



Urban Poverty and Suffering in Nepal

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Abstract

Urban poverty mainly in the under developing regions is a condition in which people live with a lack of adequate income, basic housing and access to opportunities and social inclusion. This study aims to examine the nature of urban poverty and the different nature of suffering among squatter households in Thapathali squatter settlement situated in Kathmandu Metropolitan City, in a multidimensional way. This study explores comprehensive forms of poverty beyond income-based measures only. It analyzes how economic insecurity is associated with education, health access, housing conditions, and psychological stress. The study applied comparative research design basically within a quantitative approach. It used a household survey under a simple random sampling method. The survey for this research was conducted in March–April 2023 and data were collected using a structured household questionnaire. The analysis was conducted using descriptive statistics, including frequency, percentage, and cross-tabulation to examine the reflection of urban poverty in the squatter settlement. It was used to examine patterns and relationships of poverty across key dimensions of deprivation to explore multidimensional nature poverty from the ground level. The findings show that most households depend on informal and insecure employment due to the status of less capability. A large proportion of households in urban squatter settlement experienced from low income and exclusion of education, health and housing security. These deprivations are closely associated with the insecure psychology of the respondents known as social nature of poverty. The situation promotes stress and feelings of social humiliation among them due to exclusion. The study concludes that urban poverty among squatter communities in Kathmandu is structurally produced through long-term unaccountable political processes and state-based exclusion.

Keywords: urban poverty, multidimensional deprivation, social exclusion, Thapathali squatter settlement

1. Introduction

Urban poverty has become one of the most serious social problems in the contemporary world under global capitalism. The problem persists mainly in developing countries that have



experienced uneven urbanization. The urban share of poverty is rising even in global development. In 2020, approximately 1.1 billion people globally were living in slums and informal settlements (Hatcher, 2024). However, urban centers and growing cities are perceived as providing opportunity, employment, and social mobility. Research shows that urbanization increasingly produces new forms of poverty which, exclusion, and suffering which is ignored main stream development practices (UN-Habitat, 2023; World Bank, 2023). It creates the understanding that urban poverty is structurally produced, but modern capitalist development policy maker did not recognize it. It results from unequal development and exclusionary governance systems in the name of modern development is being continued.

Under the assumptions of modernization and Eurocentric development it was expected that urban growth would reduce poverty and exclusion. However, empirical evidence shows that cities have increased multidimensional deprivation than rural areas. This is especially concentrated on migrants, informal workers, and residents of squatter settlements (Davis, 2006; Wacquant, 2008). Thus, Urban poverty reflects not only economic deprivation. It reflects social and spatial exclusion and political neglect.

From a sociological perspective, poverty is relational and multidimensional. It is not defined only by low income but also by exclusion from standard living and participation. It involves limited access to dignity and social security for the mass size of people. In urban centers, these deprivations are deepening with high living costs, insecure employment and a lack of affordable housing. Its exposure to environmental and health risks in another side. Consequently, urban poverty often generates hidden suffering among urban poor. This suffering among people living in squatter settlements is expressed through psychological stress, fear of eviction, delayed health treatment, social stigma, and loss of dignity. These social dimensions are rarely measure by income-based poverty measures (Wacquant, 2008).

In developing countries, urban poverty is closely associated with informal settlements. It has increased due to the trend by rural–urban migration, housing shortages, labor exclusion, and weak and exclusionary urban planning (UN-Habitat, 2015). Sociologically, squatter settlements are not only spaces of physical deprivation. They are socially produced urban spaces by political-economic relationship where residents face multiple disadvantages related to legal exclusion, insecure employment, limited education and health vulnerability (Davis, 2006).

Nepal's urban poverty reflects these global and regional trends. Rapid urbanization, centralized development have attracted people to settle as squatters in major cities including Kathmandu Valley. However, urban administration is unable to provide access to affordable housing for all. Ultimately it has contributed to the expansion of squatter and informal settlements in the cities. Thapathali squatter is one of the examples of uneven urban development. Although urban areas are often assumed to provide better access to services. Urban poor households, particularly squatters, have suffered extreme social and economic problems.

In Nepal, multidimensional poverty was measured under the assessment of poverty by the Nepal Living Standard Survey. Urban poverty remains a significant issue in the context of modern development. It is not adequately acknowledged by government development organizations and non-government stake holders. However, it shows observable disparities between people in housing quality, health access, education, and income across urban residents (NSO, 2023). The suffers reality from urban squatter homes is frequently ignored in national poverty statistics. Indicators-based on consumption shows to a general decline in poverty. Government initiatives in Nepal, have not been able to measure how various types of deprivation interact each other. These interactions cause misery among the urban poor including marginal areas like slim and squatter settlements. In Nepal, squatter populations have experienced restricted access to formal healthcare and education, as well as fear of eviction

(Acharya, 2011). Lack of legal recognition and social stigma are other hidden factors which were overlooked in the poverty measurement in Nepal. These conditions deepen vulnerability and restrict life chances among urban poor. The situation neither accidental or personal, it is the result of the urban development framework is associated with structural problem. Modern development prioritizes land as commodity, infrastructure expansion for urban beauty, and economic growth which ignored urban excluded group of people. Consequently, expansion of squatting remains as a form of livelihood strategy of urban poor to secure their survival and future plan.

Despite some increasing academic attentions and small-scale research about urban poverty in the latest context, there is still a major research gap in Nepal. Urban poverty mainly based on squatter settlements is rarely examined as a multidimensional and sociologically embedded phenomenon. Studies on urban poverty that already exist more emphasized on housing and income. It undervalues the interrelationship between employment, education and health. Similarly, in this context, fear of eviction due to the legal provision and psychological well-being are also associated each other need to be explored to measure suffering of urban poor. To address this gap, this study uses household-level data to investigate urban poverty and different forms of exclusion and among squatter households in Thapathali Squatter settlements which helps to understand depth nature of urban poverty.

1.1 Significance of the Study

This study explains urban poverty in a broader framework beyond income. It emphasizes the relation between employment, education, health, housing, and mental stress to explore the nature of urban poverty. It also shows the everyday challenges of squatter communities which provide a real setting of squatter people living in poverty associated with urban poverty in Nepal. It shows how social exclusion and different forms of deprivation create hidden suffering among people living in squatter settlements. It also provides useful sociological knowledge about comprehensive and multidimensional forms of poverty which would be useful for formulating relevant policies to overcome urban poverty mainly based on unmanaged settlements in Nepal.

1.2 Delimitations of the Study

This study is limited to the Thapathali squatter settlement in Kathmandu. It is based on data collected from a small size of households, denotes a limited size of generalization. It focuses on selected aspects of poverty such as income, employment, education, health access, housing, and psychological stress. It does not cover all dimensions of poverty. It is limited to a particular urban area, so the findings of this research may not apply everywhere equally.

2. Literature Review

Poverty has traditionally been understood, practiced and measured through monetary indicators to understand poverty. It has mainly focused on income or consumption levels to prepare and compare poverty lines. Early research traditionally defined poverty as a lack of sufficient resources, mainly income and physical assets, to meet basic needs. It used quantitative indicators such as the headcount ratio, poverty gap, and severity indices. The Foster Greer Thorbecke (FGT) measures provided initially provided a strong methodological framework to estimate poverty levels and compare them across social groups and compare between them (Foster et al., 1984). Due to the simplicity of the FGT approach, income-based poverty measures are still widely used and practiced. They also allow easy comparisons of poverty over time by governments and international institutions (Ravallion, 2016). Poverty measurement approaches in Nepal have changed in latest context to better evaluate poverty

trends. Consumption-based poverty lines are included in Nepal's poverty estimates at present poverty measures which is significant (NSO, 2023).

However, many sociological and development studies have criticized income-based measures. They are unable to measure the social and lived dimensions of poverty. Townsend (1979) introduced the idea of relative deprivation to measure comparative poverty trends. It suggests that poverty should be explored in relation to socially acceptable living standards like, education, health, safety etc. From this perspective, people are poor not only because they lack economic resources. This also occurs because they are excluded from normal patterns of consumption, participation, and dignified social life. This nature of conceptualizations of poverty is especially relevant to study in marginal urban areas. Inequality is visible among urban poor and social exclusion, stigma, and marginalization shape everyday experiences of poverty among squatter people.

Social exclusion perspectives describe poverty as a structurally rooted and historically forms and as a dynamic process rather than a permanent condition. According to Silver (1994), unfavorable institutional provisions to the marginal people and unstable housing condition are two common that exclude poor groups in urban areas. It also involves political marginalization and restricted access to public services due to the sense of illegality and exclusionary participations.

Similarly, poverty persists even in contexts of economic growth and employment which is observable directly. These processes are particularly strongly remained in informal and squatter settlements. Residents of marginal areas may be economically active phenomenon but remain excluded from formal urban system.

Amartya Sen's capability approach in poverty analysis focused on fundamental freedoms rather than low income situation and quantitative measures (Sen, 1999). This approach emphasizes people's ability to live safe and fulfilling lives meaningfully with satisfaction. Such achievements among people may reduce the social suffering and insecurity. In urban squatter settlements, these freedoms are constrained by insecure housing and informal employment. Lack of social protection, and limited access to education and healthcare are common problems for them is remains as a form of poverty. Consequently, poverty is no longer a short-term lack of income it depends on social process of society. Instead, it is a state of total vulnerability that limits options of better livelihoods.

Researchers in development studies are increasingly advocating for multidimensional methods in poverty studies to measure social aspect of deprivation. A new approach to measure poverty responds to the weaknesses of monetary calculation and estimation. Alkire and Foster (2011) developed a method that measures poverty using multiple overlapping deprivations to explore the relationship between them is crucial in sociological research. The combination of these deprivations are combined into a single index is significant while measuring poverty. This approach has been applied in the Multidimensional Poverty Index (MPI), which measures deprivation in health, education, and living standards (Alkire & Santos, 2010). Multidimensional approaches are particularly useful for urban poverty research. Because it measures how income insecurity interacts with poor housing, inadequate services and exclusion to shape urban suffering and deprivation.

Recent academic research conceptualizes urban suffering as a multidimensional condition need to be examined through social and economic perspective. It includes housing insecurity and hardship in their daily life. It increases psychological stress beyond income-based poverty. A multidimensional housing insecurity measure is important for the studying of squatter poverty (Boateng and Adams, 2023). A Slum Severity Index was created by Shah and Beauregard (2020). It measures housing and service inadequacies. Similarly, it calculates urban suffering comparatively which varies widely among cities and city center. They claim that it is often excluded from aggregate poverty statistics.

The Urban Deprivation Index used by Kakchapati et al. incorporates multiple dimensions of urban poverty. These includes housing, basic services, health, education, and infrastructure to understand urban poverty. These components are used to examine urban poverty and are significant for study of urban poverty (Kakchapati et al., 2025). It helps to measure lived urban hardship among urban poor more accurately. These studies show that urban suffering is best measured through multidimensional framework. It depends on context-based and sensitive indicators that reflect structural vulnerability.

Sociological research further shows that urban poverty is not only material formed economically alone. It is associated and influenced to social and symbolic context. Pierre Bourdieu's work on symbolic violence shows how marginalized populations internalize negative social classifications is signifying to understand social nature of poverty. It lowers self-esteem and limits life chances. Even when they partially met basic material needs (Bourdieu, 1984). Stigma theory also explains that labels such as poor or slum dwellers reinforce social exclusion. It affects everyday interactions and access to opportunities makes marginal people further weak (Goffman, 1963). Urban poverty is rooted in unequal rights to the city. Exclusion from decision-making process and public belonging creates structural suffering for the urban poor (Roy, 2011). Social stigma, political isolation, and fear of eviction worsen furthermore both material deprivation and psychological problems in squatter communities. However, for a long time, poverty research in Nepal has mainly focused on rural areas based on economic indicators.

In Nepal, urban poverty has received limited attention in policy and academic discourse adequately. Important information on poverty and inequality is provided by national surveys mainly from the survey of NLSS-IV is significant for the study of urban poverty. It examined overall poverty condition under multidimensional framework and intersectional disparities with spatial variances is important to take reference of urban poverty (NSO, 2023). Urban poverty in Nepal is increasingly recognized in later context of research. It is strongly influenced by migration of underprivileged social groups from rural areas. Similarly, unstable housing and informal employment in cumulative forms reflect to urban poverty (Acharya, 2024). Living expenses including health and education are sometimes greater for urban poor households due to a lack of social support mainly from government organizations.

Sengupta (2006) shows clearly how survival strategies of marginal people influence the social and economic status of squatter settlements. A study of Acharya (2010) shows that urban poverty in Kathmandu squatter settlements extends beyond income deprivation. It includes limited basic services, political exclusion, and social vulnerability. Similarly, Dahal (2011) explore income instability in informal labor as key features of urban poverty in Kathmandu.

Despite many contributions covered in different areas of research across different aspects of urban poverty, several gaps still exist in Nepal's urban poverty studies. Many studies are descriptive under quantitative design and research framework. They do not examine how different dimensions of deprivation interact each other at the household level. Although global studies emphasized psychological stress and stigma as key aspects of urban poverty importantly. However, these are rarely measured in Nepal. National statistics are also unable to expose severe deprivation in squatter settlements. Urban poverty and suffering in Nepal are deeply rooted in social and cultural factors historically rooted. Spatial inequalities are particularly observable in unmanaged settlements because of state's neglect towards them due to their illegality. Urban poverty is not just about low income. It also involves lack of services, unemployment, social exclusion, and limited opportunities, which reduce people's dignity and well-being that persist as a form of urban poverty (Sharma et al., 2025). These conditions are intensified in slum environments to increase poverty condition. Poor infrastructure and limited access to education and healthcare create serious problems for squatter people, but it is not prioritized because of its illegality. Low awareness and ongoing inequality make the situation

worse and reproduced poverty further. These conditions keep people trapped in poverty and limit their chances to improve their lives which is a reality of squatter people (Bhattra, 2024). The vulnerability of such settlements is exacerbated by weak governance mainly shaped by urban biased planning development activities. Poor living conditions and growing social separation increase the risks people face in their environment in a day-to-day living. These conditions also make their economic and social situation more insecure and vulnerable (Singh & Praveen, 2025). Thus, urban poverty in Nepal should be understood as a structurally produced phenomenon which is ignored due to the perception that urban poverty exists only in rural areas. Simultaneously, it is formed by unequal development processes and institutional and spatial exclusion. Squatter poverty is mainly also shaped by the failure of urban planning systems which is based on liberalists model to address the needs of the urban poor.

This study seeks to address these research gaps. It investigates urban poverty in a comprehensive way among squatter households in the Thapathali which may represent as a study of urban poverty. Income, work, education, health, and treatment access are all examined in the study is significant to measure comprehensive nature of poverty. Similarly, it tries to accounts for housing insecurity, and psychological stress as a form of urban poverty. This provides a more comprehensive understanding of urban poverty and suffering. It shows that urban poverty in Nepal is structurally constructed under political instability. It is marked by overlapping deprivations and hidden suffering.

3. Materials and Methods

This study used a quantitative-based cross-sectional research design to examine urban poverty and suffering among squatter households. This design was suitable because the study aimed to measure existing socio-economic conditions and multiple forms of deprivation at the household level. It is commonly used in urban poverty research to measure deprivation patterns. It also examined relationships among key variables of this research. These were income, employment, education, access to health services and housing insecurity.

The study was carried out in the Thapathali squatter settlement, located in the central area of Kathmandu Valley along the Bagmati River corridor. However, availability to jobs and services in adjoining areas, the people of this settlement face urban problems including informal housing, unemployment, limited basic services, and fear of eviction. These conditions make Thapathali squatter an appropriate site for examining the condition of urban poverty social suffering mutually.

The study population refers to all households living in the Thapathali squatter settlement at the time of the survey. A total of 62 households from 140 families were selected for the study. Households were taken as the unit of analysis. A purposive sampling technique was used to select targeted households to meet proper information. Primary data were collected through a structured household questionnaire. It also covered major dimensions of urban poverty. It mainly measures household income and employment. Most of the data were collected using standardized questionnaire lists and in-person interviews. These interviews were conducted mainly with household heads. The fieldwork was conducted in March and April 2023. The analysis mainly depends on descriptive statistics. Cross-tabulation was used to examine how different dimensions of deprivation intersected each other among squatter households.

4. Analysis of Data

Urban poverty in squatter settlements is a multidimensional condition. It is shaped by economic insecurity, limited human capital, inadequate basic services, insecure housing conditions and social exclusion. Poverty is not a phenomenon that understood only as low income in this analysis. These deprivations reinforce each other among squatter households in

squatter settlement of Thapathali. Using cross-tabulation, the analysis explores patterns across key indicators of multidimensional poverty. It shows the structural nature of urban poverty and how the suffering is associated to it.

4.1 Income and Employment Insecurity

The relationship between squatter households' job status and household income is significant for examining poverty status of the urban poor. Its type of employment has a significant impact on people's livelihood conditions and economic stability is a research concern for this study. Table 1 below analyze different work types are compared in terms of income and job insecurity to understand urban poverty. It shows how informal, unpredictable, and risky work in informal sector arrangements influence household income among urban poor people.

Table 1: Household Income and Employment Status

Employment Status	< NPR 15,000	NPR 15,000–25,000	> NPR 25,000	Total
Informal wage labor	24 (68.6%)	9 (25.7%)	2 (5.7%)	35
Self-employed (informal)	8 (40.0%)	9 (45.0%)	3 (15.0%)	20
Unemployed	7 (100.0%)	0 (0.0%)	0 (0.0%)	7

Source: Field Survey, 2023

Table 1 shows that the majority squatter people from Thapathali involved in informal work with unstable income. Research shows that informal wage laborers and all unemployed households fell within the lowest income category and remained as poor families. This reflects the structural vulnerability of informal urban labor because informal work not fully regulated by the government in terms of social security, wage and tenure. The situation of unemployment and work in informal sectors did not guarantee work and income security. Hazardous and unregularly working conditions for those involved in informal wage labor were directly associated with urban poverty who had low and unstable income. Unemployment was another problem faced by the urban poor which may linked on low level of capability because access in education and skill were miserable among them. These situations contribute to make economic stress and income instability among squatter households.

4.2 Education and Household Income

The analysis focuses on urban poverty based on households live in the Thapathali squatter settlement. The relationship between the education level of household heads and household income was significant to understand urban poverty. Access to work and financial prospects were significantly influenced by level of education. The relationship between income poverty and educational achievement among squatter households is examined based on primary data. It is shown in Table 2 systematically.

Table 2: Education of Household Head and Income Level

Education Level	< NPR 15,000	NPR 15,000–25,000	> NPR 25,000	Total
Illiterate	18 (78.3%)	4 (17.4%)	1 (4.3%)	23
Primary	12 (57.1%)	7 (33.3%)	2 (9.6%)	21
Secondary and above	9 (50.0%)	7 (38.9%)	2 (11.1%)	18

Source: Field Survey, 2023

Table 2 shows a strong correlation between household income and education level among households of Thapathali squatter settlement. Illiterate household heads were heavily concentrated in extreme income poverty was seen as severe level deprivation. Only a small number of respondent able to reach higher income. Households with primary education show a slightly better income distribution. However, as per available data, a majority of households

still remained in the lowest educational group which indicates a form of urban poverty. Those with secondary education and above remained comparatively better income outcomes which shows education was a supportive factor to the income level. However, they were also involved in informal work, which suggest that need to higher education status to achieve formal work. The table 2 shows that education played a significant role in shaping income opportunities among people of Thapathali squatter. It also reinforces deeply rooted urban poverty among squatter households.

4.3 Housing Condition and Economic Insecurity

Explore the relationship between housing conditions and perceived economic insecurity among squatter households is important mainly for the study of squatter people. Housing quality and location reflect levels of stability and safety in urban informal settlements. The Table 3 emphasizes how poor and high-risk housing conditions are interrelated to higher levels of economic insecurity and multiple deprivations.

Table 3: *Housing Condition and Economic Insecurity*

Housing Condition	Low	Moderate	High	Total
Temporary	2 (6.7%)	8 (26.7%)	20 (66.6%)	30
Mixed-material housing	5 (19.2%)	11 (42.3%)	10 (38.5%)	26
High-risk location	0 (0.0%)	2 (33.3%)	4 (66.7%)	6

Source: *Field Survey, 2023*

The Table 3 shows a strong association between housing conditions and economic insecurity was significant to understand comprehensive nature of poverty. High levels of economic instability were reported by the majority of households among Thapathali squatter residing in unsecure housing condition. It shows a high degree of vulnerability and psychological burden associated with worse condition of housing structure. In a similar way, homes located near the riverside were often situated in high-risk area may hamper to their economic activities. As a result, they were categorized as having high levels of economic and social insecurity. It represents ongoing exposure to environmental hazards and eviction are known as economic burden of them. In contrast, households living in semi-permanent housing showed a comparatively more balanced distribution of income. A larger proportion of these households of Thapathali squatter fell into the category of moderate insecurity. The Table 3 shows that insecure and poor-quality of housing significantly deepened economic vulnerability and reinforces urban poverty among squatter households.

4.4 Health Service Access and Treatment Practice

The relationship between access to health services and treatment practices among squatter households is significant for examining urban poverty. Access to healthcare is a key dimension of urban poverty that influences health-seeking behavior. The Table 4 shows how limited or no access to health services leads to delayed treatment which help to understand poverty.

Table 4: *Access to Health Services and Treatment Practice*

Health Access	Formal Treatment	Private Clinic	Delayed / No Treatment	Total
Regular access	9 (50.0%)	5 (27.8%)	4 (22.2%)	18
Occasional access	7 (29.2%)	6 (25.0%)	11 (45.8%)	24
No access	2 (10.0%)	3 (15.0%)	15 (75.0%)	20

Source: *Field Survey, 2023*

The Table 4 shows a strong relationship between access to health services and treatment behavior. Regular health access increased the possibility of formal treatment. It contributed to decreases the probability of postponing health care and intensive treatment. However, simultaneously it depends on the economic status and health awareness. The data show that a significant share of this group delays treatment mainly causes of economic scarcity. Institutional and financial barriers were also strongly influence this behavior. Lack of legal documents such as citizenship cards further worsened access to care to get social protection grants provided by the government. Households from Thapathai squatter with irregular access to services showed a visible shift toward delayed or no treatment. Due to low health awareness, this could eventually raise the possibility of negative health outcomes.

Households without access were most severely affected because they delayed treatment and neglect to treatment. This pattern reflects how cost, distance, and exclusion from public facilities restrict timely care for urban poor. The Table 4 explores health insecurity as a structural dimension including lack of social protection, of urban poverty. Data show that limited access to health services forced squatter households to postpone treatment. It deepened physical suffering and long-term vulnerability which reflect as a form of chronic poverty among urban poor.

4.5 Household Income and Children’s School Attendance

The relationship between household income levels and children’s school attendance is important for measuring poverty. Education is a key element of human capital and overall wellbeing examined in this research. The Table 5 below, emphasizes how lower household income is associated with irregular attendance and school dropout among children in squatter households.

Table 5: *Household Income and Children’s School Attendance*

Income Level	Regular	Irregular	Dropped Out	Total
< NPR 15,000	6 (18.8%)	11 (34.4%)	15 (46.8%)	32
NPR 15,000–25,000	8 (42.1%)	7 (36.8%)	4 (21.1%)	19

Source: *Field Survey, 2023*

The Table 5 shows a clear relationship between household income and children’s school attendance. Nearly half of children from households earning below NPR 15,000 dropped out of school, while only a small proportion attends regularly. In contrast, households in the higher income group showed better attendance and much lower dropout rates. This tendency of income and drop out condition showed that low-income places pressure on children to support household livelihoods. It also limits families’ ability to pay for schooling. Consequently, urban poverty disrupted educational continuity and progress. It also reinforces intergenerational deprivation among squatter households was significant to explore relations between education and poverty.

4.6 Deprivation Level and Psychological Stress

The relationship between levels of deprivation and psychological stress among squatter households reflects urban poverty. Psychological stress reflects hidden dimensions of urban poverty. Table 6 shows that stress from household poverty increases when households face multiple and severe forms of deprivation and scarcity.

Table 6: Level of Deprivation and Psychological Stress

Deprivation Level	Low	Moderate	High	Total
Single deprivation	6 (40.0%)	7 (46.7%)	2 (13.3%)	15
Multiple deprivation	4 (16.0%)	11 (44.0%)	10 (40.0%)	25
Severe deprivation	1 (4.5%)	5 (22.7%)	16 (72.8%)	22

Source: Field Survey, 2023

The Table 6 shows a clear positive relationship between the level of deprivation and psychological stress. According to field data, households experiencing a single deprivation mainly reported low or moderate stress. Only a small proportion of household experienced high stress which suggests additional factors that may affect them in this context. The percentage of households from Thapathali squatter reporting high levels of stress increased dramatically as deprivations support. Nearly 75% of households of the study area with extreme deprivation account high levels of psychological stress experienced among them. This pattern shows how material disadvantages are multifaceted for the deprivation. They also exacerbate household mental pain and lead to experienced suffering among the urban poor.

4.7 Legal Recognition and Social Dignity

The analysis examines the relationship between squatter households' sense of social dignity and protection for studying urban poverty. It also considers their legal recognition in this context of urban poverty. Legal status influences access to rights, services, and social acceptance. The Table 7 emphasizes how lack of legal documentation is strongly associated with feelings of social indignity and insecurity.

Table 7: Legal Recognition and Sense of Social Dignity

Legal Status	Dignified	Neutral	undignified	Total
Citizenship + voter card	8 (44.4%)	6 (33.3%)	4 (22.3%)	18
Citizenship only	6 (24.0%)	9 (36.0%)	10 (40.0%)	25

Source: Field Survey, 2023

About only 29% of respondents possess both citizenship and voter cards and around 40% had only citizenship cards. Although moderate number of respondents had citizenship cards, they remained politically marginalized and felt isolation from politics and decision making. This indicates they had incomplete legal recognition which may hinder them for upward mobility and residential stability. Table 7 shows a strong correlation between observed social protection and dignity and legal recognition. Respondents who had both citizenship and a voter card were less likely to feel undignified was significant to understand urban poverty in another way. They were more likely to report a dignified social recognition and protection. In contrast, households with only citizenship showed a much higher proportion of respondents reporting undignified status. This pattern found in Thapathali squatter settlement indicates that limited legal recognition restricted political participation and social acceptance that make exclude them. Field data showed legal invisibility intensifies psychological and social suffering beyond material poverty in case of Thapathali squatter settlement. This was significant for poverty research.

5. Discussion

The findings of this study provide evidence that urban poverty in the Thapathali squatter settlement is multidimensional and involve interconnected social and economic challenges. It is comprehensive in nature and structurally constructed. The present research provides an insight that poverty is not simply the result of low income which measure only my quantitative design. The cross-tabulated data taken from primarily affected area, show that different forms of deprivation do not occur alone. Economic, educational, health-related, housing, legal, and

psychological deprivations are closely interconnected each other. These disadvantages interact with each other and reinforce one another to produce urban poverty. It suggests a holistic approach to examine urban poverty in this context. Such interactions and interrelations produce cumulative and persistent urban poverty among squatter households. These deprivations produce urban poverty accompanied by hidden suffering and insecurity.

There is a high concentration of households in the lowest income category among informal wage laborers and unemployed households. This shows the limits of income-based poverty measures and nature of variations of spatial poverty. However, most households are economically active and engaged in work with minimum income. The monthly income of over two-thirds of informal wage workers is less than fifteen thousand. This indicates income instability within the urban informal labor market enlarged deprivations. Income-based measures calculate only one dimension of deprivation is seen inappropriate. They often underestimate vulnerability in urban informal economies (Ravallion, 2016). This pattern illustrates the disintegration and informalization of the labor market which is out of regular observation of government. Stable pay, labor rights, and social protection are unavailable to informal workers (Silver, 1994).

Educational deprivation further strengthens income poverty and marginalization. More than three-quarters of illiterate household heads fall within the lowest income group. This shows how limited education restricts access to better paid, choices of work and secure employment. Education plays a key role in shaping life chances and economic freedom depend on people's capability (Sen, 1999). In urban squatter settlements, low education limits upward mobility and prosperity in their livelihood. It keeps those vulnerable households trapped in insecure informal work and their choices. Similar patterns have been reported in earlier studies of urban poor and squatter communities in Kathmandu (Acharya, 2010; Dahal, 2011).

Housing insecurity is another major dimension of urban poverty, mainly relevant to the people of squatter settlements. A large share of households living in temporary and high-risk housing shows high economic insecurity and psychological stress. Poor housing conditions increase vulnerability beyond income constraints is missed in regular research. This is verified that inadequate housing and insecure tenure are main features of urban poverty in informal settlements (UN-Habitat, 2023). Insecure housing conditions in a squatter settlement reflects institutional marginalization in which government neglect them frequently due to the issues of legal context. It is called structural exclusion. Squatter households continue to stay outside the legal housing and land systems and blamed them as encroachers. Social difficulties are exacerbated by this marginalization. It contributes to expand long-term uncertainty and fear of eviction among squatter households.

Health-related deprivation plays a significant role in producing hidden suffering among squatter settlement. The findings show that households with limited or no access to health services often delay treatment make further economic burden. Health is a core dimension of deprivation in current research. Lack of access on health directly affects well-being and daily functioning (Alkire & Foster, 2011). Poorer households may have high chances rates of delayed treatment due to the cause of access and awareness. However, it also affected by the level of affordability. This is consistent with findings from the previous researcher. Informal settlers often delay receiving healthcare due to expensive treatment, institutional obstacles, and lack of legal identity is significantly associated with squatter poverty (UN-Habitat, 2023).

Economic pressure forces families to focus on immediate survival rather than long-term education and comprehensive wellbeing. Nearly half of children from the poorest households have dropped out of school in the study area. This form of educational exclusion prevents children from following socially expected life destination and further better life. It also contributes to the reproduction of poverty across generations (Townsend, 1979). Similar findings have been observed among squatter households in Kathmandu.

The contribution of this study is proved that the association between multidimensional deprivation and psychological stress is significant. High stress levels increase sharply among households who are facing multiple deprivations and insecurity. This shows that urban poverty is not a product of only material condition or income. It also has emotional and psychological dimensions are positively associated for this. Insecurity, stigma, and exclusion produce deep social suffering among squatter households (Wacquant, 2008). These findings underline the importance of recognizing the psychological aspect as a core component of urban poverty.

Associations between legal recognition and social dignity further reveal the political dimensions of poverty is significant to explore multiple deprivation. This justified that it has structural impact on social suffering because of government negligence to this issue. A large proportion of households without legal documents report feelings of undignified social status and fear of eviction. Low legal access intensifies exclusion and weakens access to rights and services to their daily life. This reflects that the labeling squatters as illegal, reinforcing insecurity and exclusion from urban citizenship (Sengupta, 2006). Poverty is thus reproduced through institutional practices (Silver, 1994). Urban poverty in the Thapathali squatter settlement is seen multidimensional forms which structurally constructed and practiced since 1999 when the settlement was established at the first time. In the present study, the available data show that income poverty frequently overlaps with education and health is significant to understand urban poverty.

6. Conclusion

Urban poverty among squatter households in Thapathali is not only a problem of low income and inadequate housing. It is shaped by multiple and interconnected constraints and livelihood-related factors. These constraints limit secure living, social participation and increase decrease to the chances of future opportunities to secure their better life. Despite their residence in a central location with diverse economic activities, squatter households of Thapathali remain trapped in insecure livelihoods which is key aspect of hidden poverty.

Even in the capital city and well access to market, they live in unsafe housing with limited access to education, formal work and health services. This suggests that it determined by multidimensional deprivation with structural exclusion in the context of urban poverty. They also feel weak legal recognition to address their problem which is a structural problem. As Silver explains, these overlapping disadvantages reduce their everyday working and live sustaining of them. It exposes households of urban poor to constant insecurity and stress frequently. Exclusion to the squatter people from formal urban systems plays a major role in reproducing poverty and social suffering. Limited access to housing, social services, and political recognition creates insecurity that contributes to make them further marginalized and shaped as a form of urban poverty.

Capability deficiency and structural insecurity have an impact on employment, tenure security, and service accessibility which is associate with Sen's capability approach and Davis theory of slum and urban poverty. It shows that urban poverty is influenced by structural and agency-based phenomena such as, state policy, people's capability and participation. This condition produces not only material deprivation but also fear of displacement, stigma, and loss of dignified life. Poverty therefore exists as a lived social experience that constructed historically rather than a temporary economic condition. The study indorses that urban poverty in squatter settlements is cumulative and structurally constructed that may differ from that out of squatter areas. Responding to these multiple vulnerabilities, spatial poverty and forms of suffering requires responses that deal with multiple dimensions at the same time. Meaningful reduction of urban poverty depends on improving access, security, and inclusion within the urban system.

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