

## GROWTH OF SMALL TOWNS AND MARKET CENTRES

### Growth before 1950

Although historical documents clearly point to the importance of the Kathmandu Valley as the seat for market town development, the available references do not mention the existence of any important market centre in the present Bagmati Zone area during the period from 750 B.C. to 250 A.D. Historical references state that the Kirats had taken the Bagmati route from the south to penetrate into the Kathmandu Valley. The ancient sites of townlets are all marked in the southern and western areas of the valley. The most important area was around the confluence of the Bagmati and the Vishnumati, and settlements were established in the eastern part of the valley later in comparison.

Available evidence from the inscriptions indicates that there were several settlements in the Kathmandu Valley and Banepa area during the Licchavi period. It is probable that some of these settlements were '*drangas*' (business centres). From the inscriptions, an idea of the extent of internal and external trade and market centres cannot be obtained. It appears that trade with Tibet via the Kathmandu Valley was not well developed during the early seventh century. It was only after 639 A.D. that the Banepa-Kuti route became the trade route to Tibet through this area. Since then, Nepal has carried on some kind of trade with Tibet. This trade contributed significantly to the growth of Kathmandu, Lalitpur, and Bhaktapur as important market towns even during the early historical period.

Available references throw further light on the growth of several settlements in the study area during the Malla Period. The three valley towns were often referred to as the capitals after the 11th century. They were then important market towns. According to references, Jaya Dev founded seven towns, including Banepa, Panauti, Dhulikhel, Khadpu, Chaukot, Sanga, and Nala, in the Banepa area in 1257 A.D. However, the establishment of seven towns during a relatively underdeveloped period is highly questionable. This reference would most probably be about the conquest of existing settlements. The reference clearly indicates that the Banepa area was well settled even during the early part of the Malla Period. Besides the three major towns of the valley, Banepa and Sankhu also grew as important market towns, benefitting much from the entrepot trade as they were located along the main highways to Tibet.

The process of urban growth took a different turn with the unification of the country after 1769. The unification of the country resulted in the rapid growth of long distance trade along with a feeling of security. Consequently, both interregional and international trade were conducted with greater regularity. The regular flow of goods and people contributed much to the growth of new market centres. A number of market centres grew in the Bagmati Zone subregion along the major highways leading to the Kathmandu Valley. The number and location of these centres was partly influenced by the degree of localisation or dispersal of resources. The development of a relatively large number of trading centres in the Banepa area is partly attributable to this. Out of the centres that were established, many became relatively stable and unchanging, and others with locational advantages became larger with a greater array of functions.

The growth of a large number of small trading centres greatly enhanced the commercial importance of the valley's cities as the former were commercially integrated with the latter. A



number of townlets, such as Khadpu, Dhulikhel, Panauti, Chautara, Jalbire, Barahbise, Nuwakot, Chapagaun, Thankot, and Trishuli Bazaar emerged as important market centres in the study area. In addition, there were several other small centres.

The growth of new market centres in the study area was largely the result of the migration of Newar traders from the cities of the Kathmandu Valley. Banepa, Sankhu, Khadpu, and Panauti were the sources of migrants for the market centres which grew in their respective service areas.

Although a large number of market centres were established in the study area, only a very few of these could actually be termed small towns. As a result, the ratio between villages and large towns remained very high. This indicates the high degree of relative dependence of a village community on a single large trading centre. However, the large rural community had extremely limited access to such centres due to the lack of transport facilities.

### **Growth between 1950 to 1981**

During this period, two major events took place that had considerable impact on the structure of market centres in the study area. One was the political change of 1951 and the other was the construction of modern highways including Tribhuvan Rajmarga, Arniko Rajmarga, the Trishuli-Kathmandu road, and Prithivi Rajmarga.

Nepal was virtually closed to foreigners until 1951. The political change of 1951 opened the country to the outside world. Its immediate impact was felt in Kathmandu. This city developed rapidly. This made the element of primacy more pronounced in the urban network of the country. Kathmandu offered additional attractions compared to other areas. The ever-increasing movement of goods and people from the other parts of the study area to this city can be attributed to this cause. This has an adverse effect on trading activities in other towns and townlets such as Lalitpur, Bhaktapur, Banepa, Panauti, Sankhu, and Khadpu.

During the same period, the abolition of open trade with Tibet was a new development which resulted in the decline of several market centres such as Chautara, Nawalpur, Jalbire, Balephi, Barahbise, and Nuwakot. The abrupt fall of Sankhu from its previous status as an important wholesale and retail trade centre was a notable event. Lalitpur and Bhaktapur also suffered greatly as their tributary area started to reorient to the Kathmandu market.

An estimate of the size of important small towns and market centres in the study area, as they existed before the construction of modern roads in the study area, can be obtained from Table 4.1.

The importance of some of the centres such as Dhulikhel, Chautara, Sunauli Bazaar (Dhading district), Nuwakot, and Dhunche were greatly enhanced after the establishment of district headquarters in those centres.

The most important event that affected the market centres of the study area during the period under review was the development of modern highways linking Kathmandu with other parts of the country. This development affected the market centre system in several ways.



**Table 4.1: Population of Important Small Towns and Market Centres in 1952**

Centres		Districts	Population
1.	Kalimati	Kathmandu	2,200
2.	Gokarna	Kathmandu	200
3.	Sundarikal	Kathmandu	800
4.	Budhanilkantha	Kathmandu	400
5.	Tokha	Kathmandu	3,000
6.	Battisputali	Kathmandu	2,000
7.	Deopatan	Kathmandu	500
8.	Baudha	Kathmandu	600
9.	Sankhu	Kathmandu	3,100
11.	Khokana	Lalitpur	2,600
12.	Thicho	Lalitpur	2,500
13.	Thaiba	Lalitpur	800
14.	Panga	Lalitpur	2,700
15.	Balambu	Lalitpur	900
16.	Bungmati	Lalitpur	1,700
17.	Lubhu	Lalitpur	2,200
18.	Sunakothi	Lalitpur	1,400
19.	Chapagaun	Lalitpur	1,700
20.	Harishidhi	Lalitpur	1,300
21.	Kirtipur	Lalitpur	700
22.	Bode	Bhaktapur	2,500
23.	Changu	Bhaktapur	2,300
24.	Thimi	Bhaktapur	8,700
25.	Nuwakot	Nuwakot	1,200
26.	Trishuli Bazaar	Nuwakot	1,100
27.	Batar	Nuwakot	1,100
28.	Belkot	Nuwakot	200
29.	Dhulikhel	Kavrepalanchowk	3,300
30.	Banepa	Kavrepalanchowk	4,500
31.	Panaudi	Kavrepalanchowk	2,200
32.	Nala	Kavrepalanchowk	1,000
33.	Panchkhal	Kavrepalanchowk	100
34.	Chautara	Sindhupalchowk	500
35.	Barahbise	Sindhupalchowk	1,600

Source: Census of Nepal, CBS 1956



One outcome was the disappearance of trading centres located along the traditional highways (trails), i.e., Chisapani, Deopur, and Hukse in the Kavrepalanchowk district, and Shipa, Bhotshipa, and Purano Dolalghat in the Sindhupalchowk district. Some centres, e.g., Nawalpur, Jalbire, and Nuwakot declined further. The commercial importance of some important small towns such as Sankhu, Chapagaun, and old Thankot Bazaar declined considerably as they lost the advantage of pedestrian traffic generated by the valley's cities. Another important development was the closer integration of market centres with a single, large city. Partly due to the construction of modern roads and partly to the increasing concentration of economic activities in the city of Kathmandu, the local market centres developed closer commercial linkages with this city.

Road transport facilities greatly improved the conditions of some small towns, e.g., Banepa, Bidur, Barahbise, and Dhulikhel. In addition to adopting new functions, these centres continued to extend their market areas. The completion of a gravel road from Dolalghat to Chautara in 1976 improved the situation in Chautara also.

The new highways greatly changed the spatial pattern of nodal points. In a number of places, new nodal points emerged and they soon became important market centres. Out of the new market centres that developed during the period under review, the important centres include Lamosangu, Lamidanda, and New Dolalghat in the Arniko Rajmarga; Ranipauwa on the Trishuli road; and Naubise, Bairani, Mahadev Besi, Gajuri, and Malekhu on the Prithivi Rajmarga. Some of these centres, e.g., Lamosangu, Lamidanda, Dolalghat, and Gajuri soon played a significant role in commercial functions, while others, e.g., Naubise, Malekhu, and Balephi developed mainly as catering centres. Three new centres developed along the new fair-weather road leading to Melamchi, i.e., Hinguwapati, Sipaghat, and Bahunepati.

With the development of road transport facilities, the importance of several centres was considerably enhanced. They performed new additional functions such as health and education services, banking services, administrative services, and several professional and personal services. Such developments were particularly noticeable in Banepa, Bidur, Dhulikhel, Barahbise, and Chautara.

### **Growth after 1981**

An important feature of market centres that developed recently is the expansion of functional array. Banepa and Bidur perform all the functions which are normally found only in a fully fledged Nepalese town. An important exception is the absence of cinema halls in Bidur. Initial support for the growth of these towns was provided by the rich agricultural resource base of the areas in which they are located. Later their central value increased considerably with their access to road transport facilities.

The rapid urbanisation and the growth of a number of important market centres are indicative of the emerging comparative advantages of different localities in the Bagmati Zone. The Kathmandu Valley has the most extensive urban network. Their location in the valley has enabled even smaller towns like Thimi, Kirtipur, Harishidhi, and Sanauthimi to become important manufacturing centres with access to educational facilities. The growth of several industrial functions, including brick works, carpet and garment manufacture, production of



tourist-oriented goods, and other functions in a number of market centres in the Kathmandu Valley, is due to their advantageous location.

The recent efforts to exploit the local agricultural resources in a more intensive manner have resulted in the growth of new agro-service centres. Tamaghat and Kunta Besi in the Panchkhal area of the Kavrepalanchowk district and Kharanitar and Samundratara in the Trishuli valley area of the Nuwakot district are new centres with growths that are based on the rich, local agricultural resource base.

The development of services, i.e., education, health, postal, and extension services, has also contributed to the growth of market centres. Initially, these sites developed as service points, and later those with locational advantage witnessed the growth of commercial activities. Lele and Gothikhel in the Lalitpur district, Sangachowk in Sindhupalchowk district, Deorali in Nuwakot, and Kalikasthan in Rasuwa are some good examples of such points.

The relative importance of some centres, e.g., Panauti, Melamchi, Dhading Besi, and Chautara, has increased considerably with the introduction of public bus services in these places. These places could benefit much from the advantage of their location at break-of-bulk between the road transport and the trail. Of these centres, Melamchi did not exist as a market centre even as late as 1977. The relative importance of Dhading Besi and Chautara has increased, mostly due to expansion of administrative activities. Dhulikhel and Dhunche could not derive much advantage from their positions as the district headquarters due to their locational disadvantages, created either by competition of the superior centre (Banepa) in the case of the former or by the sparsely populated hinterland in the case of the latter.

The fast development of public bus transport facilities has given rise to new catering centres. The development of Khanikhola and Khadichaur at new focal points of the highways is an example of such growth, which has taken place exclusively with the support of catering activities.

The fast development of Dhading Besi as a district headquarters and a market town has generated heavy traffic along the routes leading to this centre. Depending on this traffic, three new small market centres (Todke, Rigne, and Majhgaun) have developed recently in the northern part of Dhading district.

Some recent developments have had negative effects on some market centres. Bahunepati and Naubise have ceased to exist as important market centres due to the transfer of nodal points from these centres to other nearby localities (Melamchi in the former case and Khanikhola in the latter). The Shipaghat and Lamidanda centres have declined due to the growth of new centres in close proximity. Gajuri, an important centre in Dhading district, experienced stagnant growth as Dhading Besi developed into an important market town in the north. Lamosangu also has lost its original importance due to the reorientation of its tributary area to other centres.

Out of the total number of market centres covered in the present study, three, including Banepa, Bidur, and Dhulikhel have been recently recognised as municipalities. Banepa and Bidur now have a population of more than 10,000, while Dhulikhel has a population of about 9,000. Four centres have a population of more than 5,000, including Kirtipur, Panga, Sidhipur, and Lubhu.



Most of the other centres are small market centres in terms of population size. The total urban population, including the municipal population of the valley's cities and the population of the market centres (covered in this study), has now reached approximately 33 per cent of the total population of the Bagmati Zone. The percentage share of the population of small towns and market centres comes to about five per cent.