

Program report on  
"Increasing Urban Poverty and the Impact of Conflict"

**1. Introduction of program:**

Age old social and economic disparities, exploitation and caste discrimination have affected overall social development of Nepal. Policies and programs to address these problems were expected after the political change of 1990. But the Maoist insurgency that began in 1996 disarranged economic, social and political sectors before perspectives could be developed and effective efforts could be made in this connection. Neither anything remarkable could be gained in the field of poverty alleviation nor the State could guarantee fundamental rights such as social justice and social development. This resulted in various forms of vulnerabilities, e.g., humanitarian and physical vulnerabilities caused by conflict. This seriously affected the already fragile livelihood of the common Nepalese people. Under these circumstances, Nepal South Asia Centre (NESAC), Rural Self-reliance Development centre (RSDC) and FOHRID Human Rights and Democratic Forum have been jointly conducting intensive rights-based programs for the promotion of sustainable livelihood and social and political participation of the vulnerable groups and marginalized communities in Nepal. The recently introduced concept of National Protection Working Group (NPWG) has also close linkage with all these activities.

FOHRID has recently initiated critic of policies and programs of the government pertaining to the promotion and guarantee of the sustainable livelihood of the vulnerable groups and marginalized communities. The study carried out in this regard has found poverty as a major challenge in the livelihood of the target audience. It was found that the government policies and programs made so far have emphasized poverty only in the rural areas. But the study revealed that poverty in the urban areas is also not ignorable. Actually we felt it very necessary to enter into the issue of urban poverty because it is in a more pathetic condition than the other one.

In the context of current situation of the country, the issue of poverty requires to be viewed in connection with the ongoing internal armed conflict. Number of IDPs who normally tend to gather in the urban areas has increased significantly in the recent years. This also compelled us to link urban poverty with conflict. Conflict has caused additional vulnerability in investment and reduction in production projecting a negative effect in the national economy. This has badly affected the State campaign for poverty alleviation. Under such circumstances, the government is only prioritizing the rural poverty, neglecting equally important urban poverty in the State policies and programs. Hence, we have felt that we need to concentrate our attention towards urban poverty also while initiating campaign against poverty. This campaign is directed to draw the

attention of the policy makers to urban poverty and to make this an issue of national debate. KMC also accepted the importance of this issue and extended financial assistance to hold the program.

Though this program was on urban poverty and the impact of conflict, this is a part of overall campaign of FOHRID to promote sustainable livelihood of the vulnerable groups and marginalized community. It is hoped that this campaign will contribute to establish the right to sustainable livelihood of the poor, exploited, vulnerable groups and marginalized communities.

## **2. Program Rationale and background:**

The decade old Maoist insurgency in Nepal has added hazards to the already difficult livelihood of the people in the rural areas. The rural population has been migrating to the urban areas in search of security, peace and employment. This has increased density of population and poverty in the urban areas. Poverty has made the life of the urban population very much vulnerable. Unemployment and unmanaged settlements have become the usual feature of urban life. Till now, urban poverty is neglected by any government and it never entered into policies and programs of the government.

It is natural that the income ratio is quite different in the urban areas than in the rural areas. Livelihood depends upon income. The ongoing Maoist insurgency has laid negative impact to the income gap and caused damage to the source of livelihood in both the rural as well as urban areas. *The ratio of families under line of poverty was 33.7 percent in 1977 – 34.3 percent in the rural areas and 19.9 percent in the urban areas. It was 36.2 percent of the total population covering 37.2 percent in the rural areas and 17 percent in the urban areas.* National incidence of poverty was 42.5 percent in 1985 (Nepal Human Development Report, NESAC 1998:79). It is estimated that the urban population under line of poverty has increased two fold since 1977 and the ongoing conflict is responsible for this.

National Planning Commission (NPC) in its PRSP has estimated the population under poverty line to be 38 percent. NLSS had show in 1996 that the ratio of poverty *was 44 percent in the rural areas and 23 percent in the urban areas.* Major objective of the tenth plan is poverty alleviation and the overall plan has addressed the rural poverty. But this tenth plan has not addressed urban poverty.

Nepal has expressed commitments for poverty alleviation many times in the national and international forums. Poverty Reduction Strategy (PRS) has remained a roadmap for the attainment of the 8 Millennium Development Goals (MDGs). PRS has significantly included the issues incorporated in the MDGs.

But the PRS will be fruitful only if its performance and implication becomes effective.

Nepal has expressed its commitments for poverty alleviation in the regional level through the **SAARC Social Charter**. The Charter has given due priority to poverty alleviation and enhancement of economic and social status of the people. It is of course required to make unprecedented efforts to attain the goals and objectives of poverty alleviation because it addresses all forms of poverty. Likewise, the civil society is required to firm up practical concepts and implement them. The activities of the government should be monitored through the organizations and networks like NPWG. This program is guided by the intention that the issue of poverty alleviation should not be ignored by the government. This has linkage with the following issues:

1. It is not always true that the physical prosperity available in the urban areas makes livelihood comfortable, rather for the humanity it is necessary to link prosperity with the value of dignity, participation and justice. This justifies the current struggle for livelihood through attainment and utilization of fundamental issues of justice and livelihood.
2. Rights to guarantee of sustainable livelihood and freedom from poverty are the fundamental human rights. These rights have linkage with the three basic elements prevalent in the urban poverty. First is related to the source of livelihood. Second is related to the right and justified livelihood of the migrants, child workers, landless, labourer, women, minorities, marginalized who are compelled to face discrimination, vulnerability, powerlessness, and lack of access to resources in the age of globalization and structural reform. Thirdly, protection and empowerment is necessary as the poor in the urban areas are already in vulnerability.
3. This program assimilates diversified issues of the livelihood, right to freedom from poverty and justice. Current efforts are considered while selecting subject matter and issue. This program has recognized the need to conceptualize the right to sustainable livelihood of the urban poor at the highest level. This leads ultimately to three elements of urban poverty:
  - a. The policies and programs of the government should address the issue of urban poverty at the highest level. National debate is necessary in this regard. Study and discussion is required to identify the impact of armed conflict on the urban poverty.
  - b. Methodology and perspectives for widening awareness campaign on sustainable livelihood and justice should be expanded. The

vulnerability of urban poverty should be evaluated and monitored promptly.

- c. New policy and effective implementation mechanism is necessary for protection and empowerment for the vulnerable communities of urban poverty.

### **3. Program Objectives**

#### Short-term Objectives

- a. To initiate discussion by linking the increasing urban poverty with impact of conflict;
- b. To draw the attention of the major stakeholders on urban poverty;
- c. To identify advocacy and right based activities to influence at the policy formation level.

#### Long-term Objectives

- a. To create pressure to the government for national policy formation, implementation and the establishment of relevant mechanism.
- b. To implement effective and result oriented activities in collaboration with the GO and NGOs.

### **4. Program methodology and stakeholders:**

A concept paper will be prepared by an economist. A consultation meeting will be held on the basis of that paper. Future action will be prepared and subject matters will be selected from the outcome of the program.

#### Stakeholders:

Representatives from government agencies, National Planning Commission, Poverty Alleviation Fund, High Level Commission for Public Expenditure Management, local bodies of the government, civil society, vulnerable groups and marginalized communities, civil society, development agencies.

#### 4. Summary of the issues raised by the working paper:

Traditional thinking about poverty is that it is prevalent in the rural areas but currently a large number of people in the urban areas are suffering from poverty. We have to link the role of the government with the increment of poverty. In fact, honest intervention from the State is necessary to control poverty. Enhanced income standard does not reduce poverty but only widens the gap between the haves and have not. Capacity building of the people is necessary for poverty alleviation. Poverty can be alleviated when the State ensures growth of healthy, educated and creative manpower. There are several forms of urban poverty. The government should prepare effective policy and programmes to alleviate poverty

## **6. Findings of the program:**

**i. Impact of conflict on urban poverty:** Conflict is in fact responsible for the population growth in the urban areas. Conflict has caused many problems in the urban areas. Conflict is not the only cause for urban poverty. Conflict does not cause ebb and flow in poverty, there are many other reasons behind this. Non-reduction of poverty has not caused growth in conflict. There are many displaced people in Kathmandu who do not want to return their village even if physical infrastructure is availed in their locality. We have to be clear about how conflict contributes poverty.

Maoist insurgency has highly affected rural areas and thousands of families were displaced to the urban areas from there. Rural area has contributed 81.5 percent of migration to urban area whereas 75.2 percent migrate to the cities due to family reasons. This shows that conflict and hazards in daily life caused by conflict compels people to migrate in large number. This is a decisive community to increase urban poverty because security at present is limited to narrow circle of urban areas.

### **ii. Forms of urban poverty**

There are many facets of the problems caused by urbanization. Urban poverty is one of them. Urban poverty can be viewed in the following forms in the Nepalese context:

- a. Group of poor hired poverty from generations due to traditional social structure;
- b. Communities who became poor during the development process and those having weak capacity of vulnerability management;
- c. Internally displaced to the urban areas by conflict;
- d. Landless, means less, marginalized communities;

Besides above distinctions we can classify urban poverty on the basis of form of vulnerability also, e.g., core poor, intermediate poor and transitional poor.

### **iii. Reasons for increase in urban poverty**

There are following reasons behind increase in urban poverty:

- a. Trend to regard financial and physical advancement as individual status under consumer culture created by economic liberalization;
- b. Diversified income sources in the urban areas against those available in the rural areas;
- c. Intensive flow of poor youths from the rural areas to the urban areas;

- d. Negative impact of Maoist conflict in the education sector of rural areas and the trend of guardians to send their children to the urban areas for secured education;
- e. Urban areas are more professional and productive for different professions and activities;
- f. Impact of intensive population pressure, haphazard urbanization and globalization;
- g. Market oriented economy and urban oriented industries;
- h. Lack of policy to combat urban poverty.

#### **iv. Urbanization vis a vis Vulnerability of urban poverty**

Urban poverty has increased alongside the intensive urbanization. High standard living of the rich people in the urban areas has harmed the feelings of the urban poor. Increasing gain and consumption of physical goods has become matter of humanitarian dignity. This has laid overall impact in the humanitarian dignity of the poor. Culture of material consumption has deformed justice and equal humanitarian dignity. Indifference, nonrespect, disregard, pessimism, mental tension is increasing in the urban communities resulting in the growth of vulnerabilities such as suicide, divorce, criminal activities. Issue of the livelihood of urban poor is becoming more and more complicated. Expensive education and health in the urban areas has become challenge to the poor people. Number of child labourer, uncontrolled sex workers and street children is growing. Child labour is dangerous in the context of urban poverty. Almost five percent of the total children are exploited and most of them reside in the urban areas. Hence, the process of urbanization has caused a alarming picture of urban poverty.

#### **v. Obstacles and problems in minimizing urban poverty**

- b. Lack of definition and firm idea about urban poverty;
- c. Lack of policy and programme to address urban poverty till date;
- d. Lack of study of urban poverty from various perspectives;
- e. Lack of management of the urban population;
- f. Government's inability to guarantee opportunities for income generation and employment;
- g. Inability of the government to provide minimum humanitarian service and materials;
- h. Lack of management of the clean dwellings, socialization and livelihood;
- i. Lack of clear data of the child labourer, domestic child workers of the landless and other vulnerable groups;
- j. Lack of coordination to the lowest level the opportunities of free market guaranteed by economic liberalization and globalization;
- k. Inability to address livelihood from the right based approach.

## **7. Recommendations**

- a. Government should prepare policy and programs targeting urban poverty alleviation and a strong mechanism should be created to implement them;
- b. To influence the policy making level, discussion should be held preparing working papers from different perspective to help policy makers identify measures for urban poverty;
- c. Traditional concept of limiting poverty to the rural areas should be changed to linking it to the urban areas also;
- d. The issue that freedom from poverty is the human rights for all should be conceptualized in the highest level;
- e. Clear data and intensive study is required on the status of the IDPs in the urban areas;
- f. Study and research of the increasing urbanization and forms of vulnerability is necessary. The issue of poverty alleviation should be raised from right based approach than from the welfare approach;
- g. Intensive employment generation is necessary for urban poverty alleviation;
- h. Stakeholders should be involved widely while preparing programmes for urban poverty alleviation;
- i. Participation of private sector, NGOs and international development partners from central to local level is necessary to reduce the size of urban poverty;
- j. Local agencies should be more autonomous and free;
- k. Planned urbanization needs to be prioritized;
- l. Report and resource materials of this programme on urban poverty should be published and widely disseminated.

## **II. Commentator & panalists:**

- a. Mr. Nutan Thapaliya, Coordinator of FOHRID and senior human rights activist
- b. Dr. Tika Prasad Pokharel – Economist
- c. Prof Dr. Bishwambhar Pyakurel, Chairman, High Level Public Expenditure Management Committee
- d. Dr. Mohan Man Sainju – Vice-chairman, Poverty Alleviation Fund
- e. Mr. Hari Krishna Upadhyaya, Hon'ble Member, National Planning Commission
- f. Mr. Keshav Rai – District Vice-Chairman, Nepal Basti Basobas Ekata Samaj:
- g. Mr. Ganesh Pande, intellectual
- h. Mr. Raj Kumar Ghimire, intellectual