

# Development Efforts Through Planning in Nepal

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## 1. INTRODUCTION

Since the purpose of this paper is to highlight and identify the problems of economic development in the country like Nepal, it has been my first duty to introduce the country in terms of the available resources, the level of economic activities, the efforts to mobilize resources for development, and an evaluation of the general performances under different Plan periods.

## 2. AVAILABLE RESOURCES AND THE LEVEL OF ECONOMIC ACTIVITIES

With its lowest level of performance in terms of economic development, at present, the resources of the country are exploited far below their potential level and several structural and other factors are responsible for this. However the country at present, is at the threshold of modernization.

The most economically viable region of the country is the plains in the South which covers only one third of the area of the country. Hilly area is large and is economically less viable and the extension of transportation linkage there is costlier, which requires huge financial investment. Economically the region with the lowest potential is the snow covered alpine zone above ten thousand feet from the sea level. The economic significance of this region can be assessed only from the tourism point of view. The following table shows the distribution of the area in the country in the three different geographical zone.

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Table 1

Distribution of area in Km<sup>2</sup>

Region	Area
Terai (Plains)	30936
Hills	64330
Mountains	50121

Source : D. C. Upadhaya and J. V. Abueva (eds) Population and Development in Nepal, Kathmandu, T. U. Press, 1974.

Out of the total area of the country the land under cultivation is 16.49 percent, while the areas under forest, snow cover, pastures, and barren are 34.10, 14.97, 12.66, and 18.68 percent respectively. This fact reveals that the scope for supporting the population which is growing at the rate of more than 2 percent is limited.

Table 2

## Population below Poverty line

Approach	Rural	Urban	National
1. Minimum Subsistence income approach	4398837	106998	4505835
2. Minimum Subsistence consumption approach	3797073	121959	3919032
3. Household below poverty line under minimum income approach over minimum consumption approach.	601764	14961	586803

Source : National Planning commission, HMG/N, 1976-77.

Besides, the ratio of dependents to total population is 45 percent and the economically active population is only 55 percent. Furthermore, out of the total more than 90 percent of the economically active population is employed in agriculture, which contributes 65 percent of GDP and shares 85 percent in the total export of the country. A recent report of Planning Commission states that about 40 percent of the population is below poverty line in Nepal (Table: 2).

Under this situation capital formation within the country and the income generation seem very difficult.

Table 3

## Productivity of Principal crops in MT/Ha

Crops	Percentage increase or decrease (-)			
	1976/77 over 1975/76	1977/78 over 1976/77	1978/79 over 1977/78	1979/80 over 1978/79
<b>Food Grains :</b>				
Paddy	-8.70	-4.23	2.21	-11.35
Maize	-8.48	-7.26	-1.20	-21.95
Wheat	-11.86	7.69	8.04	- 0.83
Barley	-10.74	6.02	3.41	5.88
Millet	- 0.88	-5.31	0.93	-10.19
<b>Cash crops</b>				
Sugar Cane	3.16	-2.31	-2.49	0.91
Oil seeds	-6.56	3.51	8.47	-17.19
Tobacco	2.78	1.35	-16.00	15.87
Jute	12.40	2.94	-	-7.14
Potato	-12.41	4.47	- 2.42	3.24

Source : HMG/N, Economic survey, 1979-80.

For almost fifteen years we adopted both the outward looking policy and inward oriented domestic policy. We welcomed massive amount of aids and introduced land reform programmes. The industrial policies were designed and labour laws were framed. But still the performance of the economy is disappointing. This conclusion can be drawn from table 3.

This table clearly depicts the picture of the performance of agricultural sector. On the industrial side, too, the picture is gloomy as shown by the following table.

Table 4

## Production of Principal Industries

Goods	1977/78	1978/79	Unit
Jute goods	16347	15520	M. T.
Sugar	26502	27200	, ,
Cotton Textiles	3889	2429	ooo Metre
Cement	38080	21019	M. T.
Iron goods	3573	4471	, ,
Shoes	59031	55779	Pairs

Source : Department or Industry.

Sometimes it is said "Nepal is a rich country inhabited by poors". The reality lies on the use and exploitation of other resources apart from land use. So far mineral resources of different varieties have been ascertained in the country. They include, coal, cobalt, copper, Graphite, Iron ore, lead and Zinc, lime stones, Marbles Mica, Petroleum and natural gas, phosphate rocks, Semi-Precious stones Pyrite, Tale and others. The deposits of some of these minerals could be used for commercial purposes. Other natural resources available in the country include forests, water, etc. In the age of energy crisis Nepal can use its greater potential for electric fuels and wind power. The country is rich in river systems from which the barren and dry lands could be well irrigated and electricity could be generated. Till now only 16 percent of the cultivated land is under irrigation facilities and 60 thousand K. W. of electricity is produced in the country. This is a very low level of exploitation of the potentiality of electricity which is estimated to be more than 80 crores of KW.

Also because Nepal is well endowed with river systems, the future prospect for development of power is very high. Following figures give a glimpse of the major Rivers of Nepal.

**Table 5**

**Average flow and Discharge**

Rivers	Average flow
1. Koshi	68200 <sup>3</sup> ft/sec
2. Narayani	10000 <sup>3</sup> ft/sec
3. Karnali	18000 <sup>3</sup> ft/sec

From these rivers not only agricultural development is possible but also the Hydro-power generation is available. The hydro-power potentiality of the country is as listed below.

**Table 6**

**Hydro-Power Potentiality in Nepal**

River Systems	Potentiality
1. Koshi System	22,000 MW
2. Narayani System	21,000 MW
3. Karnali System	32,000 MW
4. Other Rivers	8,000 MW
Total :-	83,000 MW.

Source : P. L. Shrestha, Possibility of Industrial utilization of Hydro-electric Energy Resources of Nepal, Kathmandu, 1969.



The utilization of available resources for raising the level of output, employment, and income strongly require the mobilization of financial resources within the country and development of technology.

Besides, unless and until the economy is transformed into a commercial economy from the present subsistence level of living of the population, the possibility of capital formation and income generation is very limited. Very recently, since 1978, we have one branch of commercial bank in each of the 75 districts of the country. Today two commercial banks in the country have more than 240 branches. These banks are expected to work in a manner to develop exchange economy and help capital formation & resource mobilization. Till now the process of internal resource mobilization is very slow and hence we have a big resource-gap problems and that gap is filled by external sources. This situation is sketched by the following table.

**Table 7**  
**Total Revenue and Expenditure and the share of Foreign Grants and Loans**

Year	Total Expenditures (Regular plus development)	Total Revenue	Total Revenue as % of Total Expenditure	Foreign Grants & Loans as Percent of Total Expenditure
1970-71	769.50	459.70	59.7	39.40
1971-72	889.60	553.43	62.2	31.48
1972-73	982.80	615.84	62.7	23.16
1973-74	1226.31	766.44	62.5	25.32
1974-75	1513.75	1008.39	66.6	25.50
1975-76	1913.40	1115.60	58.3	26.42
1976-77	2330.4	1322.90	56.7	23.90
1977-78	2674.9	1582.2	59.1	41.89

- Source : 1. Bhawani Dhungana, An Analysis of Tax Structure of Nepal, CEDA, 1976.  
2. Ministry of Finance, HMG/N, Economic Survey Report, 1977-78 and 1978-79.

This large difference between revenue and expenditure has created the "resource-gap" problem for Nepal. As the economy grows, the problem will become more serious in future, if we would be unable to transform the subsistence economy to the commercial level.

This crucial issue has led to the inability to create qualitative manpower required for the early transformation of the economy and to accelerate the pace of development. At present, only 20% of the population is literate and the number of technical hands is very small. The New Education System plan was introduced in 1972 with a view to promote the quality of manpower. But, because of several reasons the Plan turned out to be impracticable to the Nepalese situation.

As regards income distribution, the situation, in the country is also very unjust. It is explained by the following table.

**Table 8**

**Inequality of Income in Rural and Urban Area**

Income levels (Rs)	Percent of Families at Different income levels (in %)		
	Rural	Urban	Nepal
Below 4000	56.47	30.57	51.22
4000 to 15000	34.96	54.61	38.95
15000 to 40000	5.57	11.38	6.74
40000 & above	3.00	3.44	3.09
Total:-	100.0	100.0	100.0

Source: National Planning commission. A Survey of Employment, Income Distribution and consumption Patterns in Nepal, 1978.

However, this table concentrates only on income inequality rather than showing the population below poverty line, and, therefore, is less informative of the exact situation, particularly relating to the mass of more than 50 percent earning extremely low level of income. Nepal also suffers from inadequate income surveys and studies.

An additional problem that Nepal faces is the open boarder with India. The Bonus system introduced in 1962 for exporters, and the currency revaluation in 1966 were largely ineffective due to this reason.<sup>1</sup> Further the transit problem with India is also serious. This fact draws the conclusion that planning and cooperation with India are indispensable for the promotion of Nepalese economy.

### 3. HISTORY OF PLANNED DEVELOPMENT IN NEPAL

It is hardly simple to define planning in a single word. The economic systems, the problems faced by countries'—economic, social, political, topographical, level of development, aspiration of the people, all these should be taken into consideration while defining the concept. At a minimum it may mean the government interference to keep law and order, currency stability, and supply of materials. At a higher stage, this means the fixation of macro-economic policies, sectoral projection of inputs and outputs, projection of relationship between income and expenditure. In comprehensive term planning may mean the mobilization and allocation of resources from and between sectors, directing the resources towards essential sectors, and detailed physical programming. In nutshell it refers to the control of resources for rooting problems out and for raising the level of living of people. For Richard S. Ecka:

“economic planning is intended to direct development along Pre-determined lines to pre-determined goals”<sup>2</sup>

For developed countries (DCS) Planning may mean the device to correct imbalances and wrongs but for low income countries (LDC) it may mean more and several things such as

“the central direction of resources in contrast to the decentralized direction of the price system”.<sup>3</sup>

Applying the later concept Nepal's Planned development era begins from 1956. In the begining efforts were concentrated on the allocation of financial resources without giving emphasis on the mobilization, allocation and assessment of the physical and human resources.

The First Five Year Plan of Nepal (1956-61) was adopted in 1956 which made some achievements in some sectors as village development, education and health were significant, but

1. P. K. Kafle ; Foreign Trade and Regional cooperation, in Dr. Banskota & Mr. Bista (eds) Nepal's Economy—An over view, CEDA, 1980.

2. Quoted by C. P. Kindleberger in his book “Economic Development” 1965, pp 390—92.

3. C. P. Kindleberger, Ibid p. 200.



the over all picture of fulfillment was not satisfactory and the causes were the lack of experiences, unavailability of information and administrative inefficiency.

The Second Plan, (1962-65) which was of a preparatory type aimed at the self reliance of Panchayats, class coordination in the society, creation of exploitationless society and the high level of the well being of the people. Almost all the outlays were spent and development was achieved partially. Overall performance shows that the plan, to quote Y. P. Pant, could not produce any marked impact on the economic conditions of the common People. During that period, national income rose by 7% where as population increased by 6% showing only a slow and unsatisfactory results<sup>4</sup>

The plan in actual and physical terms was started in 1965 when Nepal adopted the Third Five Year Plan (1965-70). Since then planners began to fix targets in physical terms and tried to make planning oriented towards socio-economic development of the country. Third Plan was broader in its scope which emphasized on the preperation of infrastructure for future development of productive sectors. The plan, comprehensive in nature and formulated within the long term perspective of 15 years, aimed at raising the national income by 19% in 5 years and percapita income by 1.8% annually assuming the rate of population growth at 2% per annum. It was estimated that the growth rate of national income could have been slightly higher than population growth and hence the plan was not able to induce economy by raising the resources for capitalization. Some indications of growth could have been seen, but factors, to quote Y. P. Pant, for that were not the satisfactory performance of the economy rather than were traditonal as increased labour Force, additional land brought under cultivation, favorable weather condition etc.<sup>5</sup>

The Fourth Plan (1970-75) with basic objectives to maximise output, establish the preconditions for sustained growth, diversify international trade, use man power effectively, create exploitationless society, and mobilize internal resources for development, was initiated in 1970. The targetted growth rate was 4% annually, but the performance side of the plan was not remarkable and significant. During that period population rose by more than 2% and the growth rate of the economy was only 2.6% annually. Bottlenecks in the form of the lack of coordination between the agencies of plan formulation and implementation, inefficiency and corruption in

4. Dr. Y. P. Pant, Banking and Development, 1971, P. 28.

5. Ibid. P. 28.

administration, lack of the commitment of the people to plans and programs etc. are responsible for that.

Under the same background the Fifth Five Year Plan (1975-1980) was initiated in 1975 with more sophisticated objectives, but there are still the serious problems such as food shortages, unemployment, industrialization, and social diseases. The percentage of unemployment in 1978 as mentioned in the report of Planning Commission is 5.62% of the labour force, where as the percentage of underemployed days of the total working days in the rural sector is 57.88.<sup>6</sup> As regards the general performance, to quote one author:

“on the social front, still 80% of us are illiterate and there is one hospital bed for 6000 people. We still have the lowest life expectancy period(43 years) and one of the highest infant mortality rates (169/Thous.) ..... Dispite heavy emphasis on vocational education, only a small number of students (2456) attended technical line education of a total of 23504 students during 1975-76”<sup>7</sup>

In this situation, planning in Nepal has not yet been successful to uplift social life, to root out social maladies and to reflect the aspirations of the people and in achieving the rate of economic development.

From this Fiscal Year, (1980-81) we have our Sixth Plan on the threshold. Objectives are stated in some dramatic fashion and hence this plan does not differ with the earlier ones in quality. The production of mass consumption goods including public goods were the points towards which arrows were directed in the fifth plan, where the sixth plan tries to apply basic needs concept, and in effect, if realized, it would be the same as “the improvement in the quality of life” (the definition of development given by ILO recently). Only the “coining of words” would not overcome the real problem of the people so long as implementation of the plan is not made effective.

#### 4. POLICIES FOR DEVELOPMENT IN NEPAL

The Census of 1971 reveals that only 4% of the total population lives in the so called cities of Nepal, and rest 96% of the total lives in the rural Nepal. The country has hardly more than \$100 per capita income and she is listed in the 4th world group of the countries. Since

6. Planning Commission; A Survey of Employment, Income Distribution and consumption Patterns in Nepal, 1978,

7. Sharad Sharma, A Note on our Economy: Efforts and results, the Economic Journal of Nepal, Jan-Mar 1979.

the sophisticated models for development and development indicators in the form of per capita income are not relevant in this country, the mode of production can be altered only by structural changes. For improving quality of life in Nepal, programs at grass root level will be imperative. One author rightly remarks this fact:

“the notion that development can be measured in terms of gross national product and that, by a further extrapolation, the relative well being of the the people is quantifiable in terms of per capita income is not acceptable. In reality, of course, the great majority of the people do not partake of the statistical income ascribed to them and quality of life of the masses can be deteriorating even as gross national product rises”.<sup>8</sup>

Therefore, the development process in the country like Nepal is to be newly defined in the context of her structural deficiencies keeping in view the Structural bottlenecks, institutional arrangements, stage of exchange systems, and the level of economic activity; and hence we need a comprehensive type of planning system in the country.

As our goal is to maximise happiness of the majority of people who lives in rural areas, the requirement in our development strategy is “defusion of development” towards backward region; This strategy is being adopted in the form of regional approach to planning, and “Sajha System” (Cooperatives) for rural upliftment. Regional planning is regarded as the bridge between national and local plans<sup>9</sup> and it is believed to serve as the vehicle for transmitting the impulse of development towards rural areas in terms of the allocation of resources, decentralization of the decisions making, and local participation in economic activities. This is a technique for balanced growth of regions. But this does not mean “start all at once”, it rather means the equal opportunity and equal sharing for all regions in the development process. To quote the Ex-vice Chairman of National Planning commission:

“Regional Development Policies should be considered as a tool for comprehensive development at the national level in which all parts of the country contribute in their own ways to the attainment of national objectives”.<sup>10</sup>

This approach to planning in Nepal has a special relevance in the context of the high degree of

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8. Enrique Pentosa, Finance and Development, IMF and World Bank, March 1976, pp 6-7.
  9. Pitamber Sharma, Regional Planning in Nepal, The Economic Journal of Nepal, Vol. 2 No. 2 1979. P. 42.
  10. H. Gurung, Regional Planning for Nepal, HMG/N, P. 2.

special diversity in resource endowments, existence of virgin and backward sectors, and the need for just allocation of Scarce resources. In the "bottleneck economy" of Nepal the price system is inappropriate and ineffective in mobilizing and allocating local resources from and into remote villages. These were the main reasons for the use of regional planning technique with its following objectives:

1. Reduction of inter-regional disparities.
2. Integration of national economy.
3. Elimination of imbalances in resource allocation.
4. Mobilization of local resources.

However this does not mean that the approach neglects cost-benefit analysis while selecting projects, rather this is meant for social justice. Hence it involves only the question of priority.

It is believed that development spreads its sparks and diffuses from a centre to the peripheries. This proposition brings us, in this respect, to the concept of "growth poles" and "big push" which are also applicable in the country like ours where we live in hardship and are unable to "start at once".

From this what could be realized is that we are having a mixed approach incorporating "Balanced" and "Unbalanced" growth techniques, the "Balanced" for reducing regional spatial disparities and the "Unbalanced" for the diffusion of development.

## 5. NEED FOR EFFECTIVE SOLUTIONS

In the light of above explanations it may be concluded that the root of the problem in the country is that of income generation in the rural areas. Although government has tried to apply several techniques for this purpose, they have become less effective. Hence, some suggestions for changing the existing ways and methods for income generation are listed below.

- a. Instead of trying to reduce the existing man-land ratio, people in the farm should be provided with part time job opportunities. One of the important ways could be the development of cottage industries which use simple production technique appropriate to the rural situation. Beekeeping, Skin Processing, Melting, Handicrafts, Basket making etc could be the appropriate cottage industries. These industries are suitable and appropriate



because they can be started with small capital, local raw materials and indigeneous technology. Further, since the people in the initial stage of economic transformation would not be willing to be detached completely from traditional agricultural occupation for some social reasons also, high priority in the plans must be accorded to the "side occupations" for farm communities.

b. Another alternative for increasing the level of rural income would be the provision of improved agricultural inputs and scientific methods of cultivation to the rural farmers. For this purpose existing "Sajha Societies" must be well activised making them highly effective in achieving the desired objectives. These societies not only mobilize resources for development but also function as delivery channels and marketing agents. The supply of inputs through these societies and the purchase of produce by them at the prices regulated by the government is expected to create an atmosphere in which farmers would be induced to apply better techniques and raise output. At present, these societies are financially weak and lack managerial techniques. International sources of finance could be taped for solving the financial problem and training could be provided to the cadets serving in the institution for improving the management and organization. At the same time government should be vigilant in ensuring that the resources are properly and effectively utilized.

c. To raise the ratio of savings to income and to accumulate capital for reinvestment, existing upward movement in prices should be contained and terms of trade should be made to favour the farmers in such a way that raises their real cash balances. This method of capital accumulation, however, presupposes the existence of money illusion in the farming community. Hence, prior to taking any step in this direction empirical studies designed to estimate farmers' propensity to save and invest should be conducted.

## 6. A BRIEF RETROSPECT

In the earlier sections of this paper, I have tried to present the government's performance in developing this backward economy. The quantitative change is reflected in the rise in output and income which is extremely low as compared to the rate of population growth in this country.

If we turn to the qualitative side, it is also noted that the people have tried to immitate to the modern life. Moreover, the number of urban centres in the country increased



from 11 in 1911 to 16 in 1971, and to 22 in 1980. Similarly the death rate in the country has declined and the life expectancy increased. The enrolment of children in the schools has increased and some improvements in the sanitary conditions are noted.

Although the planners in Nepal have made greater efforts to modernize and develop the country, we have still social diseases in the form of illiteracy which is about 80%, health hazards, undernutrition, malnutrition, unemployment and under employment. Our policy measures for development are no doubt appropriate but the shortages of managerial skills, lack of proper decision-making capacity, financial constraints lack of appropriate technology and the unavailability of adequate material, capital are impeding our progress.

## Book Review

**Rural Problems and Rural Development in Nepal** by Y. P Pant and S. C Jain, New Delhi: Development Publishers, 1980, Pages 88 Tables and Index.

After 25 years of development planning Nepali planners and economists have suddenly realised that Nepal is an overwhelmingly rural, poor country ! This "new awareness" is nowhere reflected as acutely as in the Nepali economic and planning literature that has emanated in the last few years. This new book by Pant and Jain is an example.

The book is divided into two parts. Part I deals with the ramifications of rural problems while Part II lays down, in the words of the authors, a "radical approach" for combating rural problems in Nepal. This so-called radical approach rests, perhaps on the thesis that rural poverty in Nepal cannot be eradicated unless the rural households and rural communities are made the centre of development programmes. Therefore, the whys and hows of this thesis appear as the main thrust of the book. A reader who looks for a structural analysis of rural problems is sure to get disappointed with Pant and Jain.

The authors, for reasons that become apparent later, treat the problems of rural households and rural communities separately. Underemployment, inequality in income distribution, prevailing patterns of consumption, expenditure, income and savings, and finally poverty are treated as the foremost problems faced by rural households. Similarly, low institutional coverage, low levels of physical infrastructure and social services are identified as the major problems in rural communities. The ramifications of the problems of rural households presented in the book bear in fact, no novelty. That Nepal has only 5.52% unemployment, according to National Planning Commission (NPC) sources, may come as a surprise, but the fact that 63% of man-days in rural areas remain unutilised, that income distribution in Nepal is significantly skewed (lower 66.27% of households receive only 20.59% of income, while top 18.64% of households receive 57.77% of income), that 75.41% of the total family income (\$ 455 in 1977) is spent on food items, that except for a meagre surplus of income over consumption in the Terai the family budget in the hills and the mountains is perennially in the red, and that 37.17% (i. e., 41.22% of

the total population) are below the now-famous line of absolute poverty, come as no particular surprises. If anything, the figures might be slightly deflated. It is also not surprising that these problems are more acute in the mountain region of the country than in the Hills and the Terai. One conspicuous lacunae in the book is the lack of an analysis of the distribution and access to productive assets and its structural concomitants. One is earnestly tempted to ask: Are the problems of underemployment, of a lopsided distribution of income, of the lack of the productive investment in agriculture, and increasing levels of absolute poverty a manifestation of increasing population and lack of consistent government programmes and nothing more? Surely, there is much more in the Nepal's poverty picture than what meets the eye. The structural rigidities that characterise our economic and social system and the mechanisms where by poverty is perpetuated do not form the basis of the authors' analysis. It should be said in all fairness that despite a plethora of data pertaining to rural households and some analysis on that basis, the problems of rural households explored in the book read like a restatement (which it is) of the NPC report. **A Survey of Employment, Income Distribution and Consumption Patterns in Nepal** Published (though not available to the public) in 1978. With an exception of Table 23 all the 27 tables in the book are derived from the same source !

The authors present a similar analysis of the problems of rural communities except that this is more **description in brief** than analysis. It may be noted that the list of problems rural communities described in the book have always remained as priority areas under Nepal's planning efforts. Inaccessibility alone has not been the problem; the problem has equally been that of the inability to derive economic advantage from accessibility. The lack of complementarity in and among development projects, the negligence of location criteria in establishing service facilities, the lack of an analysis of beneficiaries of development have been the glaring achievements of Nepal's development efforts thus far. The authors, however, do not deal with the problems of rural communities in this essential light.

What, then, is the "radical" approach proposed by the authors ? It is, in fact, the HMG sponsored Integrated Rural Development Programmes (IRDP) with the slightest of difference.

From the analysis of the rural problems in Nepal made in Part 1 of the book the authors derive three basic conclusions: First, that in rural Nepal there appears to be an apparently inverse relationship between family income and utilization of labour-days. Second, that 75% of households below the line of absolute poverty hail from small and marginal farm category and

third, that rural households in Nepal suffer from deficits in household budget. The authors discern poverty as the result of underemployment of labor-days. The solution to the poverty problem, therefore, should lie in the provision of increased irrigation facility (assuming that increased irrigation means increased use of labor-days resulting in increased income and thus reduced poverty) and use of surplus labor in productive activities. A further assumption required for this logic to operate would be that provision of irrigation facility would, above all, mean a commensurate increase in production and productivity of small and marginal farmers. This again, assumes that land holdings of small and marginal farmers are not only amenable to irrigation, but also that holdings are, and will remain, optimum units to derive the benefits, and incur the costs of irrigation. The authors foresee no structural inter-relationships between land holding, and the existing socio-economic system. They seem to be saying that the advent of the proposed IRDPs will take enough care of the structural roots attending the poverty problem.

It was said earlier that the rural development strategy proposed in the book is in fact the IRDP with the slightest of difference. This slightest of difference derives from two propositions with regard to the "operational content" of the programmes. First, it is suggested that emphasis be given to programmes that benefit individual households in accessible districts and, second, that in inaccessible areas programmes that benefit the community be given precedence. However, it appears to this reviewer that an appropriate IRDP strategy is not a question of emphasising household oriented programmes *vis-a-vis* community oriented programmes, but that of preparing a "mix" of programmes in such a way that programmes to benefit the households complement programmes to benefit the community and vice-versa, irrespective of accessibility. The content of both the programmes will, of course, be determined by the existing levels of physical and social infrastructure. It must be appreciated that some of the major problems faced by households in the hills, mountains and to some extent the Terai areas of Nepal are problems of a community nature. The eminent threat (and in certain instances reality) of ecological dislocation in the hill-mountain eco-system with the attendant problems of deforestation, overgrazing, landslides, soil erosion, declining productivity and energy supply are indeed problems of a community nature. The programmes that have been proposed for raising income levels of target population like expansion of credit facilities, provision of irrigation, infrastructure and services are all fine and good but the institutional ways of going about them may be quite another thing. It is difficult to see how the strategy outlined in the book is much different from the Small Farmers Programme and the IRDPs currently pursued by His Majesty's Government, that



is, if aims and objectives are all that matter. There is nothing radical about the approach in view of what has preceded in the development experience of Nepal.

The process of rural development is as much a process of **participatory change** as that of fulfilling the quantified production and income objectives. Indeed, rural households and communities should be made the centre of development programmes, but what is more important is that programmes should emanate less from **ad hoc** formulations and more from the participation of the beneficiaries. The dynamics of popular participation is assumed by Pant and Jain. It has always been assumed in Nepali planning circles, and that has been a part of trouble with development programmes! The political, bureaucratic, and technical commitment required for such a task are ignored by the authors. Also, the treatment of the administrative aspect of IRDPs lacks substance. In fact Part II of the book is not as intensive as it should have been. Some salutary issues have been raised, like the one on target population, but the treatment has been only cursory.

The book is neither well-produced, nor adequately edited. The latter is particularly true of the second part of the book. The book contains no charts and diagrams which could have illustrated many a theme. The "rush" for the press is quite evident. The book has an index but no bibliography. "No bibliography" appears to have been a motto with Pant and Jain. One surely expects more for the price he pays !

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