

ISSN: 2467-9283



Indexing & Abstracting

Open Academic Journals Index (OAJI), InfoBase Index, Cosmos, ResearchGate, CiteFactor, Scholar Stear, JourInfo, ISRA: Journal-Impact-Factor (JIF), Root Indexing etc.



Impact Factors*

IBI factor: 3

Impact factor (OAJI): 0.101



*Kindly note that this is not the IF of Journal Citation Report (JCR)

Vol-4, Issue-1

February 2018

Redefining Modernization and Urbanization in Ghodaghodi Municipality

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Abstract

This research project analyzes Ghodaghodi municipality budget and policy, government document on indicators for the assessment of municipality performance, income and investment trend among municipality dwellers. Majority of the municipal people depend on agriculture, however, municipal budgets have not yet been able to implement its policies of modernizing agriculture with technology, equipment, expertise, and commercialization. In the beginning phase of urbanization, the prospects of surplus capital, employment, income generation enterprise seem to have attracted less number of people. Huge portion of government money is found to have spent in infrastructure development. Due to the lack of capital, adversity in agriculture and distraction of subsidy to income generation, majority of people are compelled to pursue foreign employment. The report concludes that in order to make the municipality prosperous and unique place to visit, sustainable model and cultural model of urbanization can help enhance cultural industries and hence generate surplus capital by import substitution and export production.

Keywords: Export production; import substitution; primary sector; secondary sector; sustainable development; tertiary sector

Introduction

In Nepal, municipalities are those regions that are recognized or declared as municipality by the government. The formation of Ghodaghodi Municipality, in 2014, from the amalgamation of Sadepani and Darakh Village Development Committees (VDCs), further extension of the municipality by including Ramsikharjhala VDC almost a year later, and still further possibility to extend the municipality up to Pahalmanpur VDC, generated new discussion about the development model of the municipality.

Nepal is one of the least urbanized countries in the world. According to 2001 census, 13.9% of the population lived in municipalities, whereas, 28% of Indian population, 32% of the Chinese population, and 47% of the world population lived in cities at that time (Sharma, 2006). Recently,

massive municipalization in Nepal has increased the municipal population. There had been 12 municipalities in Nepal in 1971, until 2014 the number increased to 193. The municipality population is said to have reached to 45% in 2014, according to Municipality Association of Nepal (p. 3). The municipalization campaign of the government has converted the villages without urban character into municipalities.

When population density is high, it becomes easier to develop urban infrastructure, and, of course, the beneficiaries of the city facilities turn to be high. Governments round the world intensify urbanization process, as a result. Urban population density, according to 2001 census had been 985 per square kilometers, whereas rural population density had been 136. The newly formed municipalities have been far lower in population density in comparison to the overall urban density. According to 2001

Cite this Article as:

D.R. Joshi (2018) Int. J. Grad. Res. Rev. Vol 4(1): 11-18

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Peer reviewed under authority of IJGRR

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census, for example, Kamalamai municipality had population density of 158. According to 2012 census, the average sum of the population densities of three VDCs that constitute Ghodaghodi municipality had been 241, which is far lower in comparison to the overall urban population density of 985. Census 2001 data shows poverty in cities is 17%, while in rural areas it is 34%. Cities are the engines of economic growth, and hence, urbanization has been taken as remedy to poverty reduction. UN agencies and donor agencies prefer investing in cities and urbanization of rural areas.

Sasaki (2007) has selected the Japanese city of Kanazawa for his study and has observed how cities with cultural creativity can be sustainable and hence become environment friendly. He selected the city for his study because “the city is not only developing its economy without harming but by preserving the natural environment, but also maintaining harmony between the local economy and culture” (p.158).

Sharma (2006) has categorized the cities in Nepal into four different grades according to the active population involved in different sectors. Cities under grade one are consumption oriented and hence parasitic, most of the active population in them are involved in tertiary sector in making surplus capital by investing and reinvesting the capital in import business and services, yet categorized under grade one cities. Cities under grade four seem to be most generative, production oriented and independent, yet they are put under the last category. (p. 46)

Lu (2006) has mentioned work-unit-based urbanism as an alternative model adopted in socialist China. Land use pattern in such model is quite economic. Neighborhoods are provided with every facility, “social facilities greatly reduced the need for urban residents to travel beyond their unit compound” the residents “depended very little on the provision of an extensive and expensive public transport system” (p. 73).

Problem Statement

Government policy of massive urbanization and municipalization has been problematic due to the prevalent gap between policies and the reality on the ground. The type of urbanization will only distract people from primary sector and attract them to secondary or tertiary sector. Raising the status of low class people to integrate their feeling and consciousness towards progress, and to prepare them to face the challenges caused by the change, can perhaps be a serious question. Will urbanization contribute to human well-being? Will it preserve its cultural diversity or lead us to homogeneity? Will it make us better people, or leave us in the world of alienation, anger and frustration? How to develop the city into typical and unique place? After all, why should people round the world visit the city? Will the municipality gradually transform itself into a society

with a set of social attributes similar to those of western societies, or will it retain its distinctive identity and hold the potential for viable alternatives?

Methodology

Since the objective of the study was to observe the behavior of the people, study the changes in society and tendency of the people towards the changes, primary data played important role to accomplish the study. Observation, survey, and questionnaire were the tools applied to collect data. The emerging markets in the municipality were surveyed to investigate the nature of economic activities in them. A questionnaire was developed to conduct a household survey. The emerging markets were surveyed by using survey sheets. Two types of secondary data were utilized for the purpose of the study. Journal articles and books on development, modernization, urbanization and growth models were utilized. The data also included government policies, municipality budget, programs and policies, bank documents of different bank branch offices in Sukhad categorizing loans and investment.

Theoretical Framework

The world view of the present epoch seems to be guided by the concept of sustainable development. Tiwari (2007) has advocated for the journey towards a lasting sustainable development, that “meets the needs of the present without compromising the ability of the future generations to meet their own needs” (p. 64). Sustainability cannot be attained merely by solving current problems.

In the situation of rapid modernization and increased marketization, people run after surplus capital, no longer confine themselves to agriculture. Rather they migrate to big cities for more opportunities. Where there is more flow of government money, there is more GDP contribution, and hence labor flows to such areas. In rapidly urbanizing contexts there are lots of opportunities, and people choose among many, the best way to get rich. Childs *et al.* (2012) present evidence from Tibet that in 1980s, “the government began encouraging people to buy tractors so that they could earn money (p. 110). Investment in construction business and vehicle had been highly lucrative at that time. So the people shifted to modern opportunities from the dwindling traditional pastoral economy.

Furlund (2008) has cited American economic historian Walt W. Rostow, who has propounded the evolutionary “growth model of development” (p.19). According to Rostow, there are five stages of development into modernization: “the traditional society, the preconditions for take-off into self sustaining growth, the take-off, drive to maturity, and the age of high mass consumption” (p. 19). In Rostow’s model, as cited in Nabudere (1997), there are three conditions for a country to take-off into self sustained growth: “a rise of productive investment from 5 to 10 percent of national

income; development of manufacturing sector with a high growth rate; and the political, social, and the institutional framework for modernization” (p. 208). Rostow has identified roles of agriculture in the transition of traditional society into successful take off.

Fukuyama has also claimed “the ending of the cold war has strengthened the dominant visions which perceive western models of development as the universal paradigm for all human societies” (as cited in Lu, 2006, p.1). Lu has made Fukuyama’s claim as the point of departure for his argument and has strongly opined for making “modernity something beyond its normal contours in western discourse” (p. 5). Modernity in the third world can be institutionalized into separate national subjectivity rather than modernizing societies so as to fit into western framework of modernization. Socialist China, for instance, “entered global history not as its object but as an independent subject” (ibid. p. 4).

Sasaki (2007) describes of more than 150 cities in Europe conducting “sustainable city campaign” by organizing “Creative Cities Research Groups” (p.157). They investigate on the creativity of the cities and address the problematic like “how cities with cultural creativity can bring about sustainable development and contribute to the preservation of global environment” (ibid. p. 158).

Analysis

The analysis is presented into four main headings: government policies and indicators for municipal development, Ghodaghodi municipality policies in budget and programs, categorization of loan issued from different

banks, and income sources of the people and their trend of investment.

Government Policies/ Indicators of Development

Government has prepared minimum conditions and performance measures (MCPM) assessment manual of municipalities. The assessment is based on portfolio approach. Each municipality prepares its portfolio, submits it to the government, and the portfolio is assessed by the experts. Local Governance Act 2055 has given municipality the autonomy of collecting tax. The act has also made provision of providing grants to the municipality on the basis of its performance. According to the MCPM manual (2009), 10% of the total number of municipalities are selected on the basis of performance assessment. The selected municipalities get attractive annual grants and incentives, and the municipalities that cannot secure the minimum conditions get punishment, they lose all capital grants or some portion of it (p. 58). Municipalities with good performance can get additional grants. The manual has included 10 different indicators for minimum condition (Table 1).

Both indicators of minimum condition and measures of performance play important role in the selection of municipalities for special grants (Table 2). The municipalities that cannot secure pass marks in minimum condition lose all capital grants, whereas the municipalities getting pass marks in minimum condition but not in performance lose 20% of the capital grants. This applies to all municipalities round the country. First, 10% municipalities securing highest marks get 20% additional grants and the second 10% of the municipalities get 15% additional grants.

Table 1: Indicators for Minimum Condition

| Indicators | Marks |
|---|-----------|
| Annual program, budget | 3 |
| Annual progress, reflection, and feedback | 4 |
| Quarterly and annual progress report | 3 |
| Account maintenance of municipality treasure | 4 |
| Record of tax and revenue | 3 |
| Audit and clearance of irregularities | 4 |
| Property management of the municipality | 5 |
| Construction regularities | 2 |
| Making income, expenditure and tax rates public | 2 |
| Human resource management | 5 |
| Total | 35 |

Source: MCPM assessment manual of municipality (2009, p.3)

Table 2: Measures of performance

| Topics | No. of indicator | Marks | Pass mark |
|--|------------------|------------|-----------|
| Local governance | 8 | 20 | 8 |
| Financial resource mobilization and management | 11 | 28 | 11 |
| Planning and program management | 8 | 20 | 8 |
| Organization and personal development | 5 | 10 | 4 |
| Urban basic service management | 8 | 22 | 9 |
| Total | 40 | 100 | 40 |

Source: MCPM assessment manual of municipality (2009, p.12)

Indicators for MCPM enhance good governance. Good governance emphasizes on participatory decision making and urban planning. All municipalities round the country try their best to achieve better marks by fulfilling requirements of 40 indicators under performance measures. All municipalities pursue the same path of development. The measures are documentation oriented. Municipality authorities are sure to get busy in making documents and writing reports, in order to add more to their portfolio. In government policies and regulations there are innumerable rituals. Local bodies are unable to perform the rituals, and as a result, they cannot spend all budgets available. Information and data system of the local bodies is so poor that they cannot get the expected data easily. There are more than 40 manuals, regulations, rules, and acts related to local governance, that the authorities don't have study time either. Process has been emphasized in local governance rather than the product. As a result, there is huge gap between policy and practice.

Donor agencies provide grants and loans for construction or sanitation. Donor agencies put forward conditions in advance like water, electricity, sanitation, and income tax or tariffs to be increased. Their plans include modernization of cities, environment and health friendly development, and development enhancing quality of urban life. Development enhancing cultural harmony is forgotten in modern plans. Government authorities assure the donor agencies of good governance by making regulations, manuals, and indicators; but plans and capital come from abroad.

The newly declared municipalities depend massively on subsidies. They do not have their own income. The subsidies come from international grants and loans. According to MCPM manual of municipality (2009), local development act has given autonomy to municipality in

collecting tax, fees, tariffs of different sorts, and the condition for accumulating attractive grants for the municipalities has been put forward that the municipality should increase its internal revenue by 15% every year (p. 29). The condition has been put forward to make municipality independence and self sustainability. The goal of the manual is also to develop organizational capability of the municipality by good governance. However, the system does not seem to be functioning well.

Analysis of Municipality Budget and Policy

The policy paper of Ghodaghodi municipality (2071) has aimed at achieving sustainable development through modernization of agriculture, enhancing tourism, preserving biodiversity, and protecting environment. The paper has envisioned of gender, environment, and children friendly governance. Government policies also seem to be oriented to mainstreaming women, dalit, marginalized, and disadvantaged. The policy paper has stated municipal goals as making city economically prosperous, environmentally rich, and attractive tourist destination. To achieve the goal the policy paper has formulated strategies like construction of master plan, including long term and short term strategies and actions. It has also stated its emphasis on development of sanitation, sewage, rain water drainage system, waste management and so on. Municipality has also formulated strategy to implement central construction policy, proper development of settlement and extension of market area linking them with different routes.

Budget allocation topics like women, dalit, janajatis, and children have been identified and prioritized in government policy. Ghodaghodi municipality (Darakh and Sadepani VDCs) and Ramsikharjhala VDC (just to enter into municipality) budget and program of fiscal year 2072/73 have been adapted into the Table 3.

Table 3: Ghodaghodi municipality budget 2072/73 (Rs in thousands)

| Topics | Ghodaghodi municipality | Ramsikharjhala VDC | Total |
|-----------------------------|-------------------------|--------------------|--------------|
| Development/ infrastructure | 17468 | 1509 | 18977 |
| Education | 2275 | 1590 | 3865 |
| Health | 1165 | 120 | 1285 |
| Culture | 355 | 50 | 405 |
| Agriculture | 270 | 250 | 520 |
| Income generation | 585 | 273 | 858 |
| Sanitation | 150 | | 150 |
| Sports | 50 | | 50 |
| Empowerment/ awareness | 890 | | 890 |
| Instrument | 4300 | | 4300 |
| Cooperatives | 430 | | 430 |
| Children/ club | 265 | | 265 |
| Environment | 50 | | 50 |
| Drinking water | | 265 | 265 |
| Contingency/ others | 600 | 133 | 733 |
| Total | 28853 | 4190 | 33043 |

Source: Ghodaghodi municipality budget, 2015

More than 60% of the total budget has been allocated to development and infrastructure. About 90% of the development and infrastructure budget has been distributed to gravelling roads. In the same way, 7.8% of the budget goes to education, especially for school building construction. VDC budget in the past also used to be allocated that way. Neither of the topics enhance urban infrastructure. Income generation skill oriented programs for women, dalit, disadvantaged got less emphasis in the budget. Agriculture sector gets only 0.9% of the total budget. There is mismatch between the claim of policy paper and the policy into practice. The paper has claimed of modernizing agriculture, enhancing tourism, preserving biodiversity, and protecting environment. Fundamentally, there is no difference between Ramsikharjhala VDC budget and Ghodaghodi municipality budget.

Educational institutions get sufficient fund and grants from other governmental as well as non- governmental agencies. Rather municipal council could have allocated budget to the institutions by selecting among the best and provide incentives. Certain indicators could be formulated for that. Municipality could collect proposals for the improvement of the institutions and evaluate them. Municipality is the patron of all educational institutions in it. It could enhance and encourage for quality education and competition. Municipal council could have allocated budget for providing scholarship to the needy students. It could allocate budget for enhancing technical and skill oriented education in the municipality. The budget could be directed to establish art schools, technical and technological schools. It could enhance painting, sculpture, dance, theatre, performing arts, and weaving education. Budget is silent about enhancing traditional, cultural income generation skills either. Education seems to be the priority of the municipality because 15% of the total budget of the municipality and 37% of the total budget of Ramsikharjhala VDC goes to the topic. If this is so, the municipality could promote education industry so as to attract students from all over the country into the municipality by enhancing afore mentioned skill oriented and technical education. It would generate employment and entrepreneurship potential that would make the municipality prosperous.

The government has formulated policy to allocate certain portion of budget to women, dalit, janajati, disadvantaged people for raising their status and mainstreaming them. Again, Ghodaghodi municipality and Ramsikharjhala VDC budget 2072/73 on the topic is referred to, for furthering the argument is shown in Table 4.

Around 20% of the total capital budget of both Ghodaghodi municipality and Ramsikharjhala VDC has been allocated to the topic of women, adibasi, janajati, and disadvantaged. But from the total budget in the topic 60% and 45% portion appears to have gone to infrastructure and development in Ghodaghodi municipality and Ramsikharjhala VDC respectively. In the same way, 4% in the municipality and 15% in the VDC budget went to school buildings. From the total in the topic, 30% of the municipality and 26% of the VDC budget is seen to be allocated for awareness, training, and income generation programs. The programs could have been more result oriented had the total budget in the topic been allocated to the target group. Scholarship, encouragement, initiation could have been given. There is no provision of conducting beneficiary satisfaction survey or evaluation of the effectiveness of the programs or any sorts of research for feedback and betterment.

Development and investment also grows with the growing urbanization. In the situation of rapid urbanization, people run after surplus capital and they no longer confine to agriculture. Government policy and programs also bring about changes in economic behavior of the people. Where there is more flow of government money there is more attraction of the people. Volume of the total capital budget is less in 2073/74 in comparison to the year 2072/73. Budget allocation on the topic of development, infrastructure, and construction in both of the fiscal years is highest, 57% and 65% respectively. The policy paper of the municipality has emphasized on modernization of agriculture, enhancement of tourism and so on, but the budget of both of the fiscal years seems to be silent about the topics. The flow of government money is very little in culture, tourism, agriculture, income generation, and empowerment, that is, 1% to 2% of the total capital budget, in both of the fiscal years. As there is very little flow of government money in the fields, most people choose foreign employment as a means to earn their livelihood.

Table 4: Budget allocation on the topic of women, adibasi, janajati, and disadvantaged (figures indicate Rs. in thousands)

| Topics | Ghodaghodi municipality | Ramsikharjhala VDC |
|---|-------------------------|--------------------|
| Road gravel/ infrastructure/ construction | 2895 | 440 |
| Cultural promotion | 240 | |
| School buildings | 215 | 150 |
| Awareness/ training/ empowerment/ income | 1450 | 252 |
| Grants to health post | | 120 |
| Total | 4800 | 962 |
| Total capital budget of the FY 2072/73 | 24074 | 4599 |

Source: Ghodaghodi municipality budget, 2015

Income Sources of the People and their Trend of Investment

Government subsidy is very little in empowerment and skill oriented income generation programs. Larger portion of the budget on the topic of women, janajati, and disadvantaged group also goes to the topics like schools, infrastructure, and development. The data based on field survey through questionnaire in 74 sample households, for the population distribution of Ghodaghodi municipality by age is shown in Table 5.

Population group 15-50 years are generally considered active population. The portion of active population in the sample is 59%. The people above 50 years also do not remain passive. They are also involved in income generation and household activities. The less active population consists of 11% in the sample. Another 30% are children below 15, who are generally put under passive population, in terms of income generation activities. Altogether 51.5% female and 48.5% male constitute in the total population in the surveyed households.

The data is presented in the Table 6 shows that among 74 households, the researcher tried to find out the economic behavior and the income generation activities they have been involved.

Recently formed municipality has rural character in general. There is primacy of rural economy. Among 74 households 85% are in agriculture. They also pursue the activities like

foreign employment, skill oriented enterprise, dairy product, and meat product as subsidiary activities. Almost all of the families are involved in more than one activities mentioned in the Table 7. One or more members in 54% families go for foreign employment. About 75% of the foreign employed were found to have gone to India for 3 to 9 months a year. The families involved in skill oriented professions pursue activities like traditional skill oriented jobs and jobs based on training provided by different institutions. Among the employed persons, about 25% are found to be involved in daily wages based employment and others in permanent and temporary jobs. Changing the trend of active population flow for foreign employment and transforming rural economy into more surplus oriented modern economy is the real challenge in the municipality. Since there is lack of capital among the rural population, government subsidy is needed to bring them to the level of equity and to empower them. Government subsidy can accelerate them in the beginning and then they would be able to keep up with the speed. Once the municipality becomes successful in holding its active population, economic activities increase in the municipality.

Modernization has affected people in the municipality. They do not seem to be confined to rural economic activities only. They are gradually shifting to secondary or tertiary sectors. As the population is seen to be shifting gradually from rural economy to modern economy, their attraction to modern gadgets and equipments can also be observed.

Table 5: Population distribution of the municipality

| Population less than 15yrs. | | Population between 15-50 yrs. | | Above 50 yrs. | | Total | |
|-----------------------------|--------|-------------------------------|--------|---------------|--------|-------|--------|
| Male | female | Male | female | Male | female | Male | female |
| 93 | 73 | 165 | 168 | 33 | 31 | 288 | 272 |

Source: Field survey by the researcher, 2015

Table 6: Income sources of the family

| Types of income sources of the family | Number of families | Percentage |
|---------------------------------------|--------------------|------------|
| Skill oriented enterprise | 17 | 23 |
| Agriculture | 63 | 85 |
| Business | 19 | 25 |
| Employment/ wages | 20 | 27 |
| Foreign employment | 40 | 54 |
| Tractor | 9 | 12 |
| Medium size industry | 2 | 3 |
| Diary product | 41 | 55 |
| Meat product | 59 | 80 |

Source: Field survey by the researcher, 2015

Table 7: Trend of investing capital

| Types of investment | Number of households investing capital in the sector |
|-----------------------------------|--|
| Investment in business | 12 |
| Invest money on interest | 9 |
| Investment for foreign employment | 4 |
| Housing/ land | 4 |
| Deposit in the bank | 23 |

Source: Field survey by the researcher, 2015

Table 8: Categorization of loan issued by ADBL

| Topics of the loan issued | Loan amount 2070/71 (Rs.) | Loan amount 2071/72 (Rs.) |
|-------------------------------|---------------------------|---------------------------|
| Agriculture | 47042324 | 45640231 |
| Mines | | 4900000 |
| Industry | 16248945 | 30587491 |
| Machinery/ electronic | | 625796 |
| Transportation/ info. Service | 1430603 | 1028339 |
| Business | 155056260 | 145283811 |
| Investment loan | | 5000000 |
| Service industry/ hotel etc | 1453000 | 7980000 |
| Other service industry | 69409304 | 20550000 |
| Home loan | | 54425335 |
| Education loan | | 4000000 |
| Miscellaneous loan | 2189762 | 50425335 |
| Total | 300115967 | 320712064 |

Source: ADBL, Sukhad Branch, 2015

The observation showed altogether 20 among the 74 household took loans from financial institution or saving groups. Investment for modernization of agriculture was not found in the sample population. They were found to have invested capital either in secondary or tertiary sector. Government subsidy in the activities like trainings of different sorts is seen to be giving result. People are found to be attracted to dairy product, meat product, vegetable farming, and buying agricultural equipments.

Analysis of investment trend of the people

Rural economy is being transformed into modern sector. It has already been stated about the trend of investment of surplus capital in the municipality into modern sector. People invest little in primary sector in comparison to secondary or tertiary sector. In addition to the investment of surplus capital into productive sector, people collect capital by taking loans from banks. The trend of loan taken by people from Sukhad Branch of Agriculture Development Bank, in different topics, has been observed into the Table 8.

The trend of loan issued also helps us predict economic activities of the people. Investment in agriculture has been observed to have decreased in the fiscal year 2071/72. The

figure in the topic of industry is also seen to be increased. Machinery, equipment, electronic topic has been added in the latter fiscal year. Business loan has been observed as decreasing slightly, but home loan, education loan, and miscellaneous loan figures have been observed as climbing high. ADBL record also shows that 1063 people took different sorts of loan in the fiscal year 2071/72.

Similar trend of loan issued has been observed in Sun Rise Bank Sukhad Branch record. In that description also agriculture loan figure shows the declining rate, whereas all other topics like commercial vehicle, overdraft business, construction, easy loan, demand loan show increasing rate in the succeeding fiscal year in comparison to the previous one. All economic activities of the investors have been seen to be concentrated on tertiary sectors. Navjeevan Cooperatives Banking Office Sukhad Branch has also issued different types of loans to the people in various topics. Navjeevan data also shows that trend of investment as rising in tertiary sector.

Global trend of urbanization and modernization can be adopted into the municipality but the approach can be of its own. The municipality can be developed into city with clusters of neighborhoods and linking routes. The city can

preserve, cultivate, or create symbols of its own. The city can practice global trend of urbanization and modernization preserving localism, the mixture of global and local blending into glocal.

Conclusion

The city that preserves its natural environment like rivers, lakes, mountains, forest, and greenery is the sustainable city. Research on creative cities can help enhance sustainable city campaign. Shared commitment is needed for the sustainability. Cities need to move towards a lasting and sustained supply of natural resources so as to ensure long term development without affecting the future development activities. Development theorists have argued for the inclusion of culture and indigenous knowledge system. Culture characterizes society and social group. It includes social life, value system, traditions, beliefs, art, literature, rituals, and performance. Urbanization has also been taken as capitalist phenomena which depend highly on investment, surplus capital, and reinvestment for survival in the fierce competition. Sustainable cities emphasize on forming harmonious relationship among nature, culture, and economy.

Modernization and urbanization do not mean westernization; neither does differentiation from the west mean backwardness. Unique city based on the modern architectural design along with indigenous knowledge system can help forming separate identity of its own. On the other hand, westernization can result in the extinction of local culture and identity. Human civilizations are the mosaic of cultures. There is cultural diversity in every society. The diversity needs to be preserved because culture is the only means that differentiates us from others and hence helps forming separate identity. Culture can be preserved in the capitalist society by exchanging it with capital. Culture can help generate capital. Cultural industries and tourism can be enhanced. It can be the means for import substitution and export production. The global phenomena of urbanization preserving localism can make the city typical and unique place to visit. Why should people round the world visit Ghodaghodi municipality after all? We can redefine urbanization and modernization into it.

Subsidy addresses the problem of the underprivileged. Subsidy can raise their status. It helps generate employment, facility, and capital. In order to raise the status of low class people, subsidy helps investing in culture related industries, tourism, modernization of agriculture and

the like. Subsidy should not give people food; rather it should give them skill. Chinese proverb also reads like “give me food I’ll eat for a day, teach me to fish I can eat for my life time.” Emphasis should be given on the development of primary and secondary sectors along with tertiary sector.

Acknowledgements

University Grants Commission (UGC) of Nepal financed this work as a Mini Research Grants for the fiscal year 2071/072.

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