

Workshop Discussions

Theme One : SOCIO - ECONOMIC LINKAGES

The presentations and discussions, relating to socio-economic characteristics and linkages of the valleys, underscored key variations and similarities, development priorities, and issues related to the promotion of socio-economic linkages.

The variations in economic structure between valley regions were highlighted through references to demographic characteristics, and the roles of the valleys in a wider regional context. Demographically, the population of Peshawar is six to eight times greater than Thimphu and three times greater than Kathmandu. Srinagar and Lhasa have a population mid-way between Thimphu and Kathmandu. The economic structures vary significantly with respect to the industrial base. Peshawar is the most industrialised, while others are just beginning to develop their industrial sectors. Kathmandu and Thimphu play key roles as capitals. The other towns are more important in regional terms.

Similarities between the valley towns are related by agriculture which is still the predominant activity, with government - related employment comprising a significant portion of the non-agricultural employment. Tourism is emerging as an important economic development in all valley areas. They all function as important service centres to a fairly large rural area emphasising their continuing significance in rural development efforts.

Important similarities and differences also exist with respect to development priorities, policies, and programmes. While the priorities for the Lhasa, Kathmandu, and Thimphu Valleys are to promote rapid economic development, emphasis is on environmental preservation in the Dun Valley.

The major economic priorities of all six valleys are grouped into seven broad categories. Views were expressed that investments made in each of these areas would promote regional development leading to national development.

- Trading, marketing, transport, peddling, portorage
- Provision of services, both national (education, health, government) and local (water, transport, energy)
- Handicrafts, small - scale cottage industry

- Tourism and links to horticulture, food processing, beverage manufacture, and handicrafts
- Mineral resource exploitation
- Forestry and wood processing
- Agriculture and animal husbandry

The discussions highlighted the idea that resource mobilisation must be "appropriate" in social, economic, and environmental terms. For example, industrial technologies to be adopted should match local skill levels and ethnic characteristics; capital intensive programmes are to be avoided; self-sustaining development has to be emphasised; and the suitability of various types of planning regions, including political units, needs to be explored.

Economic planning at the subnational level (i.e. valley region) is approximate at best, partly because data is usually not available. The need is for decentralised planning and mobilisation of resources. Governments should aim to redistribute responsibilities between levels regarding investment in urban development and cost recovery. Fiscal, monetary, and credit policies need to be mutually reinforcing for urban development. Governments could encourage financial institutions to assume greater responsibilities in financing local authorities. Also, governments should promote private activity in the mobilisation of resources, delivery of services, and employment generation by removal of obstacles and provision of incentives. The national and local tax base needs to be widened with more emphasis on direct and land taxes. Urban development should be directed toward becoming self-financing so it does not become a burden on the rural majority.

Regarding planning for economic development, both the data base and the methodological base are weak in many respects. Thus, the discussion of rural-urban linkages is hampered by lack of clarity as to what precisely is implied by these linkages, how these might be empirically studied, and how such linkages might be rendered more beneficial. Data collection should be selective and should proceed only on the basis of a clear understanding of the purpose that it will serve. Hindu Kush - Himalayan regional planners should learn from their own experiences. To the extent that new paradigms are called for, these should be sought, but modification of old paradigms can be effective if based on critical analysis of experience.

It was emphasised that urban and rural development should not be seen as competitive. The dichotomy often drawn between urban and rural development is, in many respects, dangerously misleading; such development should be seen as complementary and mutually reinforcing. With the development of technology, transport, communication systems, and institutions, contact between rural and urban areas is increasing. Farms, villages, intermediate towns, and major cities suggest a continuum along which complementary actions are required to maximise the use of available resources.

Planned urbanisation cannot be seen as providing benefits to urban dwellers alone. Concentration of resources, infrastructure, and services in

towns provides the basis for specialisation ; increases productivity in manufacturing and supporting services; offers large, flexible labour markets with diversified skills needed to match changing patterns of production which satisfy the requirements of both rural and urban inhabitants ; and facilitates innovation. Rural areas need towns as sources of inputs, credits, and markets for surplus products.

While some argue that the growth centre strategy is appropriate for the Region, it is generally agreed that growth should be supported where it is already occurring, in strategic centres of national importance. Although governments want equity and growth, the fact is that different regions have different potentials, and it may not be wise to sacrifice growth for equity in all circumstances.

Some of the important socio-economic linkages that need to be analysed to arrive at appropriate policy and programme recommendations for rural and urban areas are:

- Exchange and marketing systems
- Demographic linkages
- Transport networks
- Service distributions
- Capital flows

The possibility of improving rural conditions through structural change in rural areas was pointed out, for example, by legislation to liquidate rural debts (as in Kashmir) or by land reform. Often linkages develop as accidental by-products of other efforts (e.g. roads). Constraints to efficient and equitable operation of these links include the costs of investment in infrastructure, which are considerable in mountain areas; lack of understanding, especially of informal off-farm activities; political pressures; failure to coordinate policies; and difficulties arising out of dispersed population settlements.

Regarding the issue of how public intervention can strengthen rural-urban links, emphases on improved communication, information flows, and infrastructure were stressed. The need to study the impact of existing alternative policies in rural and urban areas in mountain regions, the development of urban functions of mountain towns, and their effects on rural areas, was highlighted. Potential exists for all valley agencies to learn from comparative studies in various historical and geographical settings, and in different aspects of rural-urban linkages. Exchanges of staff from planning agencies could be important, with ICIMOD defining a common methodology as the basis for comparative studies, in cooperation with planners from the Region, and combining the results in regional discussions, and staff interchanges.

Theme Two : ENVIRONMENTAL LINKAGES

The mountain ecosystem in the Hindu Kush-Himalaya plays a key role in the social, cultural, and economic life of the people and countries of the Region. Relations between man and the environment are complex due to geomorphological and ecological conditions. Rural - urban linkages have to be examined in relation to the environmental and ecological imperatives of the Region.

The fauna and flora of the mountain ecosystems sustain the life-support systems. Agriculture, animal husbandry, and trade form the base of most economic activities. In integrated development, the management of urbanisation should be clearly related to the necessary harmony between man and nature.

Population pressures, landscape modifications, deforestation, and release of pollutants into the soil, water, and air have direct linkages to the consumption patterns, provision of services and facilities, industry, trade, and service activities in both rural and urban settlements. Conservation of natural resources, especially soil and water, are therefore critical environmental issues in the Region. Concomitantly, opportunities exist for productive use of these and other rural resources, alternative sources of energy, appropriate technology inputs to developing the built-environment especially in urban areas, environmentally sound forestry, and agronomic practices in the Region.

The environmental issues in the context of rural and urban areas may be categorised under a number of headings.

1. Beneficial effects of urbanisation on rural areas

- the availability of alternative sources of energy (that could reduce pressure upon forests in rural areas)
- creating opportunities for the productive use of rural resources which may otherwise lie idle
- increasing demand for rural labour force, products, and services
- supplying various goods and services to rural areas
- affording opportunities for use of appropriate technologies
- reducing population growth rates in rural areas

2. Adverse effects of urbanisation on rural areas

- disposal of urban waste and release of other pollutants
- competing use of arable land for urban expansion and development
- over - exploitation and misuse of rural resources -- minerals, the scenic and aesthetic countryside, religious sites, wildlife environments, forests, water, etc.
- drainage of skilled manpower from rural areas, and other undesirable effects of rural-urban migration

3. Adverse effects from rural areas on urban regions

- the population pressure from rural areas and its effects on urban areas
- pollution effects on urban areas from rural waste discharge, pesticides, and increasing sedimentation
- urban health problems of specific rural origins

4. Methodological issues

Many of the tools available cannot be applied without a better understanding of questions regarding :

- renewable versus non-renewable resources
- management capacity
- types of costs and benefits (particularly how these alter when viewed from national, regional, local, and rural - urban perspectives)
- the scale of activities
- the spatial distribution of urban centres

5. Means to improve rural-urban environmental relationships include

- skill development through appropriate training
- promotion of appropriate technology
- suitable macropolicies
- institutional development at local levels
- increased participation in planning and implementation

Settlement planning parameters relating to the environmental and ecological imperatives of the Region are generally unavailable. Research methodologies need to be generated in different subregions, especially to understand the linkages identified earlier.

Particularly relevant is data on such sectors as population patterns, socio - economic and cultural parameters and their relation among the economic sectors (for example, needed skills). The impacts of network and communication systems on flows of goods and people between settlements and hill areas are significant for such assessments.

Some of the areas that may be considered in this context include :

- Issues of land erosion, salinity, and water - logging as related to urban development and expansion (Peshawar Valley)
- Environmental imperatives restricting use of prime agricultural land by urban expansion (Dun and Kathmandu Valleys)
- Urban need and water sources depletion affecting the rural - urban

patterns of settlement developments ; and encroachment on, and the pollution of, Dal Lake (Srinagar Valley)

- Competing demands for, or pollution of, water in virtually all the valleys
- The quarrying of limestone near the town raising serious environmental problems, and environmental parameters of deforestation due to demands for energy and ecological concerns (Dun Valley)

The units of a city, watershed, or valley may all be valid focal points for ecosystem management. The understanding that each is different and none is sufficient in isolation must be emphasised. Rather than setting boundaries, the open system must be acknowledged and linkages examined. Within each unit, both macro and micro levels deserve attention. The relations between urbanisation and environmental damage need a better data base, and the appropriate skills needed for studying these linkages must be determined.

Theme Three : INSTITUTIONAL LINKAGES

From an institutional perspective, there is wide variation between the prevailing arrangements in each valley. A greater degree of similarity emerges, however, with respect to the types of institutional problems being encountered. One of these is the issue of overlapping powers and responsibilities, common to almost all the valleys.

In Srinagar, five different agencies are directly concerned with urban development: the Srinagar Development Authority, the Urban and Environmental Engineering Department, the Jammu and Kashmir Housing Board, the Srinagar Municipality, and the State Town Planning Department. Likewise, in Peshawar, there are the Peshawar Urban Development Authority and the Peshawar Municipal Corporation. In addition, there are District Councils, whose jurisdictions overlap with those of the Peshawar Urban Development Authority. In Kathmandu Valley, a Development Committee, headed by a Minister, and the Nagar (Town) Panchayats and Village Panchayats exist, while in Bhutan, a National Urban Development Corporation looks after both urban development and administration of areas such as Thimphu.

In general, the development authorities are financially strong, though they do not enjoy any taxation powers. This has been possible largely due to the sale and purchase of land for which the development authorities have the requisite powers. Other municipalities which do not have taxation powers under the Municipal or Corporate Acts, have extremely weak financial bases. As a result of the somewhat overpowering influence of the urban development authorities and their strong resource base, the role of the municipalities is gradually being confined to mere maintenance of a few services. Substantial

conflicts exist between the various agencies at the operational levels. For one reason or another, agencies have not been able to coordinate their activities effectively. There are no mechanisms by which rural institutions such as district councils and urban institutions could be brought together to ensure linkages between their activities. The effective functioning of such agencies has been further undermined as a result of unilateral decisions often taken by line agencies and departments.

In developing countries, development requires central government inputs because the funds and skills required are beyond the means of local communities. Therefore, decentralisation may be a limited concept; central intervention will follow central inputs. Interventions will depend on the proximity of the area to the seat of power, and on relevance of the area to the well-being of that seat of power.

This experience continues to raise the question of whether planning and implementation should be together, as in Development Authorities, or separated. Regarding the preferred institutional arrangements, two alternatives may be considered:

1. The Development Authority alternative, of the type presently existing in India and Pakistan
2. The Development Committee alternative, such as the one in Kathmandu

Experience throughout the Region indicates the need for a forum which can bring together various institutions concerned with development at the urban level. Further, the future shape of this forum, i.e., whether it should be an authority, corporation, or other institutional arrangement, can be determined only after the entire range of questions relating to intragovernmental and fiscal relations have been examined.

Central and state ministries have been found to have greater authority, more access to finances, more manpower resources and good policy knowledge, but local knowledge and local priorities are lacking. While the above mentioned strengths of state authorities are slightly lesser than those of the central authority, state authorities are more prone to political influences. Regional, district and local authorities are aware of local problems and a local data base, and are accountable to the local people. They are, however, characterised by inadequate institutional structure and staffing, and low access to finances. Often they are forced to make decisions under political influence.

In the case of specialised development agencies, their strength arises from their authority, ability to plan and implement, and raise funds. However, there has been an evident lack of concern for local priorities in such organisations. They are monopolistic in outlook and frequently generate problems of coordination.

These lessons from experience appear to be more true in countries with large cities, especially India, where the urban development authority approach has recently been reappraised. The towns of Kathmandu, Lhasa and Thimphu, by contrast, have not undergone the same experience. It was also pointed out that in most cases, planners had to take the institutional framework as given, with no room for radical changes. The institutional issue remains a complex question and allowances must be made for country specific conditions, but several areas of agreement emerged :

- Planning should be linked to action
- Emphasis should be on strengthening and better utilisation of existing institutions rather than creating new ones
- Existing institutions should be complementary rather than competitive
- The institutional framework should be developed and coordinated in the overall regional development context, if rural - urban linkages are to be strengthened

Community participation was one of the topics raised during discussions. The justification for encouraging and stimulating community participation is that local perceptions and values should be emphasised at the initial stages of planning and should be incorporated in the process of planned urbanisation. Regarding the role of community participation, the following points were raised :

- Some understanding of traditional arrangements is necessary through case studies of drinking water systems and how religious institutions manage temples, schools, and welfare activities
- The role played by non - government organisations and private businesses in city planning and management
- The role of professional planners in not only understanding, but stimulating and managing, full participation by the different sections of both rural and urban settlements of the valley regions

Community participation through non-governmental organisations should be encouraged in the provision of social services and mobilisation of resources. Service delivery and economic planning need to be adapted to the special development constraints of mountain areas. A balance between efficiency and equity in investment needs to be achieved.