



The growing city of Kathmandu, Nepal's capital.

Photo: Jane Carter

SMALL AND MEDIUM-SIZED TOWNS – AN UNTAPPED POTENTIAL FOR INCLUSIVE DEVELOPMENT?

Small and medium-sized towns are important for connecting rural and larger urban areas and have the potential to play a more effective role in inclusive and equitable regional development. Yet the development potential that they offer often goes unnoticed and unplanned. Inadequate financial resources and infrastructure as well as lack of power and authority are some of the challenges these towns face, as the examples from Nepal and Bolivia show.

By Craig Hatcher, Jane Carter, Martín del Castillo and Yogesh Pant

The growth of the world's global urban population has led to economists, policy-makers and urban theorists declaring this as an era of the 'Urban Age'. In 2007, the world crossed the tipping point in which 50 per cent of its population became urban, in comparison to 1960, when only 34 per cent of the world's population lived in towns or cities. The growth in the size of urban areas, especially in Africa, Asia and Latin America, means that far more people are urban dwellers today than was the case 50 years ago, a figure that is predicted to increase.

Nepal and Bolivia are no strangers to this trend. Nepal's population was predominately rural until recently but is now urbanising at a rapid rate. The capital city of Kathmandu, with its surrounding valley, accounts for 24 per cent of the total urban population and has been growing between three and four per cent each year as people migrate to the area in search of better jobs and services. The urban population

has also increased rapidly in Bolivia over the past 30 years – from 30 per cent of the total population in 1976 to nearly 75 per cent today. In both countries, a steady growth of population in larger urban centres is coupled with a more rapid population growth of small and medium-sized towns, expanding along road corridors.

TAPPING THE DEVELOPMENT POTENTIAL

Helvetas focuses its urban engagement on small and medium-sized towns. In many developing contexts, a significant and growing proportion of the population live in such towns, which also provide vital services and markets for those living in the surrounding rural areas. With adequate investment and political authority, small and medium-sized towns have the potential to promote a more inclusive,

equitable and sustainable approach to regional development – an approach which also has the potential to target the poorest and most marginalised.

However, small and medium-sized towns have tended to receive little policy attention or funding from development agencies, and struggle attracting investment from the private sector. They tend to fall between what is perceived as the more deserving rural areas and larger towns that remain within the purview of national power-holders such as politicians and administrators who tend to live there. This bias towards 'rural development' and 'primary' or 'mega-cities' not only neglects the number of people living in smaller towns, but also overlooks the development potential of secondary towns – both at the national level and in terms of the intermediary role that such towns form by their connections with the surrounding rural areas and larger towns.

A CLOSER LOOK AT NEPAL AND BOLIVIA

There is no agreed international consensus on the size of a small or medium-sized town; they come in all shapes and sizes. Classifications of towns vary according to national contexts and may be either purely in terms of population numbers, or include population density.

As part of Nepal's recent transition to a federal republic (which began in 2017), the country is now divided into 753 administrative divisions which include *gaunpalika*, or rural municipalities, and *nagarpalika*, referred to here as (urban) municipalities, although the official translation of the latter is simply a municipality. The rural and (urban) municipalities lie within seven new States (provinces). Heavily urban areas are defined as metropolitan or sub-metropolitan cities – the latter having a minimum population of 150,000. (Urban) municipalities are required to have a minimum population of 60,000 in the low-lying Terai plains, 31,000 in the hills and 17,000 in the mountains. However, the division between rural municipalities and (urban) municipalities is not always a straightforward one between country and town; many are a mix of rural and urban areas.

In Bolivia, a settlement must have a population of over 2,000 to be classified as a town. Just under 1.3 million, or approximately 20 per cent of the total population, live in small and medium-sized towns with a population between 10,000 and 100,000. These small towns fall into two categories: small cities that are located close to bigger cities such as La Paz and Cochabamba and are growing to create a larger

suburban, metropolitan area and those smaller cities that are more remote and tend to grow outwards through low-density extensions.

Small towns often come under pressure from urbanisation – uncontrolled development, little infrastructure and poor service provision – combined with a lack of strong institutions of local governance. Community cohesion is rarely strong, as the population is often mixed, coming from different backgrounds. Further, rapidly urbanising areas are often reclassified into 'towns' by legal or bureaucratic measures – as has been the case for many (urban) municipalities in Nepal – although their social, political and physical infrastructure and services remain at a basic level.

NEPAL: FEDERALISM – A CATALYST FOR URBANISATION

At the heart of the federalisation process in Nepal is the devolution of political and administrative decision-making to State and local levels. Federalism is still in its early stages in Nepal, but already the political and economic dimensions of categorising urban centres are clear. This is particularly evident in the naming of the capital cities of the seven new States, which is the responsibility of the elected State governments. At the time of writing, only three of the States had officially declared their capital, over nine months after their governments were formed. Investors move in, and land prices immediately rise once a capital is known – making some people rapidly rich and leaving the prospect of land or house ownership far out of the reach of others. Similarly,



Shivu Sharma is a 39-year old labourer who works most of the year in India and is head of one of the families that were supported to build a toilet in Katarniya.

Photo: Jane Carter

the main towns of (urban) municipalities are seeing significant investment and growth; they can also claim a greater allocation of federal funds than rural municipalities.

This noted, federalism is – and is intended to be – a catalyst for urban development across a wider swathe of the country, spurring the growth of urban conurbations outside Kathmandu valley. Nepal's 2017 National Urban Development Strategy is explicit in this. Yet promoting equitable, inclusive development in urban areas appears to be a major challenge. A 2017 Country Poverty Analysis by the Asian Development Bank notes that whilst inequality amongst the rural poor in Nepal is declining, amongst the urban poor, it is increasing.

RECOGNISING AND INCLUDING THE POOR AND VULNERABLE

In all its country programmes, Helvetas seeks to pro-actively include the poor and disadvantaged – defined according to country circumstances. One of the issues apparent in working at the rural-urban interface is that these definitions need to be contextualised. In targeting those residents most affected by pollution, Helvetas in Bolivia identified not only specific groups such as women and indigenous persons to be more disadvantaged, but also how disparities exist between different cities.

In Nepal, social mores are changing – with federalisation bringing new opportunities for the political representation of the previously marginalised, especially women and Dalits, members of the lowest caste. Small and medium-sized towns can be a place for those facing discrimination in their home villages, particularly Dalits, to forge a new identity for themselves. They are also places in which the vulnerable can be easily exploited, or at least find it difficult to gain a livelihood. Those vulnerable in this case are often recent arrivals who lack social support networks, such as young women and men arriving from their villages with limited education and skills. Who is truly disadvantaged may in some cases be less a function of caste and ethnicity, and more a matter of sheer economic poverty, combined with gender. It can also be a simple matter of location, with those concerned being forced to live in the most recently established, least desirable parts of town.

LEARNING FROM A SMALL TOWN EXPERIENCE?

In the above context, there are lessons that can be learnt from carefully planned, local-level urban activities. One such example is the development of the emerging town of Katarniya in Nepal supported by the Swiss consortium of Helvetas, Terre des hommes and the Swiss Red Cross. In this case, the residents comprised a mixture of households belonging to

different castes and ethnicities. The poorest and most vulnerable were often those who had arrived most recently. As a population, they had many dividers – but they shared the wish for a safe drinking water system. The Swiss consortium facilitated the formation of a group of all user households, represented by a committee. Many meetings were held to discuss the improvement of the water situation, with a tripartite agreement eventually being signed between the local municipality, the user committee, and the consortium. This agreement linked universal sanitation to the construction of a borewell and drinking water tower. Thus, all households unable to afford their own toilet – as identified and agreed by all users – were supported to do so through a collectively established fund that will also be used to cover maintenance costs.

The lessons learnt from Katarniya have been shared with the municipal representatives of the town of Birendranagar, recently declared as the capital of the new State of Karnali. Birendranagar is well situated for expansion in a wide, flat-bottomed valley with connections to the larger border town of Nepalganj in the southern plains and rural municipalities and small and emerging towns in the north. In terms of its sustainable, inclusive development, ensuring safe drinking water, sanitation and effective waste disposal is crucial for the town. To maintain this, the technical assistance team works together with the elected municipal representatives and administrative staff. This entails building municipal capacity regarding the quality and sustainability of sanitation ser-

vices, applying a Faecal Sludge Management tool box (developed by the Asian Institute of Technology Gates Foundation) and assessing different technical options for a faecal sludge treatment plant, plans for which will be designed accordingly. Importantly through this process, the municipality's responsibility will be to ensure that sanitation is accessible to all, not just the wealthy, and that regular citizen consultation is integrated into decision-making processes.

BOLIVIA: HARNESSING RURAL-URBAN LINKAGES

A similar story of urban development can be told in Bolivia. While urban and peri-urban populations have steadily grown over the past 30 years, this population growth has not been accompanied by an improvement in infrastructure and services for wastewater treatment or solid waste management.

Villamontes is a medium-sized city with about 50,000 inhabitants that is situated in the southern part of the country, while Cliza is at Bolivia's heart, in the Cochabamba department and counts 20,000 inhabitants in the urban centre. Villamontes and Cliza are two such towns that were lacking the necessary resources to be able to provide quality basic services to its citizens. The small towns have strong links with the surrounding rural areas; the urban residents often have cropland in the countryside surrounding the town, and goods, foods and services are often sold and shared between

the rural and urban settlements. Supported by the Swiss Agency for Development and Cooperation and implemented by Helvetas, the Gestión ambiental municipal (Municipal Environmental Management) project builds on the importance of these rural-urban linkages to ensure that basic urban sanitation is financially viable and soil and water pollution, which is caused by solid and liquid waste as well as untreated wastewater directly deposited into the rivers, is reduced.

The towns have established formal partnerships with other surrounding small municipalities in order to benefit from economies of scale and reduce operational and maintenance costs. Villamontes, for example, shares a sanitary landfill with a smaller neighbouring municipality, while Cliza is developing a shared solid waste management service with 16 other small municipalities. Both towns are now covering 80 per cent of their urban populations with quality sanitation services. Rural residents also use the organic waste from the town for fertilising their crops and use treated wastewater for irrigation during the dry season.

Fostering rural-urban linkages through a holistic agenda

It is not just the population growth of towns that is emphasised by policy-makers and theorists, but also their economic importance. Policy-makers emphasise towns as being 'crucial' to development, and as hubs for job creation, innovation and growth. Urbanisation, under the right circumstances, is the future driver of growth and development in emerging economies. The era of the urban age has its winners and losers, however. If not strategically managed and planned inclusively, urban development can lead to inequality both within the same town and between different towns at the national, regional and global level. National urban policies need to be developed that focus on harnessing rural-urban linkages and investing in small and medium-sized towns that support these linkages to encourage a form of urbanisation that is sustainable and inclusive.



Collected waste in the municipality of Cliza.

Photo: Martín del Castillo

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