

CHAPTER - I

INTRODUCTION

Section 1.1 Purpose of the Study

"Scientific confidence asserts that there is a solution to every problem, but experience teaches us that there is problem to every solution and more than one. Consider the change from emphasis on industrialization to agriculture and rural development"¹. Our reference to this expression is simply to show that in this dynamic world no theory or policy/programme based on them holds true or effective for all periods of economic development. Further empirical studies have proved that economic development (Rural Development) depends on hosts of inter-related factors. Recognizing this relation I.R.D.P. has emerged as a solution to the problem of rural poverty; but there again it has its shortcomings. However, since our subject matter is the impact studies of IRDP in Nepal; it becomes essential to trace out in what context this programme has developed as a strategy for rural development.

The continuous persistence of poverty, the core of our problem has been the results of past doings or shortsightedness of our planners. It has been established that the growth model adopted by the developing countries and the least developing countries like Nepal resulted in increased polarization between the haves and the have-nots². Nothing trickled down to the poorest section, as a result of development. As "Pakistan experienced over all growth rate of 8 percent per annum during the sixties, however, paradox to the situation.

overall poverty was increasing. The benefits of increased growth rate was confined to limited number of society"³.

In the 1960s and in the early 70 'growth with redistribution' and 'basic need model' was advocated. In these periods attention of scholars and planners were attracted to the structural question of whether there was a built-in mechanism in the socio-economic structure of the developing countries that inhibited growth and equitable distribution⁴. But failure of effective policies and slow economic growth of the developing countries, did not have any significant impact on poverty of the mass⁵.

Hence in the late 1970s emphasis was laid on peoples participation in the development process at the grass root level⁶. World's attention was attracted to the deteriorating condition of the least developing countries. It was voiced in the international forum that unless the rural poor were mobilized through their own organisation to participate in their self betterment, the shackles of poverty could not be loosened.⁷

The scenario of the developing world especially of the least developing countries (LDC) was aptly exposed by the former World Bank President Robert Macnamara and he advocated for a strategy to the neglected chunk of the population through deliberate and integrated efforts. He highlighted that growth was not equitably reaching the poor⁸.

Likewise, there are numerous records depicting the poor (inhuman) conditions of the rural people of the third world. Let us

here, put forth these data, in order to show the magnitude of poverty (Nepal's condition is of no exception) the problem of our research paper.

The International Labour Organisation (ILO) estimate that nearly one-third of the world's people are really poor by their or any one's standards, and they number about 1,210 million. Of that number more than half of them are destitutes suffering from sub-nutrition. There are 800 million illiterate adults, a figure destined to rise enormously as there are now 250 million children not being schooled, about one-half of the world population live in the rural areas of the LDC (Least Developed Countries), and the vast majority of them are poor and with no leverage to change their conditions⁹.

Similarly, the World Bank estimates that the great majority of the absolute poor accounting for over 90 percent are rural people, who work on farms, or do non-farm works that depends partly on agriculture. More than half are small farmers who own or lease their land; another 20 percent are members of collective farming, mainly in China. The remaining one fifth to one quarter are landless, and their livelihood is partially precarious¹⁰.

To be more specific we quote here the report of the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP). It is estimated on the basis of fragmented evidences that more than half the world's poor, nearly half a billion might be living in the South Asian countries and Indonesia. In Bangladesh more than 80 percent of the population live below the poverty line. In India and Nepal the percentage is about 35. In Nepal about a third of the population live below the poverty line while in Pakistan about a quarter is assumed

to suffer from inadequate nutrition (the poverty line is defined as a minimum annual income of US \$ 70 per year)¹¹.

To sum up we may produce the substantial New Programme of Action for the 1980s for the Least Developed countries (LDC) adopted by the LLDC's Conference in 1981 named, among others, the main features as being descriptive of these countries' economic and social problems. Thus,

- (a) very low per capita incomes and shortfalls in satisfying the basic needs of the masses.
- (b) very high proportion of population in the subsistence sector.
- (c) extremely low agricultural productivity and lack of agricultural promotion.
- (d) very low per capita exports and extremely limited availability of imported goods.
- (e) inadequate institutional and material infrastructure in the most important areas among them public administration, transport and communication¹².

In reviewing the magnitude of poverty we find three distinctive features: First, the polarization of poverty in the rural sector; Second, agriculture is the centre of concentration of poverty; third, low employment, low income and so on continues the vicious circle of poverty. In the present situation the problem of poverty is the outcome of both supply and demand.

The Green Revolution, one of the fruits of modern technological development in agriculture, has no doubt trippled agricultural production. But it will not be sufficient to tackle the poverty of the

growing population¹³. Likewise the Malthusian nightmare of population out stripping food production has not materialized. Instead, the world has been faced with the problem of many people not having enough to eat, despite having enough food for all. This is not a failure to produce enough food, still less a failure of agricultural technology. Its roots range from macro economic policies to the economic and political structures of local societies that inhibit the ability of many households to procure enough food¹⁴.

Hence the multifacet problems of poverty necessitated a multifarious attack on poverty. This attack came in the form of Integrated Rural Development Programme. The Director of CIRDAP Shamsul Haque expressed the view that over half of mankind, majority of whom are poor, inhabit in the Asian Pacific region. Hence, rural development has always been the concern of these countries. Experiences gained by the First and Second United Nations Development Decades led to a change in approach of rural development. This development stressed upon two directions. First was to adopt an integrated multi-sectoral approach to solving the problem of rural areas and the second was to ensure people's participation in the entire development process — from planning through implementation to evaluation of programmes to stimulate greater self-reliance¹⁵.

Now let us look specifically at the country of our study. Studies (though very few) show that the four decades of planning and the continuous emphasis on rural development has made little impact on alleviating poverty. Hence IRDP came forth as a national thrust to eradicate poverty. Like other LDC the agrarian sector of Nepal is characterised wherein "majority of the rural mass are tenants or

self-cultivating farmers with fragmented land holdings. Unemployment, under employment, low level of family per capita income and unequal income are dominant features which is the cause of poverty"¹⁶.

The high degree of under employed is shown by a study which showed that out of the 323 annual working days per rural worker, only 118 days are utilized¹⁷. The magnitude of unemployment is more worse in the hill areas. For a study estimated that farm workers in the hills do only 55 days work on an average annually¹⁸. The other chief factor responsible for persistent poverty, is the wide disparity in resource ownership - the land, S.C. Jain observes "two thirds of the working people of Nepal are agricultural tenants and prior to the implementation of the New Land Reform 1964 few land lords of Nepal possessed as much as 1000,000 acres a large chunk of a small country"¹⁹. In spite of various Land Reform this pattern has only changed a little. Recent estimation shows that 21 per cent of the cultivable land is owned by 53 per cent of the households, while 1.2 percent of households own 13.5 percent. Hence it is noted that the landless and near landless categories in Nepal have been growing in both absolute number and as a percentage of rural families²⁰.

The present decade of 1980 show that in near future the prospects of the population to rise above the poverty line seems very limited. There is even fear that more and more population may go down below the poverty line. This fear is based because of the trends in expected growth of population 2.6 percent, real GDP 2.3 percent and inflation growth 7 percent per year. The realized annual rates of growth of these variables were 2.7 percent, 2.7 percent

and 20 percent respectively between 1981 and 1985²¹.

Next to population growth the ecological imbalance is the propelling factor of poverty. This is brought about by pressure on marginal land and rapid deforestation; the rate of which is expected to make Nepal a desert within 30 years, if drastic step to stop it is not taken²². Blaikie et al sum up the situation by stating that "The symptoms of malaise in Nepal as a whole appear visibly in the form of erosion, landslides, and widespread deficiencies in food, shelter and clothing"²³.

1.2 ~~Section~~ : General theoretical frame work

The word 'integration' connotes the existence of different disintegrated factors that need to be integrated into a whole. We can then perceive integration as an action; well planned, well organised and united, taken to achieve a definite goal. In this light, integrated rural development can be assured as an action of unison of varied factors responsible for rural development.

The countries that have introduced I.R.D.P. in their development plans, have envisaged through multifarious programmes, targeted for the development of the rural mass. Presently, the concept of I.R.D.P. is a very complicated and vague thinking²⁴. Though there exists common traits and objectives of I.R.D.P. followed by these countries, the Centre on Integrated Rural Development for Asia and the Pacific.(CIRDAP) report remarks that "the basic tenets of IRD as an approach have never been fully articulated but there have been numerous national regional and international seminars and huge literature eulogizing IRD so much, so that IRD has almost become banal"²⁵.

The report further points out the disagreement between writers and policy makers in relation to its concept. Hence different interpretation has been put forth. As to some describing it as a set of goals, some as a strategy, some as a consistent and coherent set of Rural Development Programmes and some even as an ideology. The report quotes Ruttan who describes IRD as an ideology in search of a methodology. Further it shows the absurdity of the concept itself by quoting Lipton "Lipton questions who wants disintegrated development" and expresses the opinion that "Integrated rural development can easily become an empty phrase ... It makes sense only if the key components can be isolated and concentrated upon"²⁶.

The preceding discussions point out the fact that the concept of IRDP is vague. But let us now view here some of the ideas that have been percolated in different forums. These are relevant for our impact study of I.R.D. in Nepal.

In the words of Dr. Ensminger "Integrated Rural Development is three dimensional - a method, a process and an objective. It is a method that seeks to involve all the people and encompass all place of rural life. It is a process that seeks to transform traditionally oriented rural cultures towards a greater acceptance and reliance on science and technology. It is an objective that seeks to improve the quality of life of all the people, provides for all the people opportunities to earn a living and to have socio-economic institutions and services similar to those of urban areas"²⁷.

Salauddin Md. Aminuzzaman points out that due to limited success of the first decade of development experiments, the U.N. General Assembly Passed Resolution No. 2681 (XXV) on December 11,

1970, which called for a reorientation on the development strategy. It advocated for a 'unified' or integrated approach premised on the concept that development is not only an economic process but a multi-sectoral undertaking involving the whole of society. The world conference on Agrarian and Rural Development, further stressed, on the integrated approach, when it called for a "frontal attack on poverty... by a deliberate policy of integrated rural development". As a result of these resolutions, I.R.D. has emerged as a common strategy in most of the Asian - Pacific regions.

He comments that I.R.D.'s uniqueness lies in its aim to integrate the different component of development into a system. Integration is required in this Model in

(a) between human beings with their need and aspirations. This in turn with the broader socio-economic and political aspirations of the nations.

(b) among existing fragmented sectoral approach toward a comprehensive approach, recognising the interrelationships of socio-political, economic and technical factors.

(c) between development efforts taken by national, regional and local Government for the eradication of poverty and its related problems²⁸.

Kuhnen views corroborate this when he states "it is not possible to understand the concept of IRD without familiarizing oneself with some basic assumptions on which IRD concept has been built". These assumptions are (a) Rural Development is a part of the

overall socio-economic development, (b) development is a system of interrelated social change (c) agriculture has a multitude of functions in the development process and (d) agriculture development is one aspect of Rural Development²⁹. Let us now review the actions or components envisaged in this model, expressed by different writers. Vasant Desai is of the view that the concept of I.R.D. was first used by planners for productivity and equity³⁰. Dr. C.B. Mamoria says that in India the I.R.D.P. reflects the economic activity of the rural family whose employment and development is the basic objective. This objective is realised by developing the Primary, Secondary and the Tertiary sectors. In the primary sectors intensive plans for agriculture, animal husbandry, fisheries and forestry will be undertaken. Programmes for villages and cottage industries, skill formation and supporting services development comes under secondary sector. While tertiary sector will be developed by creating facilities for organised marketing, processing and allied activities so as to absorb the increasing number of local people³¹. Likewise S.K. Rau remarks that I.R.D. "is not a technique but a plan of detailed action". He points out that IRD stress on four types of activities relating to (1) increasing production (2) employment generation (3) on several rural activities and (4) labour mobilisation³².

B.K. Bhargava has the view that "most of the earlier schemes of rural development, Community Development Programmes, Small Farmers Development Agency, Marginal Farmers and Agricultural Labour Development Agency are now merged into one scheme viz., the I.R.D.P."³³ Basically it is a programme for rural development inaugurated in

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1976-77 for local needs, resource endowments and potentialities, aiming at the 'poorest of the poor' to improve their economic and social conditions³⁴. There are other host of Indian writers such as R.N. Tripathy, B.P. Mailtmi, K.M. Pradhan etc who hold identical views of I.R.D.P.

Prof. M. Mahbur Rehman of Bangladesh holds the view that I.R.D.P. is a "semi autonomous national programme in Bangladesh". It is not an imported idea but a replication of the 'Comilla model'. This model was "developed within the country through a series of experimental actions since the sixties in the Bangladesh Academy for Rural Development. The main action and object is to organise the small and medium size farmers through co-operatives, and to help them "increase agricultural productivity and hence ameliorate their socio-economic conditions in village communities"³⁵. Stefan de Vylder supports his view that organisation was the cornerstone of Comilla model ... "in order to mobilize savings, accumulate capital and become more independent of the local moneylenders"³⁶.

R.C. Arora enlightens clearly on the other aspect of I.R.D.P. He comments that no outside agency can sustain the economic activities for any length of time. Hence the I.R.D.P. brings out the importance of integrating all economic activities in consolance with the local resources, so that villagers themselves become viable for eco-socio development³⁷.

American economists such as D. Ensminger and Paul Bomani advocate for the programme and point out the following specific objectives achievable through IRDP (a) Remove the conditions contributing to rural poverty and broaden the base of employment for the unemployed

and partly employed. (b) Develop a food-producing agriculture following scientific methods with special emphasis on small farm subsistence agriculture. (c) Develop both physical formal and informal socio-economic institutional infrastructure to serve the people. (d) Balance population growth with resources essential to raising the nutritional quality of diet. (e) Provide, within rural areas, a variety of socio-economic services and cultural programmes that are comparable in quality to services of urban areas. (f) Stimulate and promote a sense of community concern and pride in achievement. (g) Transform the educational system by stressing community education and development of self-respect. (h) Foster policies and plans and programme strategies that will provide balanced growth, giving special attention to the poorer region and the neglected weaker yet vulnerable sectors of the population³⁸.

Briefly overviewing above, the various ideas of different scholars and the plan of actions taken in India and Bangladesh under I.R.D.P. we can conclude that it is a programme for viable rural development. And all activities envisaged, here, revolve round two major objectives, i.e. to increase agricultural production and to bring about more equal distribution of income/wealth in the country as a whole. While in Nepal besides these, other factors have also been emphasised. These factors are relating to development of infrastructure such as roads, tracks and bridges etc. development of social service facilities as health and education etc. coupled with development of viable local institutions for sustained local development e.g. co-operatives and village panchayats. Further, the I.R.D.P.

of Nepal has placed due stress on the reduction of regional imbalance and on the depletion of natural resources³⁹.

Before winding up our discussions on the conceptual development of I.R.D.P. we can add the view of Dr. Atiq Rahman and Dr. Sheikh Maqsood. They remarked that "the basic principle of I.R.D. as it is practised in CIRDAP member countries, lies not in some deep ideological commitment to the recognition of the fact that a consistent and harmonious set of policies and programmes have much better chance of delivering better results (i.e. making dent into hard core⁴¹ rural poverty) than costly and isolated programmes". These scholars also advocate the government's role to play in promoting decentralised administration with peoples participation to attain balanced growth through involvement of both public and private sectors⁴⁰.

From the view point of different scholars we can conclude that the I.R.D.P means all round development of the rural people. In the third world countries like Nepal, it is not only important to increase agricultural productivity, it is simultaneously important that benefits of development be shared mostly by the needy. The programme recognises that sustained eco-socio-development is possible by more and more people's participation. Thus in IRDP integration means, in short, to bring together all the essential needs that are required for the development of the rural poor. Hence it is a dynamic concept to bring changes in the condition of the rural mass.

1.3. Objective and Components of Rural Development Project

I.R.D.P. objectives aim to make multifarious attack on poverty. The Appraisal Report of Sagarmatha I.R.D.P. laid down that the Sagarmatha "project aims to give further momentum to the Government approach and initiative towards I.R.D. The integration is envisaged to be realized through infrastructure development of transportation, and irrigation systems, appropriately inter-linked with supporting agricultural services and facilities"⁴¹. Similarly the Rasuwa/Nuwakot IRD project was designed to support His Majesty's Government's (HMG) development strategy, which sought to balance economic growth with income distribution; provided for more equitable regional development and to ensure productive benefits from previous road investments. This was to be realized by increased agricultural and livestock production, by the provision of health services and village water supplies and improvements in communication and cottage industries all reflecting the needs of the people living in the Project Area⁴².

Looking over these objectives we find that, these programmes, like its counterparts introduced in different regions of Nepal, attempts integrative thrust on poverty by — (a) Integration of programmes introduced under it, (b) Integration between line agencies and local institutions, (c) Integration of efforts of the government and rural people. (d) Integration between National, Regional and local plans. This integration is hoped to bring growth, better income distribution and regional equality. All activities undertaken under these programmes will be reflecting the needs of the people residing in the specific project areas.

The components of the I.R.D.P. of our study will be broadly discussed here to show, how they are relevant in the solution of the problem of poverty. These activities may ^{be} grouped under the following headings, for our convenience: (a) Agriculture development. (b) Cottage industry development (c) Animal husbandry development (d) Infrastructure development (e) Resource conservation development (f) Social service development (g) Institutional development.

Agriculture development:

It is an established fact that the importance of agriculture is immense in countries like Nepal. This importance is beautifully manifested by E.F. Schumacher in his book "Small is Beautiful" (1972). His expression runs as such "Real life consist of tensions produced by the incompatibility of opposites, each of which is needed, and just as life would be meaningless without death, so agriculture would be meaningless without industry. It remains true however that agriculture is primary whereas industry is secondary, which means human life can continue without industry, whereas it cannot continue without agriculture"⁴³. Agriculture in Nepal is its backbone, and all round development hinges on it. Because she is predominantly an agricultural country where about 93 percent of the population depends on agriculture for their livelihood, agriculture contributes 62 percent of the gross domestic products, about 56 percent of the aggregate export comprises of primary production⁴⁴. But the rural mass is in the grip of vicious circle of poverty. This is mainly because agriculture is still now carried out on traditional basis with low inputs, low technology and low investment all summing up to the result of low output. Hence its pace of economic development is slow and as

such the World Bank has listed Nepal as one of the least developed countries. The country per capita income is very low (US \$ 150) GNP per capita is US \$ 160 (1985) average annual growth rate in percent is also low 0.1 (1965-85). Viewing these statistics it is very logical that Nepal's IRDPs should give priority to this sector. Under these component wide ranges of activities for increasing agriculture production has been taken. They are provisions for irrigation, credit, fertilizers and improved and High Yielding Varieties of seeds, insecticides etc. These facilities are provided to the farmers as subsidies and on soft term loans.

Animal Husbandry:

Rearing of animals is a common feature for the Nepalese farmers. The country's terrain which includes 79 percent of high mountains and hills has restricted much of cultivable land. So animal husbandry is a source of income and food, a source of security and a source of organic fertilizer for the farmers. From the plains of the Tarai upto the high mountains rearing of goats, sheeps, cows, yaks, buffaloes, oxen, pigs etc. is practiced. Realizing this importance the I.R.D.P. has laid emphasis on this occupation by supplying veterinary services, animal feed, upgrading the genetic quality of all livestock and providing good breeding domestic animals and poultry birds.

Cottage Industry / Non-farm employment

Previously ^{mentioned} under employment record show that out of 323 annual working days per rural worker only 118 days were utilized (NPC 1978). This proves the necessity of cottage industries in rural Nepal. The topographical and economical conditions hinder the development of large scale industries. Hence, cottage industries can be the best sort of

industries for supplementing the farm income. These industries can be utilized by local manpower and local natural resources at least to meet the local needs. The Appraisal Reports of both the projects have laid down the pressing need of the specific regions. In the higher altitudes of Rasuwa and Nuwakot such industries have special significance as they would help to meet the bare necessity of life (cloth) and provide non-farm employment⁴⁵. Similarly, these industries are most important where they are absolutely non-existent, as in the project area of Sagarmatha⁴⁶. The programmes undertaken here were credit facilities, training, exhibitions etc.

Infrastructure development:

Transport, communication and electricity etc are the basic ~~for~~ economic development; in their absence production, consumption and distribution are retarded. Transportation ~~facilitates~~ mobility of goods and mobility of human beings and reduces cost and creates place utility. In a country like Nepal, economic development presupposes a prior development of these infrastructures, for the formidable physical barrier has isolated, a large part of the population from one another, and has made resources untappable for they are scattered over many inaccessible places⁴⁷. Hence the I.R.D.P has included the development of these infrastructure to facilitate maximum exploitation of available land water and human resources⁴⁸. Special emphasis under this component is placed on construction of north-south road net work in absence of which has created regional imbalance in Nepal. Further the construction of hill tracks, suspension bridges and maintenance of these tracks have also been undertaken.

Resource Conservation:

This means conservation of land, water and forest resources. The importance of this activity is best realized as we see the bitter consequence of not conserving these resources. Due to this, the country is facing a dilemma, for on the one side, there is fast rate of population growth and on the other there is alarming depletion of the scarce resources. To feed the burgeoning population new lands were made available by clearing forests and by intensive cultivation. Consequently, there is country wide soil erosion, floods and landslides, which have threatened the ecological balance of the country to a great degree⁴⁹. This state of affairs has posed precarious hardship for the existence of the rural mass. In light of this the IRDP has accepted the challenge to create preventive measures like watershed management with the help of afforestation, construction of retaining wall, and check dam gully control etc.

Social Services:

These services are mainly those that preserve life and improve the quality of life. They include health facilities as prevention and cure of disease. The dirth of these services directly and indirectly affect the productive capacity of a person. The country's health indicators are very poor. Different studies undertaken by NPC (in 1978) World Bank (1974-77) and various Ministers of His Majesty's Govt. provide support to the above. Hence under social services programmes as supplying of hygienic drinking water, medical treatment, construction of health posts, Provision of medicines are given importance by IRDP. It was assumed that the provision of pure

water and sanitation would significantly reduce the impact of water borne diseases; while the immunization would improve the general state of health of the poor and their life expectation, especially of children⁵⁰.

Education is the other key factor which has been emphasised. The importance of education lies not only on increasing the efficiency of labour productivity, but also in increasing awareness of the change, for the better. By education technology spreads faster bringing more effective results of economic activities. Village studies have shown, that with the expansion of education facilities, there has been a greater use of higher technology. It may generate awareness of the need for change among the people. Under this IRDP provides physical facilities and education facilities, to the local schools.

Institutional building:

Under this heading we have taken all the programmes that help to create a viable rural economy. These are vocational schools, farmer training programmes, extension services, community development programmes for utilisation of irrigation, conservation of resources, social upliftment programme etc. However, we find that I.R.D.P. investment are more centred on extension services, market development, input supplying institutions as Sajha (Co-operatives) Agriculture Bank and Agricultural Input Corporation. Due emphasis by I.R.D.P. is given to local implementing institutions the village Panchayat and District Panchayats. Training programme and construction of panchayat buildings are undertaken. The above activities envisaged by the IRDP have their respective importance in Nepal.

Informal non-compulsory education and training programme for adult farmers have a significant impact on agricultural production; continuous learning is essential for all as new technologies are constantly being discovered. Similarly market development is essential as farming becomes commercialised. For the purpose of providing non-farm employment, vocational training is important. E.F. Schumacher has used an impressive example of skill development. According to him, to give to a man a fish is to help him temporarily; "but to teach him to make his own fishing tackle and you have helped him to become not only self-supporting, but also self-reliant and independent"⁵¹. Likewise importance of agricultural research in overall national crop production strategies has been emphasised in availing simple, low cost, relevant and adaptable technologies to the majority of the farmers of different geographical conditions for realising production goals⁵². Importance of Agriculture extension services for developing countries are cited by many scholars. Genetic improvement of plants, brought forward the Green Revolution⁵³. There are other research findings advocated, is conservation tillage, multiple cropping, and joining bio-technologies with traditional farming. The effective diffusion of these can be possible only by extension services provided to the rural people⁵⁴.

1.4 Operationalising I.R.D.P.

The operationalising of I.R.D.P. has been followed by different countries in different ways. But two traits are common in these countries. Firstly, IRD has been incorporated in their National Plans. Secondly, IRD's have become instruments for promoting decentralised

administration with peoples participation. "The increasing tendency towards decentralisation of planning and administration from Central Government to State, region, district, local agencies, field units of Central Ministries, Local Government and Parastatal bodies arose from three converging forces:

- (a) disillusionment with the results of Central Planning and Central Development activities during the 1950's and 1960.
- (b) The implicit need for participatory management of development programmes to conform to the growth with equity strategy of 1970's and
- (c) the realisation that with the expansion of Government activities and resulting complexity it is difficult to plan and administer all development activities from the Centre"⁵⁵. The shift from the centre to the local involves changes, that are not "just technical and administrative, they are political. They involve a transfer of power from the groups who dominate the centre to those who have control at the local level"⁵⁶.

Hence in light of these thinkings, we find different countries operationalizing, rural development programmes, through different kinds of institutions. There are two extremes; at one point there are purely government controlled institutions such as Block Development Offices in India. These offices are responsible for development for a cluster of villages in a locality. They are therefore manned performing multipurpose activities. While at the other point there are the communes of China, largely autonomous collective bodies. These communes take care of all economic, social problems of a defined rural area including a large number of villages. Though these communes are subject to regulatory directives from above, they enjoy considerable

freedom in the internal organization of their work so that they have much scope for spontaneous initiative by their members. Now between these two extremes lie various kinds of institution which involve a mixture of "Central authority and local autonomy in various kinds of Co-operatives and collective frameworks for example the Ujama villages of Tanzania"⁵⁷.

It should be mentioned here that there has been changes in the institutional framework for implementing rural programmes. As in India these programmes have undergone from comprehensive community development structure to disciplined co-ordinated district development plans. The community development programme launched with 55 projects in 1952 and by 1969 covering the whole country was the first organised effort at rural reconstruction. For its functioning, the whole country was divided into 5011 blocks. In spite of various shortcomings, it was realised that there existed a wide disparity in the distribution of its benefits. Hence a more viable programme the IRDP came into existence. "With focus on Block Development. The Indian IRD programme to-day is moving forward with an increasing realisation that development of the poor mainly depends on giving institutional command over resources. Hence the concept, aims mainly on the targetted group such as landless, the woman, the scheduled caste and tribe"⁵⁸. Consequently, the District Rural Development Agency (DRDA) was established as the institutional framework for implementation of the IRDP in all the 400 districts of the country. Further, for effective implementation it was necessary to initiate the rural mass for direct and active involvement in the IRDP. For this peoples organisations such as the cooperatives and Panchayati Raj institutions was developed. The Panchayati Raj

institution was conceived of as an agency for rural development administration or local level development management⁵⁹.

While Bangladesh sets an example of how traditionally based local institutions could be formed into various co-operatives. It is these co-operatives that form the implementing agency for IRDP. This programme which was launched in 1960 was known as "the Comilla model". This Comilla model, though used the existing institution for rural development, had a distinctive innovative character of its own; it showed : (a) how marginal farmers could be organised into effective co-operatives of their own (b) how they could save out of their low income and generate equity capital for institutional loans. (c) How they could get extensive knowledge about improved agriculture (d) How local government institutional could be used to provide the needed economic and administrative infrastructures and finally (e) How a bottom up decentralised plan could be evolved out of this integrative approach to development⁶⁰.

The past heritage of different local institutions that existed in India and Bangladesh, which were vehicles for the implementation of IRDP did not exist in Nepal. Hence Nepal had to struggle to develop such local institutions. Before 1960 sporadic efforts were made to develop local institutions for rural development. The Tribhuvan Gram Vikash Yojana which was based on India's principle of community development can be cited as an example. Likewise Rapti valley credit society and co-operative societies were established in different parts of the country, for some specific area development, and/or to provide input facilities to the farmers.

The political change of 1960 brought fourth the three tiered pyramidal partyless, Panchayat (system) form of government. At the appex is the Rastrya Panchayat then comes the district panchayat and the lowest unit is the village and town panchayats. These units are all representative elected bodies of their respective areas. Altogether there are 75 district Panchayat and 29⁽¹⁹⁸¹⁾ town Panchayats and 4100 village panchayats in Nepal. The two main basic principles of the system, were democracy and decentralization of power at the lowest level. Consequently, the district and the village panchayats came to be the institutions responsible for rural development. The formulation, implementation and evaluation of I.R.D.P. is undertaken by these local bodies. However there are different committees comprising bureaucrats and technical personnels and local representatives at district level to help in the planning, implementation and evaluation of I.R.D.P. At the village level the co-operatives known as Sajha societies have been established to provide inputs. For effective use of such societies these institutions have been made as the vehicle for implementation of I.R.D.P. To provide technical guidance service centres have been created in the rural level.

The above discussions of operationalization of I.R.D.P. simplifies that bureaucrats, technocrats and peoples represented elected bodies constitute the institutions for functioning of programmes as IRD. But there are evidences showing that, in actual practice, its bureaucrats and technocrats who eclipse the powers and functions of local representative bodies. Thus they are the true powerful institution of I.R.D.P.

1.5 Bilateral and Multilateral Foreign Aid for Rural Development

The magnitude of poverty and the continuous vicious circle of poverty, with low incomes, low savings, low investments, low productions and low consumptions, exposed in the above discussions, substantiates aid assistance to Nepal.

Ever since the kingdom was opened to the outside world in 1951, the country started receiving generously, bilateral and multi-lateral assistance. Nepal thus "provides a fascinating example of recipient who gets economic assistance from diverse sources - Communist non-communist, aligned non-aligned, development and underdeveloped"⁶¹.

Donors, include about more than 18 bilateral and 20 multilateral sources⁶². In the successive noted period between 1961 and 1971 Nepal became members of IMF and ADB/M respectively. In 1964 with the establishment of UNDP office the opening of the World Bank resident mission in Kathmandu, and finally the then President of World Bank, Mr. Robert McNamara's visit in 1972 combined to accelerate the inflow of aid from multilateral sources.

The main agencies are IDA, ADB/M, UN Group, OPEC Fund EEC etc. Multilateral assistance to Nepal commenced from the Fourth Five Year Plan (1970/75). With its comparison to bilateral aid now, its share has increased sharply from 5 percent (95% bilateral) in 1970/71 to 57 percent (43% bilateral) in 1984/85. Visualising the composition of multilateral aid, the share of loans to grants has been steadily rising. For in the Fourth Plan it was 65% in the Fifth 74% and in the Sixth plan it came upto 85%⁶³. This trend is an unhealthy sign manifesting the growing debt burden on the Nepalese people.

No doubt, substantial amount of aid has helped the tradition based economy, with low domestic saving, non-existent technical know how, and under/unutilised natural resources to come in the stream line of eco-socio development. But how far it has actually touched the majority of the poor is a big question before us.

Aid embraces all sectors of the Nepalese economy. There is hardly any road or any project, that is not financed by external resources. All development plans have continuously utilised larger and larger amount of aid. Increasing from NRs 192.4 million in the First plan to NRs 476.0 million in the second, to NRs 967.8 million in the third NRs 1508.9 in the fourth NRs 4240.8 in the fifth and NRs 10585.2 million in the sixth plan⁶⁴.

Even with this growing trend of foreign support poverty continues. Recapitulating the state of poverty we see that two out of every five Nepalese are not in a position to meet even such basic needs of survival such as food, shelter, clothing, safe drinking water, elementary health care and primary education⁶⁵. Their standard as expressed by McNamara, is "beneath any reasonable definition of human decency"⁶⁶. Thus the disillusionment of the growth model in the 60's and 70s and the widening gap between the rich and the poor had also its influence in the sectoral change of aid in Nepal. The infrastructural sectors as transport and communication, consistently absorbed a large part of the total aid flow of about 39 percent upto the Fifth plan. This later declined to 21 percent in the sixth plan. The share of agriculture which was about 20 percent before increased to 30 percent in the sixth plan. A large part of this assistance is also absorbed by

social services the increase of which was 15 percent in the fourth plan to 18 percent in the sixth plan⁶⁷. In this way we find the trend is towards those sectors which satisfy the basic needs of the majority of the people of Nepal.

Thus, foreign aid has come in the form of finance, material and technical know how, presently focussing in the rural sector. The Rasuwa/Nuwakot IRDP, as such came as the result of the ambitious and hopeful thinking of donors towards the rural sector in 1975/76. With it followed several other IRDP, financed both by bilateral and multi-lateral aid. These IRDP have come with varied programmes, some covering two and others three or more districts over different geographical zones. The major bilateral agencies supporting IRDP are USAID, U.K. Canada, Swiss, West Germany. While the major multilateral donors are IDA, UNDP, IFAD, ADB/M and EEC.

Concluding, the problem of our study restates the overall picture of the economy. This manifests that no significant changes in the economic policies, and performance has taken place and hence, poverty persists. The country seems trapped between growing expectations (due to demonstration effect having a strong pull) rising population, underutilised manpower and natural resources, on one hand, and on the other the growing dependency on loan, even for maintenance owing to poor performance and low absorbing capacity. Hence, it is advisable that radical changes in implementing agencies combined with prudent use of foreign assistance should be tried.

A more extensive and deep study is required to find out the actual amount of benefit that has been extended to the rural poor for whom the huge amount of aid is spent. Naturally a grass root level study is required. The study has revealed fruitlessness of aid in some aspects of development programme.

1.6 Significance of the Study:

Recapitulating the problem faced by Nepal and viewing the importance of I.R.D.P., it has been quite logical for Nepal to try a new model to reach the hard core of 40 percent of population, being below the poverty line. The I.R.D. programmes that are implemented in the country mainly aim at (a) increasing agriculture productivity, (b) increasing rural employment, (c) balancing ecological environment, (d) providing social services (e) establishing the delivery centres close to the people. Dr. Prachanda Pradhan points out that "Integrated rural Development Programmes often envisage the development of the local capability so that the same level of services will be maintained even after the completion of the project life. Therefore, I.R.D. is not only of administrative problems, it involves the political problems as well the extent of involvement of the local people in the project formulation, implementation, maintenance and evolution"⁶⁸. Hence in this context our study on impact of I.R.D.P. will obviously have its significance.

Secondly, the trend of recent years show that social scientists are devoting an increasing interest to resource allocation by the public sector. Programmes, goals and objectives may be good, but unless, they are implemented they become only beautiful paper works.

This brings forth the importance of implementing institutions, on which depends the effective use of resource allocations. The interest of scholars on this can be partly attributed to the demand of Institutional change — a demand which increases the social values of research on how institutions work. Will the goals set by the change lead to redistribution of income for the better, or for efficiency of programmes. Our study of institutions that have developed for implementation of IRDP, will have its due place of significance. Further, the study of results brought about by the programme will be more effective if it is based on the understanding of the factors promoting or hindering it. These factors which can be inherent in the institution itself or in other predominant institution of the society.

Thirdly, all I.R.D.Ps in Nepal are funded by bilateral and multilateral aid. It is thus most essential that these resources be utilised to the maximum. Leakages by underutilisation and misutilisation of funds, can be possible; but it should be minimized. Such actions can no doubt, be aided by evaluation and impact studies of such programmes. Viewing the magnitude of the problems faced by the country, there is less chances even in the coming future for not depending on such aids. Hence to attract international and bilateral flow of resources, it is imperative to conduct research studies of such programmes.

Fourthly, the significance of our study comes fourth when we find that there has been very limited empirical study of such programmes. There is no doubt that there are host of scholars contributing to the studies of I.R.D.P. impact in India but it is negligible in Nepal. Institutional studies with reference to I.R.D.P. that the

researcher has come across were useful, for the present study are given in the Annexure 'B'. Here we shall give only those studies that are concerned with Nepal. Specially of Rasuwa/Nuwakot and Sagarmatha I.R.D.P. to which our study remains confined .

(1) Rasuwa/Nuwakot Rural Development Evaluation Project by Development Research Communication Group (DRCC) 1981.

(2) Rasuwa/Nuwakot impact on meeting Basic Human Needs by Centre for Economic Development and Administration (CEDA)- 1982.

(3) Rasuwa/Nuwakot Rural Development Project. Second Phase Project Preparation by Agricultural Project Service Centre - 1983.

(4) I.R.D.P. in Nepal - A Review by Bharat Bahadur Pradhan- 1985.

(5) Implementation of IRDP by Dwarika Nath Dungal - 1987.

(6) Rapti IRDP - An overview by Govindha Bahadur Hada - 1986.

(7) IRDP in Nepal by Rajeswar Acharya - 1983.

The research study of Rasuwa/Nuwakot and Sagarmatha IRDP that we have undertaken differs from the above because (a) our study is not an evaluation study of the whole project; (b) the study focusses the role played by IRDP organisation or institutions in relation to its impact on socio-economic benefit of only four village panchayats of Rasuwa/Nuwakot and six village panchayats of Sagarmatha. (c) The study is a comparative study of the two projects and also a comparative analysis of the impact on the hills and the Tarai.

The significance of our study can also be seen in the light of the government policy of covering all the 75 districts with IRDP. At

present there are eleven such programmes operating in different parts of Nepal and covering thirtyfour districts. Out of these we have chosen Rasuwa/Nuwakot and Sagarmatha. Because Rasuwa and Nuwakot project is the first of its kind. It represents a very contrasting picture of areas where modernization and even civilisation has by passed the households, though 47 Km apart from the nearest motor way to the capital Kathmandu (47 Km. from the district head quarter of Nuwakot). While Sagarmatha project is the first project introduced in the Terai. The terai belt is known as the 'Granary Basket' of Nepal. Comparative to the hilly and mountaneous areas the terai is accessible and its development has been enhanced by the Mahednra high way running from east to west. Nevertheless, many parts remain backward and the standard of living is very poor. The impact study of I.R.D.P. in such places will therefore be significant.

To sum up, the significance of our study we can quote the words of E.F. Schumacher "Economic development is something much wider and deeper than economics, let alone econometrics. Its roots lie outside the economic sphere in education, organization, discipline and beyond that, in political independence and a national consciousness of self reliance"⁶⁹.

1.7 Methodology

The study was executed in five districts covered by the Sagarmatha and Rasuwa/Nuwakot IRDP. From each district two village panchayats were purposively selected, thus total village pnachayats surveyed was ten. The following charts reflect the districts and Village Panchayats covered by this study.

Rasuwa/Nuwakot IRDP

Rasuwa district

Dhaibung V.P	Ramche V.P.
Village	Village
(1) Dhaibung	(1) Ramche
(2) Jiljibe	(2) Timrang

Nuwakot district

Chaugadha V.P.	Ganesthan V.P.
Village	Village
(1) Chaugadha	(1) Ganesthan
(2) Pipal Gahari	(2) Dharapane

Sagarmatha IRDP

Siraha district		Saptari district		Udaipur district	
Govindpur V.P.	Sukhipur V.P.		Katari V.P.		Risku V.P.
Village	Village		Village		Village
(1) Govindpur	(1) Sukhipur		(1) Katari		(1) Risku
(2) Jutki	(2) Dhaipaudi		(2) Gabua		(2) Belha
(3) Danda					
		Kalyanpur V.P.	Khojpur V.P.		
		Village	Village		
		(1) Chakia	(1) Khojpur		
		(2) Muskarnia	(2) Ranjeetpur		

Note : V.P. - Village Panchayat

Though there are other integrated rural projects introduced in different parts of the country, the researcher has chosen Rasuwa/ Nuwakot project (R/N) because it represented first IRDP in the country, while Sagarmatha project was first of the type introduced in the terai area of Nepal.

The ten panchayats were selected by consulting with their respective co-ordinators of the two projects. Selection of the panchayats was made on the basis of investment made in the panchayats by the I.R.D. projects. It is natural that wherever the different development works are centred or located those households of the panchayats will be benefited more compared to those located further away from such works. The ten village panchayats were grouped into two classes. And defined as command area and control area. Command area represented those panchayats where IRDP investment was concentrated. While control area represented those panchayats where IRDP investments were not existence or negligible.

The panchayats of command area of Sagarmatha project were (1) Sukhipur (2) Kalyanpur (3) Katari and control area were (1) Govindapur (2) Khojpur (3) Risku. While panchayats of command area of R/N projects were (1) Dhaubung (2) Chaugadha and control areas were (1) Ramche (2) Ganeshtan.

Before visiting the panchayats the researcher also consulted the chief district officer (C.D.O) and local development officer (L.D.O.) of the respective districts, so as to facilitate the meetings with the Pradhan Panchas of the concerning panchayats. Information regarding organisations and managements were obtained from them.

In the village panchayats the pradhan panchas were consulted in order to have their opinion on the selection of wards. Households were selected at random so as to make the sample ^{respondent} representative of different income and caste groups.

The target was that from each panchayat at least fifty household respondents should be interviewed. But in remote areas the number of respondent had to be decreased. The following chart shows the number of respondents interviewed in various panchayats.

<u>Projects</u>	<u>Name of Panchayats</u>	<u>Household respondents number</u>
Sagarmatha	Sukhipur	50
Sagarmatha	Govindapur	50
"	Kalyanpur	50
"	Khojpur	43
"	Katari	50
"	Risku	50
Rasuwa/Nuwakot	Dhaibuing	33
"	Ramchey	29
"	Chaugadha	50
"	Ganeshthan	50
	Total	453

The number of respondents interviewed in command area was 231 and in control area was 222.

Besides, household respondents, the project coordinators of R/N and Sagarmatha IRDPs; the L.D.O. of the concerning five districts, the pradhan panchas and the Multiple Purpose Development Worker of the ten village panchayat were also interviewed. Similarly the line

agencies that had their branch office in village panchayats were also interrogated. These agencies were Agriculture and Commercial Banks, health post, animal husbandry, Agricultural Extension Office and Sajha (Co-operative).

1. Organization

Effective implementation of IRDP is contingent upon its organisational structure. While briefly discussing the rural development programmes attention has been naturally directed toward the implementing agencies, their organisational set up, and functional contours. These have been provided in detail in Annex - 'C'.

The conomic and socio impact of the two projects are analysed on the basis of parameters namely (1) Caste (2) Land (3) Income (4) Consumption (5) Agriculture (6) Cottage Industries (7) Employment (8) Education (9) Health.

1. Caste groups were classified on the basis of the study conducted by NEW ERA 1982 [Community Forestry Development Project - Household Survey in the Hill and Terai (Nepal)]. (a) Higher caste: these include all tagadhari groups as Brahmin, Kshetrya, Jaise, (b) Tibeto Burman-Magar, Rai, Tamang, Limbu Gurung (c) Chokho hill groups (d) Occupational groups - Sarki, Damai, Mochi, Kami, Lohar, Sunar, Domes, Chamar, Mushar Dusaat, (e) Higher Madhaisay - Yadav, Mali, Halwai, Koiri, Mahato, Teli, Suri, Baniya, Kayastha (f) Lower Madhaisay - Kalwar, Tatma, Majhi (g) others - Danwar, etc.

2. Land: This includes ownership as well as rented land. Land is used to assess property status of the respondents. The number of livestock has also been taken as one of the indicators of wealth.

3. Agriculture : Inputs as seeds, fertilizers, credit, marketing of agriculture products have been taken up as to identify the problems in these areas. Since recording system on agriculture production of the surveyed panchayats was not available, respondents were asked to respond about the "no impact" on production and significant and non-significant increase in major crops, after the implementation of the project.

4. Cottage Industries: This variable was to enquire on the scope of IRDP undertakings and problems perceived.

5. Employment: Respondents were enquired about the creation of temporary/permanent type of employment benefit received from the project introductions.

6. Education: Here the respondent, and their family members education level was taken up and classified them into literate and illiterate. Literate includes those who have participated in different level of educational institution as well as who can write and read and the rest is illiterate.

7. Health : Under this main variables were drinking water, their source, condition and the time taken to collect was considered. It includes the kind of treatment for disease and time taken to reach health centre.

8. Consumption pattern: This indicates only the frequency of dietary protein containing food on one hand and on the other daily consumption of non-edible goods as cloth (mill and hand made) shoes (rubber, leather and cotton) toilets (soap, tooth paste, hair oil). These were taken into enquiry to assess if there was any change after

the introduction of I.R.D. projects.

Income: The respondent's annual agriculture income and non-agricultural income were taken up. This variable was used so as to assess property status and awareness in I.R.D. programmes and the benefit received.

Household related variables: Caste, education, sex, occupation (Primary), Age groups, dependency ratio, family size of the respondent have been taken as to give a comparative general picture of the ^{respondents} household surveyed in different panchayats. The attitudes of the respondents towards I.R.D. project, their assessment of the project implementers, such as local development officer, Pradhan Panchas and village secretaries and their view of first, second and third priority of development works required in their respective villages were also studied.

Besides the investigation on the above variables, the respondents were also enquired to indicate their priorities on undertaking the activities in the IRD in order to compare the programme priority accorded by the IRDPs under study.

Survey instruments:

The major instruments developed to conduct the survey in selected village panchayats of five districts of Sagarmatha and R/N projects are specified as below.

(a) Households head questionnaire : This questionnaire was developed in order to obtain information on demographic characteristics, educational and economic status and economic activities of the family. Besides the questionnaire largely covered the awareness, the problems,

in the light of I.R.D.P. components. In short these questions were developed as to collect information on I.R.D. impact in the surveyed villages. The details are given in Annexure 'D'.

(b) Key person questionnaire: These questionnaires were formed to collect the views of implementing village level agency of I.R.D. programmes. Hence, the performance and problems faced by them and their vital suggestions were collected. The details of this interviews are given in Annexure 'E'.

(c) Village Panchayat survey form: With a view to get a general information of the sampled village panchayats, this survey form was designed. It includes detailed guidelines on collecting information about the social characteristics, educational data, geographic setting, economic activities, and development activities conducted in the village panchayats. These details are given in Annexure 'F'.

(d) The Introduction of Sagarmatha and Rasuwa and Nuwakot Projects and review of their works based on secondary data collected from co-ordinator's office and Agricultural Projects services centre, (A.P.R.O.S.C.). These details are given in Annexure 'G'.

Data analysis:

Chi-square tests were conducted to assess the association between variables and its results are reported at appropriate places. A test of significance was conducted to test the difference between means of per capita income of project area and control area ^{respondents} households. All tests were conducted at or above 95 percent confidence level. The time series for the data collection was from seven years onwards. That is within seven questionnaire years. The field survey for empirical data collection was done in the year 1984/85. It took about 181 days.

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