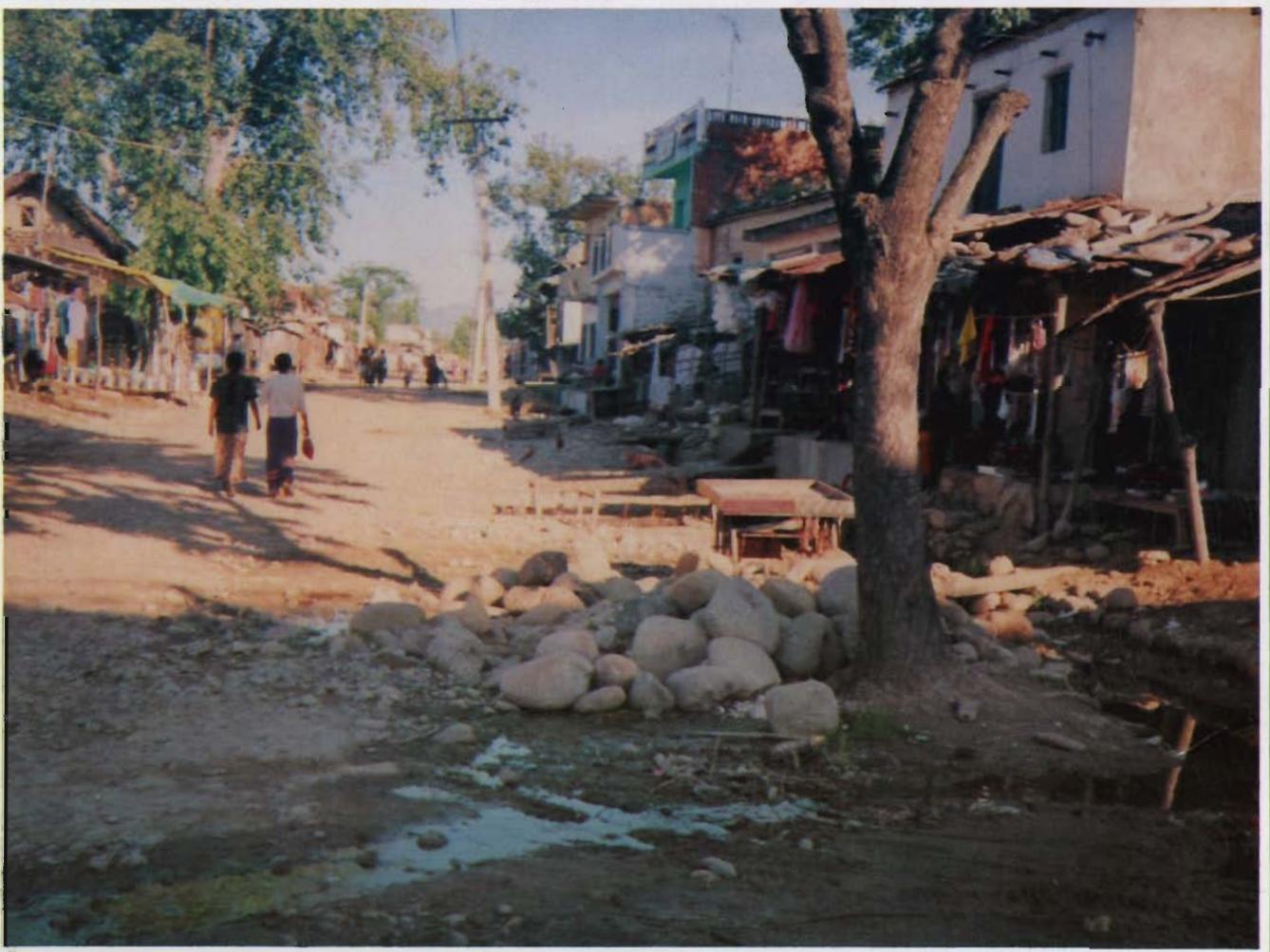


Assessing the Potentials of Market Towns in the Mountains

Case Studies from the Hindu Kush-Himalayas



**Pitamber Sharma
Narendra Khanal**

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Increasing populations, accelerating depletion of natural resources, widespread poverty, lack of essential and basic services, and the lack of alternative livelihood opportunities are the major causes of the features that characterise the Hindu Kush-Himalayan (HKH) region today. The challenge of integrated mountain development is basically one of trying to address these issues simultaneously by focusing on the various dimensions of these linkages: spatial-economic, social, environmental and institutional. Small towns and market centres are often manifestations of these linkages. The difficulties imposed by rugged terrain and inaccessibility constrain the expansion of production bases in much of the HKH to such an extent that the region is likely to remain predominantly rural for a long time to come. It is in such contexts that small towns and market centres can play a multiplicity of roles.

Market centres can perform a number of functions for the rural population. They can act as a centre for production and distribution of goods and services, as a centre for the collection and distribution of labour, and as a centre for the collection and distribution of information. However, not all market centres play these roles and all across the HKH there is a need to assess the potential of market centres which can be made the focus of policy and planning activities. Market towns can also be a major tool for implementing the decentralisation policies that are being pursued through the region.

Assessing the Potentials of Market Towns in the Mountains Case Studies from the Hindu Kush-Himalayas

*Pitamber Sharma
Narendra Khanal*

ICIMOD's programme of people living in mountain areas is one of its major activities. It is a programme of integrated mountain development. In the last few years, ICIMOD has been organising a number of projects that do not only provide the basis for action. The programme is also an example in which a number of priority projects have been identified for the attention of concerned agencies and institutions. We are glad that attempts in this direction are already being made in some of the countries where the case studies are being conducted.

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I would like to thank the Regional Development Centre for Integrated Mountain Development (ICIMOD) for its support for this programme, and the National Institute of Mountain Studies (NIMS), Kathmandu, Nepal, for its support. The National Institute of Mountain Studies (NIMS) is a member of the International Centre for Integrated Mountain Development (ICIMOD).

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Egbert Pelissier
Director General
March 1996

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Foreword

Increasing populations, accelerating depletion of natural resources, widespread poverty, lack of essential and basic services, and the lack of alternative income generation and livelihood opportunities are some of the features that characterise the Hindu Kush-Himalayan (HKH) region today. The challenge of integrated mountain development is basically one of trying to address these issues simultaneously by focussing on the various dimensions of these linkages: spatio-economic, social, environmental, and institutional. Small towns and market centres are often manifestations of these linkages. The difficulties imposed by rugged terrain and inaccessibility constrain the expansion of production bases in much of the HKH to such an extent that the region is likely to remain overwhelmingly rural for a long time to come. It is in such contexts that small towns and market centres can play a multiplicity of roles.

Market centres can perform a variety of functions: as locations for the provision of central services; as centres for agro-processing and small manufacturing activities; as locations for the concentration of productive investments that can have the maximum spatio-economic impact; as points for arresting rural migration to large urban centres; as centres for human resources' development; and as the facilitators of urban-rural linkages and agricultural diversification. However, not all market towns can play these roles, and all across the HKH there is a need to identify potential market towns which can be made the focus of policy and programme attention. Market towns can also be a major tool for implementing the decentralisation policies that are increasingly advocated throughout the region.

ICIMOD's programme on market towns is an effort at drawing attention to this extremely important aspect of integrated mountain development. In the last few years, ICIMOD has been emphasising programmes and projects that do not end up only as studies but also provide the basis for action. The programme on market towns is an example in which a number of priority projects has been identified for the attention of concerned agencies and institutions. We are glad that attempts in this direction are already underway in some of the countries where the case studies were carried out.

I would like to thank the Regional Office of Housing and Urban Development, USAID, for providing partial support for this programme, and our partner institutions - the Institute of Mountain Disasters and Environment, Chinese Academy of Sciences, Chengdu, China; the Department of Planning and Architecture, University of Roorkee, India; the Central Department of Geography, Tribhuvan University, Nepal; and the Aga Khan Rural Support Programme in the Northern Areas of Pakistan for the enthusiasm with which the case studies were undertaken.

From ICIMOD, Dr Pitamber Sharma played the key role in initiating, providing the methodological guidelines for, and coordinating the programme. He also took the responsibility of integrating the different case studies into this form with the help of Mr Narendra Khanal. I would like to thank them both for making this publication possible.

Egbert Pelinck
Director General
March 1996

Acknowledgments

Thanks are due to Mr Egbert Pelinck, Director General of ICIMOD, who proposed integrating the four country case studies into this publication. Grateful acknowledgments are due to Mr Earl Kessler, Director of the Regional Office of Housing and Urban Development, USAID, New Delhi, the Team Leaders of the Country Study Teams – Prof. Chen Guojie from the Institute of Mountain Disasters and Environment, Chengdu, China; Prof. Ravi Shankar from the University of Roorkee, India; Prof. Mangal S. Manandhar from Tribhuvan University, Nepal; Mr Ronald Ofstad from the Enterprise Development Division of the Aga Khan Rural Support Programme, Pakistan – and the participants of the December 1994 Workshop on Action-oriented Assessment of Market Towns in Selected Areas of the Hindu Kush-Himalayas for the ideas and discussions on various issues related to the promotion of market towns in the Hindu Kush-Himalayas. At ICIMOD, thanks are due to the publications' staff and, particularly, Mr A.K. Thaku for the cartographic work

Spatio-economic profiles for each of the districts were prepared on the basis of secondary data complemented by field-level information. These profiles provide the socioeconomic, demographic, and development parameters as well as the policy context of the development of market towns. Several criteria were used in each context to identify and assess the market towns with the most development potential. On the basis of the field visits and participatory rapid appraisal methodology, several prioritized areas of action are identified for the promotion of a selected number of market towns with the most development potential in each context.

The survey team also prepared a strategy for regional infrastructure

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