest an even focus on structural transformation, socio-economic empowerment, and environmental sustainability in mapping Banepa towards an inclusive and sustainable operational city.

4.9. Awareness of Urban Development initiative in Banepa (N=144)

Table 8. Awareness of Urban Development initiative in Banepa (N=144).

Organization / Initiative	Respondents	Percentage (%)
Municipality	81	56.25
Ministry (Urban Development)	18	12.50
Youth clubs and community Activities	18	12.50
NGO/INGO	3	2.08
Programs by provincial government	24	16.67
Total	144	100

Based on the analysis of the table, the level of public awareness on matters touching on the organization and initiatives allocated to urban development in Banepa is illustrated. The municipality turns out to be the most familiar actor, with 56.25 percent of the respondents having heard of it. This has to do with its centrality on local governance, urban planning, and service delivery, thus acting as the main point of reference to residents. Knowledge of provincial government programs (16.67%) indicates low levels of awareness of how the provincial level is becoming engaged in infrastructure and policy provisions, but recognition is low relative to municipal programs. The major contributors in this field are both the Ministry of Urban Development and related central agencies (12.50%) and youth clubs/community groups (12.50%) equally, which implies that the same amount of credence is drawn on formal/governmental as well as the mountainous interaction (see details in table 8). The lowest awareness is registered with NGO/INGO (2.08%), and this may be because of low staff and a lack of awareness through short-term projects. On the whole, the data demonstrate a high concentration of both public trust and awareness on the municipal scale and the necessity to implement more wide-ranging communication and cooperation of multi-level stakeholders to enhance urban governance in Banepa.

5. CONCLUSION

The research identified that Banepa Municipality has been rapidly transformed from a rural to an urban settlement and infrastructural development. Neo-liberal economic policy of 1990 was a significant benchmark for urbanization, migration, and deregulation of orthodox sociocultural practices. The growth of the middle class invested their economy and knowledge in the development of land and public services. The agricultural land was transformed into real estate and land for house construction (Ghaderi). The growth of market, offices and houses transformed the area in an emerging urban. Although its strategic location, economic diversification, and young workforce attest to its growth prospects, a lack of strategy in its growth has resulted in numerous current and urgent needs, such as environmental degradation, housing shortage, inadequate infrastructure, and socio-economic inequality. The strong dependence on small business and remittances, and poor governance and implementation of policies, highlight the incomplete economic transformation of the economy, and the problems of poor management in the urban areas.

Nevertheless, the fact that Banepa is a relatively smaller place compared to Kathmandu is a special chance at implementing the correcting measures. Its development can be focused on the inclusivity and resilience thanks to putting the priority on integrated urban planning, affordable housing, developing skills, and sustainable infrastructure. Municipal capacity building and

upholding environmental protection, as well as multi-stakeholder connection, will be requisite.

With the urbanization of Nepal, the case of Banepa serves critical lessons on the mid-sized cities on the intersection of development and sustainability. The active, fair policies, as opposed to the reactive solutions, are what can make such urban nodes the illustration of good development management, devoid of the mistakes of big cities. Future studies need to investigate localized infrastructure finance, land use management, and adaptation to climate to assist Banepa and other cities like it in their process of sustainable urbanization.

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