

TOPICAL REPORTS

Economic Development, Participation, and Decentralization in Nepal

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Nepal figures in three lists of UN statistics. Because of the low per capita income, it belongs to the Least Developed Countries (LDC); with regard to the consequences of the oil crisis, it figures in the list of the Most Seriously Affected Countries (MSAC); and since it has no direct access to sea, it is classified as one of the Landlocked Countries. Seeing these and other well-known parameters of underdevelopment, one needed to ask why Nepal has failed to produce a higher rate of economic growth and, above all, to improve the living standards of the poorest groups of the population.

That the concepts of "decentralization", "participation", "development from below" and "basic needs strategy" have increasingly gained in importance in the context of the economic and social development of the Third World is due not least to the fact that the often - quoted "trickle-down effect" has proven insufficient. In other words, planning as decreed and executed by top-level instances has failed in letting the poorer groups participate in economic growth. A new development paradigm claims the active participation of the population, in particular of those social groups which have hitherto been deprived of the benefits of development. At the institutional level this participation necessitates a change from centralism to a more decentralized way of planning in which the processes of decision - making and implementation are to be shifted to a much larger extent than it has been the case till now from the national to the local instances. Five arguments may be cited in support of this new paradigm:

- (1) The success of development projects largely depends on the participation of the population both in planning and realization. Those concerned the most are thus put in a position to articulate their needs and ideas and to contribute local resources, such as capital, labour and material. In addition, the use of appropriate technology warrants the integration of the project into the local population's way of life.
- (2) Participation enhances the people's trust in their own capabilities, strengthens their solidarity and ability to self-help.
- (3) Participation furthers democratization; in this sense, democratization is synonymous with decentralization.
- (4) The inadequacy of ministerial bureaucracy in rendering public services in the fields of transport, health, education and social welfare provides a further argument in support of decentralization and participation. Participation may offer a palliative in that the people, thanks to their acquaintance with the local conditions, can make use of their own skill and know how.
- (5) Participation gets a process started which is likely to effect a change in the attitude of non-local bureaucrats and experts who now have an opportunity to acquire a better understanding of the local population's needs, values and social structure.

While one cannot expect from these two strategies to work miracles, they should nevertheless be regarded as utterly important components in, or even preconditions of, a steady growth in underdeveloped national economies. This insight has in the meantime been widely accepted, and in what follows I shall exemplify its implications with reference to Nepal.

April 1990, when King Birendra abolished the Panchayat System, marked a major divide. To be sure, participation and decentralization were not inexistent prior to this date; what lacked, however, was suitable political and economic framework that would have facilitated the manifold attempts in the field to unfurl their full effect. Development planning was initiated in 1955 as a part of the instrumentarium of the Five Years Plans. It is a widely accepted view that no plan can be successful in its implementation phase unless it fulfills two criteria, namely the criterion of communication and the criterion of active participation. The former is fulfilled if there exist adequate channels of information between the planning agency, the public sector (ministries, state or mixed corporations) and the private sector (industrial companies, professional associations, trade unions, consulting firms, research institutes, etc.). This criterion also implies that the measures to be taken are formulated in a language which is intelligible to all participants in the process, and to the population in particular. The second criterion, that of active participation, stipulates that, rather than being the task of an esoteric group of technocrats, the implementation be carried out with the participation of individuals and private organizations, such as cooperatives and rural communities. A predominant majority of the population must see in the plan an expression of their own needs in order to be prepared to submit to the efforts and sacrifices the implementation requires from them.

As a matter of fact, the first three Development Plans in Nepal were initiated and executed exclusively from above, that is, by the National Planning Commission in loose cooperation with the ministries concerned. Only in the fourth Development Plan (1970-1975) do we find some rather reluctant attempts to make provisions for people's participation. Chapter I of the Plan states explicitly: "According to the Panchayat System's goal of enlisting greater cooperation of the people in the economic develop-

ment of the country, attempts will be made to make involve Panchayats of various levels in the process of both plan formulation and implementation in order to make the participation of people in the local development work more active and dynamic." Such programmatic aims are not lacking in the subsequent Five Year Plans either. They remain, however, wishful planning which made investment funds available not only to the public and private sectors, but also to the panchayat sector, and expected from the panchayats at the district, village and town levels to mobilize additional funds and labour. Dr. Shrestha, former Vice Chairman of the National Planning commission, aptly described this potential of participation in stating: "A plan can enlist an active and creative participation of the common people in the village only when it is fully reflective of their genuine needs, hopes and aspirations and also provides an effective outlet to ventilate their grievances."

The first onset to achieve a genuine break-through towards participation and decentralization was made in the seventh Five Years Plan (1985-1990). A Decentralization Law, the first one in the history of Nepal, was promulgated in November 1982, but it took two more years to work out the administrative provisions in the execution of this law. This attempt assigned a central role to the direct beneficiaries of projects at the district, village and town levels. It envisaged a procedure in which the projects were to be conceived at the lowest levels and then passed on to the district to be integrated into the district plan by five expert committees; after its approval by the District Panchayat, the district plan was to be submitted to the National Planning Commission in Kathmandu. Unfortunately, this procedure could not be followed in all 75 districts, partly because of the delayed provisions and partly because the local decision makers were not sufficiently trained for coping with their task. To meet the demand for trained personnel, I developed, in collaboration with some other foreign experts and with the

financial support of the Deutsche Stiftung für Internationale Entwicklung, a curriculum for a three-month course to train Local Development Officers. That despite their good qualification these LDOs failed to effect a decisive and long-term impact must be attributed to the fact that the above-mentioned criterion of communication remained unfulfilled, since the officials of the various ministries were unwilling to come to an agreement with the LDOs over individual projects.

In addition, the Panchayat System with its political hierarchies also impeded participation. Not only was it a rigid partyless system which left no room for dissenters, but it also made decentralization the task of its highly centralized political structure - a system - immanent *contradictio in adjecto*. This is not to assert that the Panchayat era lacked in successful projects, but to presume that with more people's participation much more could have been achieved. The example of the Small Farmers Development Programme (SFDP) demonstrates how it was possible to stimulate participation among the poor with subsidies from the state during the Panchayat period. Initiated by FAO, the Programme came under the management of the Agricultural Development Bank whose qualified workers, the so-called Group Organizers, were commissioned to organize groups among poor small farmers and motivate them to take up credits for income-relevant activities, such as crop cultivation, irrigation, livestock, bio-gas plants, etc. Credits were also provided for activities of social importance, such as the construction of latrines, washing places, initiatives in family planning, adult education and the like. Group Organizers acted as advisors to the farmers and as mediators between them and the ministries. Being organized by external agents, the SFDP cannot be regarded as participation from below in the strict sense of the term, but it is a positive fact that by now more than 40 such projects could be set up in a total of 75 districts, and in most cases with lasting

success. The Programme has had its limitations in the increasing difficulty to recruit adequately trained and psychologically capable Group Organizers. Another limitation became manifest in those instances where local Panchayat elites managed to misuse such projects for their own benefit.

The Dhading Project, supported by German development aid, provides a second example of a successful undertaking that dates back to the Panchayat period. This is the first rural development project to be executed in accordance with the Decentralization Law. It gives the rural population the opportunity to decide on all those measures that concern the village and is designed as a self-supporting project to be continued even beyond the term of external financing. As observations show, villagers are definitely in a position to identify their problems, formulate and carry out action programmes in their sole responsibility; their technical abilities have also exceeded the expectations of the administration. Among the negative, critical factors were the deficient professional qualification of the population and the dullness of the administrative machinery, not least of the Panchayat bureaucracy into which the project was integrated.

Article 25 of the new democratic Constitution of the 9th November 1990 lays down briefly and unequivocally that "It shall be the main responsibility of the State to bring about conditions for the enjoyment of the fruits of democracy through maximum participation of the people in the governance of the country through the medium of decentralization of administration." In June 1990 already three laws were promulgated to determine the roles of the District Development Committee, the Town Development Committee and the Village Development Committee. The new Government under G.P. Koirala has adopted the decentralization policy, and the function of the Development Committee at the different levels has been the object of a number of deliberations since the summer of 1991. Thus, the Ministry of Local Development organized a

meeting in August 1991, in which MPs and Nepalese experts exchanged their views on form and function of these future "local governments". Convened by the Tribhuvan University, the political parties and other non-governmental organizations, several seminars and symposia provided a forum for discussing the tasks of the Local Development Committees. In October 1991, an Administrative Reform Commission was established with the aim of formulating proposals for a more efficient administration and a more adequate personnel structure with due regard to the principles of decentralization. In March 1992, Parliament had passed a Local Body Election Procedure Bill regulating the modalities of the elections to the Village, Town and District Development Committee, which took place in last May and June.

This development laid the institutional foundations of a democratic decentraliza-

tion and a more efficient people's participation. Fortunately and quite in contrast to the Panchayat System, the Government now aims at an intensive cooperation with non-governmental organizations, too, in the conception and execution of economic and social projects. It should also be noted that the eighth Development Plan (1992-1997) gives particular consideration to improving the living standard of the poor; up to 70% of the public development expenditure shall be for the benefit of the rural and backward areas.

To conclude, Nepal has arrived at a turning point by taking important steps towards economic development, decentralization and people's participation. Their success, however, presupposes an improvement of the so-called talk-action ratio: the hitherto prevalent discrepancy between word and deed must diminish considerably, indeed.

European Researchers affiliated with Tribhuvan University

Mangala Shrestha

Nepal was opened formally for foreigners after 1950. The foreigners were attracted to Nepal on account of its natural beauties, the virgin land, its unique and hidden culture, history, unique anthropological background, diversified geographical conditions, art and architecture and the high Himalayan ranges. The affiliation of foreign researchers with Tribhuvan University (TU) began only in 1968 (Shakya, 1984). However, many foreign scholars had done their researches on different disciplines even before the establishment of Tribhuvan University (1957) in Nepal.

The first authentic foreign researcher in Nepal was Kirkpatrick followed by Hamilton and Hodgson. In 1952, the Swiss government appointed with the permission of the Nepalese government a geologist,

Toni Hagen, to conduct a geological survey for Nepal. At present, there are many foreign researchers formally affiliated with different institutions or central departments or R.D. of T.U. The Research Division of T.U. renders academic administrative service to foreign researchers, i.e., receiving application forms and research proposals, evaluating the research proposals by the departments concerned and research centres, accepting or rejecting the proposals, affiliating the researchers to the departments concerned or research centres and recommending non-tourist visas through the Ministry of Education, Culture and Social Welfare.

The aim of this paper is to explore the number of European researchers formally affiliated with T.U. between the year 1980-