

CHAPTER - VI

SUMMARY OF THE FINDINGS

Section 6.1 Organisation

"The economics of development is not very complicated; the secret of successful planning lies more in sensible politics and good public administration"¹. While Theodore Schultz challenges: "Most of the people in the world are poor, so if we know the Economics of being poor we would know much of the Economics that really matters"². Gerald M. Meier questions and remarks, "but what really matters for development analysis is unlikely to be simple"³. *We agree.*

Reviewing the economic conditions of rural Nepal, the question arises why this deteriorating state of economy persists, even after four decades of planning. The answer lies not in economics only but in social, political and physical affairs also. This can be traced into ineffective role of the political organisation as well as administrative structure. Similarly, it is again the lack of local people's aspiration, their commitment and their dedication which are no less responsible for not solving the problem of poverty. This constitutes the core problem of our study. How IRDP has been able to mitigate this problem is the subject matter of our interest. Apparently poor performance, coupled with studies on impact of development in Nepal and supported by our findings presents one distinct picture. Deep-rooted fatalistic and feudalistic attitude, physical barriers,

insurmountable economic, political and administrative constraints, all contribute to the obduracy on the path of Nepal's development. Hence the amelioration of the rural mass is really a challenge. Therefore steps should be taken in a war-like manner.

The study was designed in the form of questionnaire. An investigation was attempted in ten village panchayats, selected from the five districts covered by Rasuwa/Nuwakot and Sagarmatha IRDPs. The impact of the two projects on the sampled respondents, the organization structure of IRDP and its role at the village level were the focus of this research. Efforts were also made to portray the eco-socio scenario, of the concerning districts and village panchayats, in the study period.

The basis of the study was the collections of data through interviews, and detail observation of the Village Panchayats. The secondary data base was : (a) government publication; (b) Census reports; (c) Base line studies of Rasuwa/Nuwakot and Sagarmatha IRDP; (d) publications of the two project co-ordinators' office; (e) district Panchayat and Village Panchayat office. References for data analysis were especially reported from the evaluation study of DRCC, CEDA and APPROC.

The field study was conducted in the ten village panchayats of Siraha, Saptari, Udaipur, Rasuwa and Nuwakot districts. Six Village Panchayat fall under the Sagarmatha Integrated Rural Development Project, while four Village panchayats come under Rasuwa/Nuwakot Integrated Rural Development Project. The four village panchayat of Rasuwa/Nuwakot cover the hills, valleys and

mountains. Sagarmatha/IRDP in turn covers the three southern districts of the Sagarmatha zone.

The underdeveloped socio-economic conditions and the untapped land, water and labour potentials, justify the introduction of IRDPs in these areas. Both projects presuppose the existence of some level of infrastructure in these regions. Hence, the object was to infuse development with the utilisation of Kathmandu/Trisuli road (Rasuwa/Nuwakot Project) and East-West Mahendra Highway (Sagarmatha/IRDP). For the purpose of planning, implementation and evaluation of the programmes the district and village level line agencies, or administrative/technical staff as well as the peoples representative political institution the District and Village Panchayat are involved. Attempts to include all aspects in two IRDP projects have been made as agriculture, roads, drinking water, education, etc. With the avowed goals of developing the regions and ameliorating the standard of living of the rural poor. Like these two IRDPs other IRDPs have also been introduced for meeting the basic needs of the people and for removing regional imbalances which constitute important ingredients of national and rural development policy in Nepal.

A conceptual thinking developed around IRDPs can be summed up as the involvement of all rural people in their socio-economic development. At the outset of our findings we should mention the constraint that stood to dampen the impact and effect of IRDPs. These are:

(1) Time factor: Rasuwa/Nuwakot project commencement year was 1976-77 and the base line study of the area was conducted in 1977-78. While Sagarmatha project commenced from 1978-79, the area base line study was done in 1981-82. It would have been more fruitful if the projects could be introduced only after the base line studies.

(2) Investment factor: Overlooking the causes for low capacity to spend, we found that in both projects the allotted investment was not spent fully. Reports show that till the fiscal year 1980-81, 68 percent of the committed allotment was spent for Rasuwa/Nuwakot project, while for the Sagarmatha project approximately only 10 percent was invested. The latest report showed only 1/3 of the allotted fund was exhausted by the Sagarmatha project. Thus large unspent portion of the fund allocated undermined the results of these programmes. In fact Sagarmatha project's "real work started in 1980-81 only"⁴.

(3) Low level of data base: In the absence of scientific detailed micro-level data, allocation of large amount of aid for these projects in different rural sectors does not seem prudent and valid.

(4) Virtual non-existence of viable local institutions: Lack of this made the villagers totally dependent on outside assistance, weakening their capacity of self-development.

(5) Non-existence of stiff opposition in the rural local institutions, land lord, business and contracting class and subsequently bureaucrats and technocrats began to dominate the scene. Apprehension seemed justified that real beneficiaries were

passed over. In other words there was no significant impact of IRDP in Nepal.

The evolution of IRDP in Nepal elaborated in the Chapter III reveals continuous efforts aimed at rural development. The organisation structure for effective implementation of programmes have from time to time undergone changes. Simultaneously attempt had been made to modernize administrative machinery to make them more competent, according to requirements. Likewise endeavours had been made towards setting up of goals and formulating plans to meet the local needs. And special emphasis had been laid on the involvement of the rural mass in their development to make them self-reliant. Hence, the panchayat polity had been the stepping stone of IRDP organisation.

However our findings, corroborating with the foreign and Nepalese critics, manifest "the miserable picture of the Terai people depicted a century ago by Hamilton, is true till to-day, with minor variations"⁵. What **could be** the cause? The acerbic comment summed up by Michael B. Wallace for forest development programmes answers well - "These forestry programmes are fine as they go they just do not go far enough"⁶. So the crux of the problem is not why, what or where but how; the main headache is the operationalisation of IRDP. The difficulties that had strangled the operation of the organisation lie inherent in its structure and way of working. The study reveals that the multifarious objectives had put strains on the already burdened and scarce personnel. Ambiguity in the objectives had led to several interpretations by line agencies and consequently, to conflict and

disintegration in work. Since there was no distinct control over the line agencies they had not given due priority in their performance of IRDP activities. For them these programmes were extra burden. It seemed that the lack of clear cut objectives, also created duplication of agencies as well.

The plan's formulation, implementation and monitoring revealed short comings. First, the basics for good planning seemed unfulfilled. Planning requires detailed exercise in collection of micro-level data of the village community. This was lacking⁷. The different socio economic conditions prevailing in different regions had been over-looked. Secondly, what was planned was not administered and implemented fully. This led to skepticism in the rural mass. Thirdly the investment pattern seemed bias towards infrastructural sectors, and less towards productive sectors⁸. Fourthly, the delay in the release of funds constrained in the completion of works. Fifthly, involving the rural people in the IRDP had been limited to labour participation only. Subsequently however, the condition of labour participation that had been placed by the IRDP regarding the concerned village panchayats, had been removed.

Paucity of resources was not the acute problem; it was rather the delay in release of funds. All studies, as well as our investigation with the line agencies have attested this problem. In regard to the investment procedure, we no doubt agree with what the Nepalese, economist Bharat Pradhan delineated. But the priority for the development of infrastructure cannot be relegated

to the background. Investment on market sheds, panchayat buildings should have been suspended for the sake of more urgent investment on roads, bridges, tracks, staff buildings, health and drinking water provisions. Further, we found that the concern that was developing these days was to what will happen after the project ends. Where will the funds come from? How are we to manage the maintenance and completion of programmes? This actually is a serious matter. In fact Gadkhar irrigation in Chaugadha V.P. and Drinking water projects in Ramche V.P. were not functioning well due to the paucity of maintenance cost. Hence this calls for rapid mobilisation of local resources. Panchayat's development land tax which is being reintroduced in some areas may to some extent help. Other sources as levy on transportation of goods, use of government owned land, ponds etc. can add to the local fund. Again, the introduction of Users Committee no doubt is the best alternative for the continuation of local projects. But much depends on the users capacity to pay as well as to manage. Hence, outside help can not be avoided. However to avoid the misappropriation of funds there should be regular evaluation and auditing also of local funds. With the introduction of the Decentralisation Act 1984, this pitfall^{is} hoped to be looked after.

We then come to the implementation aspect of IRDP. This is actually the most vital aspect and in fact, the role of an economist (as a planner) ends here, and that of the politician begins. To a large extent successful implementation of plans of IRDP, depends on the will, honesty and dedication of politician or

political leadership of the country. For implementation of programmes the government's administrative machinery, plays a very important role. How this machinery plays its role depends much on capability, efficiency and integrity. Besides without a cordial and communicative relation between economists and politicians, rural programmes remain mere paper work.

Attempt has been made to analyse the implementation aspect, from the angle of participation in so far as to the role of project co-ordinator (PC), Local development officer (LDO) and Multipurpose development worker (MPDW) who represent bureaucracy. In this effort the role of the supporting agencies e.g. Agriculture banks (ADB) Agriculture Input Corporation (AIC), Co-operatives, Users Committees seems important. No doubt village panchayat leaders and respondents had been interviewed for identifying their nature of participation in the implementation process. While noting all these, efforts had been made to locate the obstacles in the implementation of IRDP.

The functioning of the bureaucrats in IRDP has remained as a hindrance. Insufficient legal backing, frequent turnover, lack of motivation to work in IRDP, inadequate training facilities, low morals and excessive political interference were some of the obstacles in this direction. The PC and LDO without legal support happen to be powerless. Though the line agencies come under the LDO and should work in co-ordination under him, this had not been practised. These agencies ignored and by-passed him in all affairs. His relationship with MPDW seems highly unfortunate.

The MPDW was directly responsible for his actions to the LDO. An illustration will disprove the fact. The LDO of Saptari district took action against the MPDW and he was transferred but he got it cancelled and returned to the original posting within a month thus bringing humiliation to the official concerned. And the project co-ordinator seemed helpless in matters of punishing defaulting contractors. The frequent turnover of the staff poses a serious problem. This had been voiced by the critics and also supported by our findings. If good work is expected of them, much depends on the incentives for the field workers. It may be suggested that more training facilities, extra remuneration and job security (especially for project and Sajha personnels) for motivating the bureaucracy to work efficiently should be provided.

Coming to the role of local leadership it was revealed that very little change had come in its composition as well as its nature and attitude. The leadership consists of middle aged, economically and socially well-off and caste pre-dominant persons of the villages. Hence there had been marked absence of opposition in these panchayats and competition was very little. Among the ten Village Panchayat Pradhans only two were replaced; the other eight pradhans were re-elected, since the inception of the party-less panchayat system. This setting therefore, limited the evolving of dynamic local leadership for generating mass participation in IRDPs. The study exposes the undercurrent antagonism running between the local leaders and the bureaucrats. But cordial relation between the two is a dire need for successful participation in organisational set up of IRDPs⁹.

In our historical review of organisation, it was revealed that the panchayat institutions for local development existed from time memorial, and worked quite effectively. Further we explored the existing examples of beneficiary groups working impressively and independently to meet the local needs, However, in the present context of rising aspiration and scarcity of resources they seemed incompetent. But we could mobilize man power and resources with new technology and assistance provided by IRDPs. This study supported also by the views of other evaluators, point outs that local institutions as the Village Panchayat, Sajhas, and Users Committee introduced by the government were not working well. They were limping and sufficient persuasions for motivation had not come forth to make them viable. Hence it would be worthwhile to examine the different village level institutions and rebuild them in tune with the changing needs of to-day.

Finally, coming to the participation role of our respondents, our analysis sums up that participation existed mainly in the form of labour contribution. While formulating the plans, our inquiries showed, even the panchayat local leaders and line agencies were not consulted adequately. Leaders were also ignorant of IRDP's benefits and viability¹⁰. In formulation of plan, top down, instead of bottom-up approach had been meticulously followed. The donors and top level officials were actually the dominant participants of IRDPs plans. So the rural people's involvement was clearly negatived. What we found was that majority of the respondents were aware of the programmes, they had developed a sense of demanding

explanation and questioning the authorities, in respect of the functioning of the programmes. No doubt the programmes were helpful for their development. But according to them top priority should have been given to irrigation, which constitutes to them a serious problem.

6.2. Socio-Economic benefits of the Villagers and Village Panchayats

Summarizing the impact of IRDP, we found that the employment provided was mainly in the field of construction works. This generated the scope of employment only for a temporary period. Advantages received in agriculture sector, in the form of credit, fertilizers, insecticides HYV, and irrigation were like a few drops of water in the ocean. Hence, the increase of production was not significant. However, there were also examples of the introduction of wheat due to the irrigation facilities provided by IRDP¹¹. Persistence of the basic and general problems of shortage of irrigation, credit, fertilizers and extension services, in the sampled areas was clearly noticeable. Compounding scarcity problem was the problem of underdeveloped market structure and high price of fertilizers.

The programmes of animal husbandry and cottage industries were also not sufficient to increase the income of farmers. No doubt, remarkable services were provided by the assistance of IRDPs. But the shortage of staff and medicine could not meet the demands of farmers. Visits to the village panchayat showed that only three or four respondents had high breed milch domestic stocks. Our findings of respondents household characteristics

revealed that majority of them had 3 to 4 average stock. This points to the fact that if only animal husbandry could be developed extensively, it could supplement in a big way the income of the rural people. Our investigation revealed only six respondents received aid from Cottage Industries in the form of training, credit and raw materials for producing cotton and woolen clothes. There was mixed responses to the problems faced by the cottage industries. It was suggested that such industries could be expanded by giving more credit, technical know how, raw materials and ready market. It was strange that in Sagarmatha IRDP area, with the exception of Katari Village panchayat, no efforts were made towards the development of cottage industries. Scope for agro based industries, and light machinery industries in the area is undeniable.

The social infrastructure provided by the IRDP though insufficient had some noticeable impact on Village Panchayats. Especially the health services, and drinking water facilities had benefited the households. In the health sector the problems faced was lack of technical personnel and insufficient medical supplies. It was pointed out that though the technical posts were created in some villages, they remained vacant. Though some provision of drinking water was made in some places, some of the sources dried up due to poor installation and poor maintenance.

As for education, the projects had hardly provided any benefit. Only two schools under this survey area, had received aid for construction and supply of educational materials. Here

problems ~~confronted~~ were lack of teachers and absence of accommodation facilities. The project report showed that training was provided to farmers group by IRDP in respect of agricultural extension services. While in Sagarmatha/IRDP a middle level technical school was also established. But none of the respondents reported any benefit received from such programmes.

IRDP intended not merely for increasing agricultural production, but also for the transformation of the existing rural society steeped in deep and pervasive poverty. The society should be restructured based on equality and justice. The study revealed that, unlike in Indian counterpart, these programmes did not target the poorest of the poor. That is the equity principle seems by-passed. It may be argued, that since small and marginal farmers constitute the majority, any agriculture programme was sure to benefit them. It was assumed that in view of few rich households in rural areas, health services, education facilities etc. were likely to help the weaker section alone. However, limited irrigation facility, and low credit absorption of the small farmers were not solved by the agricultural programmes. Likewise, temporary employment benefit was also of little help. Education benefit was enjoyed by rural elite groups and female enrolment was very insignificant. What could be advised is that in such rural programmes, the bargaining power of the weaker section should be strengthened. A fixed quota for their representation should be given in all IRDP activities. In rural development organisation in the village and district level their representation should also be fixed. However, the rural development

programme should seek to generate employment both temporary and permanent in nature. Like in irrigation, attention should be directed towards forestry and soil conservation. In education incentives to the families for stopping the drop-outs should be given.

So far as the provision of credit facilities, our findings recorded that the local money lender still played the predominant role in the village panchayats. However, some remarkable differences existed as to the main role of credit institutions. Agricultural Development Bank was the main source of credit in Ramche and Chaugadha. In Katari it was the Commercial Bank that provided loan to majority of the respondents. And the major source of loans were the traditional local money lenders for Katari, Kalyanpur, Khojpur, Sukhipur and Dhaibung.

Among the Village Panchayats (V.P) highest employment benefit was received by Katari in the field of construction works. In Chaugadha and Sukhipur employment potentiality was more in agriculture; Kalyanpur however received maximum benefit of the commercial expansion. Production increase due to IRDP was recorded the highest in Chaugadha and Katari village in all major crops and lowest was in Ramche Village Panchayat. Sukhipur and Govindpur panchayats faced the problems in agriculture (irrigation). Ultimately distribution of seeds and fertilizers were the problems experienced by Ganesthan Village Panchayat while high cost of fertilizers was equally the problem of Sukhipur, Katari and Risku.

Tap water benefit was the highest in Chaugadha. Sukhipur got pure water from hand pumps. Paradoxically, the same village panchayat recorded the highest death rate due to outbreak of parasitic diseases in the rainy season. The percentage of literacy at primary and secondary level was the highest in Katari. In the higher level of education it was the Govindpur Village Panchayat which actually was benefited from the schools of Bastipur.

Relating to the work of the three local implementing agencies, very poor impression was reported by the respondents. Except Dhaibung Village Panchayat, all the respondents voiced that they had no idea of the Local Development Officer's visits. According to the highest number of respondents the multipurpose development worker, though active was rated as irresponsible. And Risku and Ganesthan rated their pradhans as irresponsible.

6.3 Contrasting features : Command and Control Area (and Sagarmatha and R/N IRDP).

The comparative picture of the command and control area showed that there were significant differences in employment, production and education. While there was little difference in drinking water and health facilities there was no difference in consumption pattern in the two areas. Between two IRDP projects, as a whole, the employment benefits received by the respondents were little higher in Sagarmatha project; production increase in per bigha was higher in Rasuwa/Nuwakot project even though the average land owned by an individual was more in Sagarmatha. This increase was mainly due to more use of irrigation and fertilizers

provided by the project. A comparison of income and consumption points out that, the respondents of Sagarmatha enjoyed higher income and their level of consumption in agricultural and non-agriculture sectors were also better than these of Rasuwa/Nuwakot project. Similarly, in the socio-economic level the Sagarmatha respondents, were in a better position, than those of its counterpart. In drinking water, health services, and educational facilities they were ahead. However, except Ramche panchayat, the impression one gets is that, the Rasuwa/Nuwakot projects' respondents were more aware of the governments work, and their problems.

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