

CHAPTER 1

Nepal: General Introduction

Prior to the unification of the country by King Prithivi Narayan Shah in the later half of the 18th century, the history of Nepal is, more or less, the history of Kathmandu valley. The history of the valley prior to the 5th century A.D. is shrouded in various myths and legends. When written records began to be available in the 5th century A.D., the Lichhivis were well settled in the valley. Before the Lichhivi rule in the valley the Kirantis were ruling. Before the Kiranti rule, it is reported that the valley in its hoary past was once ruled by the Abhiras-Gopalas and Mahishapalas (Cowherds & buffalo herders respectively). Much of these accounts, as previously stated, consists of various myths and legends rather than any reliable historical data.¹

What is perhaps more interesting from the point of view of the history of the people of Nepal is that it received and assimilated a continuous wave of immigrants from the North, South and West during successive centuries. A large influx of Hindus during the Mogul invasion of India in gave to the country, during the formative period its history of distinct character as a Hindu Society which has endured and flourished over the centuries.² At the same time, any careful examination of the beliefs and practices of people of Nepal will reveal the traces and influences of various streams of culture that have enriched her during different phases of her history. Needless to say that the beliefs and practices associated with health and diseases are no

exception to this. However, from a remote past, it appears that the priests were appointed both as teachers and the curers of the evils for the nobles and selected people. The widespread acceptance of Hinduism did not however preclude the adherence of a sizable number of people to Buddhism. It may be remembered here that the great religion of Buddhism originated in Nepal. Many interminglings of religious practices between the two religions created in Nepal an unique fusion of the two. The label Hindu or Buddhist is only indicative of the slight differences in the way of life of the people rather than the remarkable differences in their faiths.

After the Lichhivi period, another important era in Nepalese history is the Malla period. The Mallas established their dynasty in Nepal in the 13th century A.D.. During the period of Malla rule, the Newari culture flourished. The Newars are an important Tibeto-Burmese group of people living in Nepal and professing Buddhism. During this period, the priests, shamans and astrologers were categorised under Guvaju, Vaidhyas and Jyotishies respectively. They were generally recognised as possessing spiritual powers and as such, they occupied the position of traditional health practitioners in the society.

In a series of conquests and campaigns ending in 1767 A.D., King Prithivi Narayan Shah came to rule over territories which more or less constituted the boundaries of present day Nepal. King Prithivi Narayan Shah not only laid the foundation for a

viable modern state of Nepal but also from its earliest days protected it from the influence of the foreign powers. He prohibited the entry of British traders to Kathmandu and resisted all attempts by the British to establish trade relations with Tibet.³ Even though some acquaintance with the western allopathic system of medicine may be traced right from this period, the same system did not succeed in making any deep inroad into Nepal because of the concern for political independence which was uppermost in the mind of the rulers for obvious reasons.

King Rana Bahadur Shah who took over power in 1796 followed his uncle's policy of expanding the territory of the country even more vigorously. This expansionist policy was also followed by Prime Minister Bhimsen Thapa who brought Nepal into conflict with British India and finally to Anglo-Nepalese war of 1814-1816 culminating in the treaty of Sugauli in March 1816.

With the emergence of Janga Bahadur Rana in 1846 begins another crucial chapter in the History of Nepal. Through a successful manipulation of the various intrigues and feuds between the various powerful factions of the country, Janga Bahadur Rana established himself as the most powerful Prime Minister and a de facto ruler of the country, and also made the Prime Ministership hereditary. The Rana Regime ruled over Nepal for 104 years virtually treating Nepal as their private property.

1.1 Administration

The independence movement that swept India also influenced many Nepalese then studying in India. Underground political parties were active in educating people of their political rights and organising them to assert their democratic rights against the Rana rule. Taking advantage of this popular upsurge against the Ranas, King Tribhuvan challenged the power of the Ranas in 1950. The people, in their quest for more democratisation, launched an armed struggle against the Ranas and finally overthrew the repressive regime in 1951. And there after the multi-party democracy was introduced in the country. The experiment with the western system of party government however failed due to the feudal character of the political leaders. So the feudals and Late King Mahendra introduced a partyless Panchayat System in 1961 banning all political parties. Recently, in 1990, the people's movement under the joint leadership and guidance of Nepali Congress and United Left Front, has again succeeded in restoring multi-party parliamentary democracy under a limited constitutional monarchy. With the restoration of democracy, the Government is bound to be more responsive to peoples' needs and aspirations, and, as such, the welfare measures characteristic of any modern state like education or health are sure to figure in more prominently in the near future.

After the introduction of the Panchayat System in 1961, the whole country was organized into a four-tiered system of panchayats with the basic idea of decentralizing the administrative and decision making authorities to the grassroot level. At the base of the partyless panchayat system there were village panchayats and Town Panchayats in the country. Then, there were District Panchayats and Zonal Panchayats to be headed at the apex by the National Panchayat. In 1972, the Zonal Panchayats were abolished, and, therefore, panchayat administration became a three-tiered organisation. The members and Chairmen of the lower-level Panchayats during the partyless period were elected through adult franchise (a person aged 21 years or older was entitled to vote). The district panchayat consisted of elected representatives drawn from the village and Town Panchayats. The village and Town Panchayats were given the authority to levy taxes and to undertake their own development projects. The Decentralization Act 1982 offered the Village and Town Panchayats and the District Panchayats the responsibilities and authorities to formulate, implement and supervise village, town and district development plans to synchronize with the Five Year Development Plans of the country. The National Panchayat (Rastriya Panchayat) was unicameral legislature consisting of 140 members, of whom 112 were elected by the people through adult franchise while the other 28 members were nominated by His Majesty the King (then Head of the state and Head of the Government) from

among the leading public citizens. After the new constitution was passed in 1990, political parties have been allowed to function, and also there has been a change in the nomenclature of panchayats at various levels, as given below.

| Name | | No. of units | |
|-----------------------------------------------|-----------------------------------------------------------|-------------------------------------|------------------|
| before 1990 | Present position | before 1990 | present position |
| Village Panchayat (Gram Panchayat) | Village Development Committee (Gram Vikas Samiti) | 4029 | 3995 |
| Town Panchayat (Nagar Panchayat) | Town Development Committee (Nagar Vikas Samiti) | 33 | 36 |
| District Panchayat (Zilla Panchayat) | District Development Council (Zilla Vikas Parishad) | 75 | 75 |
| National Panchayat (Rastriya Panchayat) | Parliament (Samsad) | Uni- cameral (140 members) | Bicameral |
| | 1. National assembly (Rastriya Sabha) | | (60 members) |
| | 2. House of Representatives (Pratinidhi Sabha) | | (205 members) |

The country at present is divided administratively into 5 Development Regions, 14 Zones and 75 Districts. The District administration is headed by a Chief District Officer (CDO). He is mainly responsible for maintaining law and order in his district and coordinating the works of field agencies of different ministries. Similarly, in each of the 75 district of the country, a Local Development Officer (LDO) is posted by the Ministry of Local Development to help, supervise and coordinate the development plans and projects of the various development committees/councils.

Under the recent decentralization act, the District Development Council is the main body responsible for district development planning. LDO is the member secretary (by Chair) of the district development council. Each Zone was previously headed by a Zonal Commissioner who coordinated the activities of CDOs and LDOs of the districts under his jurisdiction and also ensured co-ordination between districts. He also supervised the developmental activities of the zone. But now the post of Zonal Commissioner no longer exists since 1990.

Nepal overthrew the partyless Panchayat system in April 1990 under the joint leadership and guidance of Nepali congress and United Left Front. An Interim Government was formed representing the political parties mostly Nepali Congress, United Left Front and the King's nominees (from among the former Panchayat members). The Ministries were reorganized and departments responsible for executive action were established under them.

During the Interim Government a highly powerful committee was formed for preparing a new constitution. The new constitution of the Kingdom of Nepal was promulgated on November 9, 1990.

In the preamble of the new constitution, it was mentioned that the source of sovereign authority is inherent in the people (formerly it was in the king), and therefore, the

government of the country should be conducted in consonance with the popular will and that social, political and economic justice should be available to the people. The basic human rights of every citizen of Nepal should be guaranteed, and the people of Nepal should enjoy the spirit of fraternity and the bond of unity on the basis of liberty and equality.

According to the Article 35.1 of the new constitution, the executive power of the Kingdom of Nepal, shall, be vested in His Majesty and the Council of Ministers. Article 35.2 and 35.3 explain that the power of His Majesty shall be exercised by and with the advice and consent of the council of Ministers and that such advice and consent shall be submitted through the Prime Minister, and formulated by the council of Ministers.

The Council of Ministers shall be the de facto cabinet, and may be assisted, according to Article 37, by the State Ministers and Assistant Ministers. After the General Election was held under the new constitution in 1991, the present government under the Prime Ministership of G.P. Koirala has taken over the task of administration. It is found that the portfolio of health is headed by a state Minister only and not by a full-fledged Minister. This is an indicator that health is for the time being not getting the importance it otherwise deserves. In Article 26.9 of Part IV of the constitution, where the Directive Principles of the

state have been enunciated, it has been said that "The state shall adopt a policy of taking special measures on education, health and social security of the orphans, helpless woman, aged, disabled and incapacitated persons for their protection and welfare." It has also been said that "the state shall adopt a policy of raising the standard of socially and economically backward tribes and communities by making special provisions with regard to their education, health, and employment" (Article 26.10) and "the state shall, with a view to bringing general prosperity in the country, adopt a policy of giving priority to the development of science and technology together with due consideration for the development of local technology" (Article 26.11). In view of these proclamations and constitutional obligations, health should be accorded higher priority in the ministry as also the decision-making process. Further, such tasks cannot be accomplished satisfactorily unless the people at large are mobilised and involved in a big way. But the constitution is generally silent about the role of local self-government institutions. Only in Article 46.1(c) of the Constitution it has been mentioned that each of the Development Regions of the country will send three members to the National Assembly to be elected by an electoral college consisting of Chairmen and Deputy Chairmen of Village and Town Level Local Authorities and Chairmen, Deputy Chairmen, and Members of District Level Local Authority, by means of a single

transferable vote. Thus, the place of local authorities has been recognised even though what specific role they would play in the development process has not been defined. Given the difficult geographical situation, the paucity of resources for developmental purposes and the population characteristics, the task of mobilising human resources through the local developmental authorities (that is, the erstwhile village/town panchayats) is an urgent one. It appears that if the partyless panchayat system of the past can be taken to be the thesis, then the party-based parliament-level politics of the present is the anti-thesis, and a synthesis is yet to be worked out.

1.2 Population Profile

Nepal's population of about 16 million (1981, 19 million in 1990) is ethnically complex ranging in physical type and culture from the Indians in the South to the Tibetans in the North. There are about 75 ethnic groups of people, speaking fifty different languages.⁴ However, it is possible to classify most ethnic groups into two broad categories: the Indo-Aryans or Indo-Nepalese, and Tibeto-Mongoloids or Tibeto-Nepalese.

The Indo-Nepalese group constitutes nearly 80 per cent of the total population and includes the Parbatis or Paharis. These groups have now assimilated a large section

of the mongoloid subfamily into their culture and religion. Although found throughout the country, the bulk of the Indo-Nepalese population is located in the Terai and in the Kathmandu Valley.

Historically, the people of Tibeto-Mongoloid origin migrated to Nepal across the Himalayan passes from the north, and they inhabited the Himalayan Valley and slopes. The principal Tibeto-Nepalese groups are the Tamangs, Rais, Limbus, Bhote and Sherpas who inhabit most of the northern and eastern parts of the country, and the Magars and Gurungs who live in West central Nepal. The Rais, Limbus, Gurungs and Tamangs are very hardy people and make up the well-known troops of the Gurkhas.

There are also small sections of population of Austriac and Dravidian origin who are believed to be the aboriginal people of the country. There are some nomadic tribes in the hills and the Terai who are gradually settling down to agriculture as their main occupation.

The major ethnic groups inhabiting in Nepal are : Brahmin-Jaisi-Chhetry, Newar, Rai, Limbu, Rajputs, Tamang, Sunuwar-Jirel, Magar, Gurung, Chepang (praja), Dhagad, Thakali, Danuwar-Majhi, Barrai, Tharu, Rajbanshi, Dhimal-Bodo, Satar, Musalman, Raute, Sherpa and others.⁴

Nepali is the official language and the major lingua franca in educational institutions of the country. The Nepali-Speakers constitute 58 per cent of the population. It is followed by Maithili (11 per cent), Bhojpuri (6 per cent), Tamang (4 per cent), Tharu (4 per cent), and Newari (3 per cent). The remaining 12 per cent of the population speak various other languages/dialects.⁵

Nepal is the only Hindu Kingdom in the world and Hinduism is the state religion. The overwhelming majority of the population (90 per cent in 1981) has been and continues to be Hindu. Although many members of the Tibeto-Nepalese group especially among the Gurungs, Magars, and Rais have adopted Hindu religious beliefs and practices, these people remain basically Buddhist. Buddhism, the second largest religious group, accounted for 5 per cent of the population in 1981. Muslims formed the third largest religious group accounting for 3 per cent of the population in 1981. Jain, Christian and others account for the remaining 2 per cent of the population in 1981.⁵

The size of population and the growth rates from 1911 to 1981 are presented in Table 1.

Table 1 : Nepal Population 1911-1981

| Year | Population | Geometric Growth rate |
|---------|------------|-----------------------|
| 1911 | 5,638,749 | - |
| 1920 | 5,573,788 | -0.13 |
| 1930 | 5,532,574 | -0.17 |
| 1941 | 6,283,649 | 1.16 |
| 1952/54 | 8,256,625 | 2.30 |
| 1961 | 9,412,996 | 1.65 |
| 1971 | 11,555,983 | 2.07 |
| 1981 | 15,022,839 | 2.66 |

Source: Kansakar, V.B.S. - Population Census of Nepal and the Problem of Data Analysis, CEDA, Kathmandu: 1977. Central Bureau of Statistics, Population Census for respective years from 1952/54 to 1981.

It may be observed that the population of Nepal did not grow at a uniform rate throughout the period 1911 to 1981. However, the population has been growing at a fast rate since 1961.

The population of Nepal declined by one per cent between 1911 and 1920. And this decline by 1 per cent was also observed between 1920 and 1930. The absolute decline in population size between 1911 and 1920, may be attributed to:

a) the effect of the world wide influenza epidemic in 1918 which had also passed through Nepal, and took the lives of a large number of the population; b) the heavy casualties suffered by Nepalese men serving with the Allied forces during First World War, and C) the under-enumeration in the 1920 census. It is argued that the enumeration in the 1920 census may not have been complete as it was primarily concerned with ascertaining the number of slaves in the country.

The quality of the 1930 census in terms of coverage was possibly no better than that of the 1920 census. Moreover, the fear of being conscripted into the army for possible war against Tibet in 1929 may have also caused some under-reporting particularly on the part of adult men in 1930.

The population registered a modest increase at the rate of 1 per cent per annum during the intercensal period 1930-41. However, this modest growth was followed by a high rate of growth during the intercensal period 1941-1952/54. Various reasons could be adduced to explain this rapid increase in population between 1941 and 1952/54. Some of these explanations are as follows:

- i) the improvement in the management of census taking:
- ii) the return of men serving with foreign armies after the second World War and
- iii) better coverage.

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Between 1961 and 1971 the population of Nepal grew at a rate of 2.05 per cent per annum. This was followed by an unprecedented rate of growth of 2.66 per cent per annum during the intercensal period 1971-81. This dramatic increase in the rate of population growth was mostly due to the rapid fall in the mortality rate without any corresponding decline in fertility which remained constant at a very high level. The estimated crude death rates (number of deaths per thousand population) of Nepal were 27 and 21 during 1952/54-61 and 1961-71 respectively. This declined to only 14 during 1971-81. This dramatic decline in the crude death rate over the years was not followed by a decline in the crude birth rate which remained consistently high. The estimated crude birth rate (number of births per thousand population) has been confined within the range of 40-42 during the last twenty-eight years from 1952/54 to 1981. Similarly, no significant time trend in the total fertility rate (TFR) was observed either. In other words, the TFR remained stable at a high level of over 6 children per woman.

The effect of the decline in mortality is also reflected in the age-sex structure of the population. The benefit of a decline in the mortality rate is likely to affect young children particularly infants followed by the aged because they are usually exposed to higher risks of death. The proportion of children aged 0-4 in the total population increased from 13.22 per cent in 1952/54 to 15.41 per cent in 1981.

Table 2: Percentage distribution of children and aged by sex in Nepal, 1952/54-81.

| Year | Sex Age | Male | | Female | |
|---------|------------|-------|--------------|--------|--------------|
| | | 0 - 4 | 65 and above | 0 - 4 | 65 and above |
| 1952-54 | | 13.33 | 2.48 | 13.12 | 2.86 |
| 1961 | | 14.24 | 2.85 | 14.18 | 2.90 |
| 1971 | | 13.59 | 2.97 | 14.70 | 3.16 |
| 1981 | | 15.47 | 3.36 | 15.34 | 3.14 |

Source : Central Bureau of Statistics.

1.3 Geography

Situated in the southern slopes of the Himalayas, Nepal is a small landlocked country. Shaped almost as a rectangle, it borders with the People's Republic of China in the North and India in the South, East and West. It covers an approximate area of 147,181 square kilometers. It has an average length (east-west) of 885 kilometers. The North-South width is not uniform. At its widest, it is about 241 kilometers wide, while it is only 145 kilometers at its least.

Nepal is characterized by three distinct geographical regions, running east to west. They are:

- i) The Mountains,
- ii) The Hills, and
- iii) The Terai (Plains) including Inner Terai.

The Mountain areas range in altitude from 4877 metres to 8839 metres above sea level with the snow line running at 4877 metres. This region includes some of the World's famous and the highest peaks including Mount Everest (8848 meters). With sparse human habitation, most of the areas in this region have a wild and forbidding landscape.

The Hill areas lie mostly between 610 metres and 4877 metres in altitude and include Kathmandu valley, where the capital city of Kathmandu is situated. This region also includes many other fertile longitudinal valleys of the principal rivers. This broad hill complex region is extensively cultivated and has been the traditional area of Nepalese settlement.

In complete contrast to the rugged topography of the Mountains and Hills, the Terai (Plain) region of Nepal, which is an extension of the Gangetic plains of India, forms a low flat land belt. The Terai includes most of the fertile land and dense forest areas of the country. The Mountains and Hills together comprise almost 83 per cent of the total area of the country and contains 56 per cent of the total population in 1981. The Terai region which comprises 17 per cent the total area of the country is comprised of 44 per cent of the total population.

The climate of the country varies from region to region. Summer and late spring temperatures range from more than 40°C in the Terai to about 28°C in the midsection of the country. In winter, average maximum and minimum temperature in the Terai vary from 23°C to 7°C while the central valleys experience average maximum temperatures of 12°C and minimum temperature below the freezing point. At higher elevations, much colder temperatures prevail. Kathmandu valley situated at an altitude of 1300 meters has a very pleasant and moderate climate with average summer and winter temperature of 27°C to 19°C and 20°C to 2°C respectively.

The mean annual precipitation ranges from more than 600 mm. along the southern slopes of the Annapurna range in central Nepal to less than 250 mm. in the north central portion near the Tibetan plateau. Varying amounts between 1500 mm. and 25 mm predominate over most of the country. On an average about 80 per cent of the precipitation is confined to the monsoon period (June - September).

Transport and communication are essential ingredients for the economic development of a country and its importance can hardly be over emphasized in the context of a land locked country like Nepal. Road is the principal mode of transport in Nepal though it is far from adequate. Road building is difficult task in Nepal because of its topography. The total road length in 1984 was only 5,717

kilometers of which nearly 40 per cent were earthened.⁶ Of the total road length, highway accounts for only 35 per cent while feeder, district and city roads account for 33 per cent, 19 per cent and 13 per cent respectively. The feeder and district road are sub-standard. A large number of villages lack road links with markets, towards and with one another particularly in the economically backward mountain region.⁷

Travel and transportation of goods by air is increasingly becoming an important means of transport, especially to the remote and inaccessible districts of the mountain. There were 43 air fields in 1986 of which 23 were all weather.⁷ The scheduled flights are operated in 39 locations in the kingdom and charter flights are available for two other mountain stations. Air links have also been established with ten locations in nine countries. Railway and ropeways as means of transportation are also used but are limited. There are only two narrow gauge railway systems covering only 52 kilometers in 1984. Ropeways or sky cables, an important means of transport, particularly in the mountain, cover only 42 kilometers. Ropeways are also used to carry goods. Nearly 12,000 tons of goods were transported using ropeway in 1983/84.⁷

The postal and telecommunications services improved significantly during the last two decades but are still far from adequate. While the number of post offices increased

from about 1,526 in 1981/82 to 1,868 in 1984/85.⁷ There are villages without Post Offices, and only few areas receive a daily delivery of mail. The principal cities are linked by air mail services. The number of telephone exchanges increased from merely one in 1967 to 23 in 1986. During the same period, telephone lines have increased from 300 to 28,000 and the number of wireless stations increased from 28 to 85. Also the link between Nepal with the outside world has been established through satellite.

Radio is the primary medium of mass communication. Television broadcast was introduced very recently but it is still confined to Kathmandu- the capital city, Birgunj, and Biratnagar. Nearly 460 newspapers were being published upto 1984-85, of which the dailies and weeklies accounted for 13 and 75 per cent respectively.

1.4 Economy

Nepal is one of the poorest countries in the world with an estimated per capita Gross Domestic Product (GDP) at current prices, of Rs. 2940 in the fiscal year 1985-86 i.e. 133 US dollars.⁸ During the 1970/71 - 1984/85 period, Nepal achieved an annual real GDP growth of 2.8 per cent per annum which barely kept pace with the population growth rate 2.7 per cent (Table 3).

Table 3 : GDP Growth Rate in 1974/75 Prices

| Statement | Average Annual Growth | | |
|-----------------|-----------------------|-----------------|---------|
| | 1970/71-1984/85 | 1980/81-1984/85 | 1982-84 |
| Agriculture | 1.5 | 3.2 | 2.5 |
| Non-Agriculture | 4.9 | 3.7 | 3.4 |
| GDP | 2.8 | 3.4 | 2.9 |

Source: Central Bureau of Statistics, National Accounts Division.

Nepal's economy is predominantly based on agriculture. The composition of GDP at constant prices over the period of 1974/75 - 1985/86 clearly shows the dominance of agriculture, although its share in GDP declined from 70 per cent in 1974/75 to about 62 per cent in 1985/86 (Table 4).

Table 4 : Growth and Composition of GDP:1974/75 - 1985/86
(Constant 1974/75 prices, million rupees)

| Statement | 1974 | 1977 | 1980 | 1983 | 1985/86 |
|------------------------|-------|-------|-------|-------|---------|
| Gross Domestic Product | 16571 | 18607 | 20158 | 21873 | 23470 |
| Agriculture | 11550 | 11141 | 12066 | 13668 | 14646 |
| Percentage* | 70 | 60 | 60 | 62 | 62 |

* Figure of percentage is the share of agriculture in GDP.

Source: Central Bureau of Statistics, National Accounts Division, Nepal. Estimates for Several Years (mimeo), Kathmandu, Nepal

Agriculture accounts for 75 per cent of exports and absorbs more than 90 per cent of the labour force. But, although the economy of Nepal is predominantly agricultural, only a small fraction of the total land could be brought under cultivation mainly due to its topography and other resource constraints. According to 1981/82 Agricultural Census it was found that only 17 per cent of the total land area was brought under cultivation. And this cultivated land is unevenly distributed. The hills and mountains which support 56 per cent of the total population of Nepal, held only 43 per cent of the cultivated land, averaging only 0.12 hectare per person. The Terai accounted for 57 per cent of the cultivated land but supported only 44 per cent of the population resulting in greater availability of holding averaging 0.21 hectare per person in the Terai.

The growth in agricultural production has been very unsatisfactory. It grew at the rate of 1.5 per cent per annum during the period 1970/71 to 1984/85, which was lower relative to the population growth rate of about 2.7 per cent per annum for the corresponding period. This long term stagnation in agricultural production has resulted in a decline in per capita food availability and exportable food surpluses. However, agricultural production increased during the Sixth Five Year Plan (1980-85) during which it grew at the rate of 3.2 per cent per annum. But most of this increase in agricultural production was due to the expansion in cropped area rather than increase in productivity.⁹

Nepal's industry is also at a very early stage. It accounted for about 5 per cent of GDP in 1983/84 and less than one per cent of the labour force were engaged in industry in 1981. The output is confined mostly to consumer goods (footwear, textiles, processed foods, construction materials and simple assembly items). There are, however, many barriers to industrial development of Nepal.¹⁰ It is not only difficult for Nepal to protect its infant industries from competition with India's more developed industrial sector but also the developed industrial base of India limits the access of Nepalese industrial goods into the Indian market. However, the number of industries have steadily been increasing in Nepal. The number of manufacturing industries have increased from 1257 in 1965/66 to 4903 in 1981/82.¹¹ In recent years the country has been quite successful in exporting readymade garments and carpets, the products of cottage and small industries, to markets of western Europe and the USA.

Tourism is the single most important source of foreign exchange earnings of the country. Over 2.12 million foreign tourists visited Nepal in the past 25 years (1960/61 - 1985/86). During this period about 368 million US dollars worth of foreign currency was earned by the country. From mid-December 1983/84 to mid-December 1984/85, the tourists arrivals in Nepal from all different countries of the world totalled 180,989. In the year 1984/85, the country earned

Rs. 724.8 million worth of foreign exchange from tourism which accounted for 19.4 per cent of the total foreign exchange earnings of the country.¹²

Nepal is rich in mineral resources but there has been a tardy progress in exploration. Nepal is also well known in the world for possessing abundant water resources as she shares nearly 2.27 per cent of the world's total estimated hydro-power potentiality.¹³ There are altogether 6,000 rivers falling under nine main rivers. And, these rivers altogether amount to a theoretical hydro-power potentiality of 83,000 M.W., of which only a tiny fraction (estimated to be round 0.12 per cent) has been utilized at present.¹³ The total installed electricity generating capacity was only 172 M.W. in 1985. Even though the country has huge deposits of mineral resources and great potential hydro-power, full utilization of these resources is constrained by many factors such as lack of capital, shortage of trained manpower and difficulties in communication.

Forest, which occupies 38 per cent of land area of Nepal, is another important potential natural resources of the country. Of the total forest area, only 34 per cent is reported to have commercial value in the Hill compared to 75 per cent in the Terai which has semi-tropical climate.¹³ Because of the resettlement of migrant families from the mountain and hill areas, deforestation is on the rise and

has seriously eroded the potential of forest as a major natural resource in Nepal. To avoid further depletion of the forest resources of the country, the government has undertaken afforestation plan. But this is inadequate relative to the scale of current environment degradation and the country's long term requirements.

1.5 The Basic Need Programme

It may therefore be seen that despite developmental efforts spanning several decades, sustained economic growth in excess of that of the population has yet to be achieved, and scant progress has been made in alleviating the poverty situation. The National Planning Commission (NPC) has estimated that 42.5 per cent of the population are absolutely poor. The agricultural sector is characterised by small farms, and the land distribution is extremely skewed. The sample Census of Agriculture in 1981 illustrates that over 50 per cent of the households had holdings of less than half hectare and they operated only 6.6 per cent of the total cultivated land. Two thirds of the total households had holdings of less than one hectare and accounted for 17.4 per cent of the total cultivated land. Also about 9 per cent of the households had holdings of above 3 hectares and controlled 47 per cent of the total cultivated land¹⁴ (Table 5).

Although data on landlessness is scanty and unreliable, available evidence indicates a growing marginalization and landlessness among the poor peasantry over the years. One recent study by the Planning Commission illustrates that over 10 per cent of the households were landless¹⁵ and the ARTEP mission in 1974 found that 23 per cent of the households in the Terai were landless.¹⁶

Table 5 : Farm Size and Distribution of Holding in Nepal

| Size of holding (in hectare) | Percent of households | | Percent of Hectares | |
|---------------------------------|-----------------------|------|---------------------|------|
| | 1961 | 1981 | 1961 | 1981 |
| Less than 0.5 | 56.3 | 50.5 | 11.8 | 6.6 |
| 0.5 - 1.0 | 18.8 | 16.2 | 11.8 | 10.8 |
| 1.0 - 3.0 | 16.9 | 24.4 | 26.9 | 35.3 |
| Above 3.0 | 8.0 | 8.9 | 49.5 | 47.3 |

Source : Central Bureau of Statistics, Sample Census of Agriculture, 1961 and 1981, Kathmandu, Nepal.

A study conducted jointly by the Food and Agriculture Organization (FAO) and Department of Food and Agriculture Marketing Services of HMG/Nepal showed that about 34 and 40 per cent of the rural households suffer from inadequate consumption and income respectively.¹⁷ The estimated calorie

intake in 1980 fulfilled 86 per cent of the government requirement. Similarly, the indices of physical quality of life such as adult literacy rate of 19 per cent, estimated average life expectancy of 49.53 years in 1981 and infant mortality rate of 145 in 1978 indicate¹⁷ the extent of deprivation of some of the basic needs of the people. This disheartening poverty situation has persisted despite several decades of concerted efforts to accelerate development. Few countries, however began their development as late, with such a meagre resource endowment, in a situation compounded by Nepal's, land-locked location, rugged terrain and weak institutions.

To put the country on the pathway to progress and prosperity, there is an urgent need to eradicate the immense poverty, widespread malnutrition, unemployment and under employment. His Majesty's Government is aware of this challenge and has launched perspective plans to meet the basic needs of people at par with the average Asian Standard by the year 2000. His Majesty King Birendra had declared in 1985 that by year 2000 A.D. Nepal will be able to achieve a standard of living which is adequate to lead a life with human dignity by Asian standard.

HMG's concern with poverty and income distribution issues received some attention in the late years of the Fifth and then, Sixth Five Year Plans (1978-85). The Basic Principles of the Seventh Plan (March 1984) echoed this

theme, pointing to a need to focus the entire attention and endeavour of the nation on the tasks of increasing production and employment opportunities and fulfilling the minimum basic needs of the common man. The principles then went on to identify the minimum basic needs such as food, clothing, fuelwood, drinking water, primary health care and sanitation, primary and skilled-basic education, and rural transport facilities. Two subsequent events brought about further transformation : most importantly, His Majesty's call on the Constitution Day (16 December 1985) for the attainment by the year 2000 of a standard of living for the Nepalese people "commensurate to lead a life with human dignity by Asian standards". And secondly the definition in quantitative form of a set of basic needs indicators on a per capita basis, and the translation of these indicators into national programme targets.

His Majesty's speech identified six basic needs areas : food, clothing, shelter, health, education and security. Following the speech, a task force was constituted by the Palace with participation from the Planning Commission, Ministry of Finance and Central Bank. This task force established a 'basket' of basic needs targets, quantified where possible. In June 1987 a detailed Basic Need Programme (BNP) including prospective costs over the 15 - years period (1985-2000) was endorsed by the National Development Council meeting under His Majesty's chairmanship. The 1987/88 budget

discussions in the National Assembly revealed a certain discontentment at the pace of implementation of BNP and created a climate of expectation to which the 1988/89 budget was obliged to cater.

The line ministries responsible for BNP execution began preparing BNP implementation documents and their preparation continues. Important preparatory activities undertaken since mid-1987 are a wide ranging structural reorganization of line ministries involved in BNP and the creation of new assistant-ministerial portfolios to oversee BNP implementation. A preliminary survey was conducted in April-June 1988 in every ward of the country, to identify the poor. BNP stresses the need for commitment at all levels of society, with special emphasis on 'political level' leadership. Monitoring of BNP implementation has been entrusted not only to the Planning Commission and line Ministries, but also to those of the National Assembly represented in the National Development Council, whose periodic findings are to be made public.

Aiming at no less than the eradication of absolute poverty in Nepal by year 2000, BNP reflects the approach to basic needs fulfilment advocated in the Seventh Plan "increasing the income and purchasing power of the target population" rather than "direct distribution of goods and services" other than in the social sectors. The strategy proposed is to selectively intensify ongoing sectoral

development programmes as well as to expand or develop special "targeted" employment or income generation programmes. Due to the profile of the BNP target population (predominantly rural, largely in the Hill and Mountains) and its dispersion, and to the disaggregated nature of rural development, stress is laid on the need for community participation in accordance with HMG's decentralization policies. The need for private sector and NGO participation is also emphasized, in further recognition of the limited ability of government to shoulder the programme alone. Nevertheless, the critical importance of more dynamic development administration is alluded to in several points in the document.

The bulk of the BNP document is devoted to a discussion of sectoral development programmes. Of the six basic needs such as food, clothing, shelter, health, education and security, the programme for health envisages that the population growth is to be reduced from 2.7 to 1.9 per cent per annum, life expectancy increased from 51 to 65 years, and infant mortality reduced from 111 to 45 per 1000 live birth. This is to be achieved by the expansion and improvement of primary health services. Particular measures in the programme include the nationwide integration of the country's "vertical" primary health services, the creation of sub-health posts and the selection of health volunteers in each panchayat (village development committee), attention

to health personnel careers and incentives. These incentives include improved living facilities and compensatory training opportunities for those serving in rural areas. Another goal is to achieve national self-sufficiency in the production of "essential drugs".

It is in the context that a study of ethno-medicine and other alternative medication practices in Nepal is called for. The medical anthropologists throughout the globe have undertaken many studies of similar kind that have enriched our understanding of real life situation, and also helped in development administration in quite a considerable way. It is hoped that the present work will also go some way in the same direction.

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