

Implementation of the Agenda for Action of Social Development in The ESCAP Region : Poverty Alleviation in Nepal

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INTRODUCTION

This paper highlights on the various issues of social development identified in the Agenda for Action for the ESCAP Region. However, the major focus is given to poverty alleviation issues identified in the agenda for action on social development, dealing the national approaches, target policy and programmes on poverty alleviation, measures under poverty alleviation in Nepal in the context of Commitment 2 of the World Summit of Social Development (Copenhagen), problems with the poverty alleviation policies and programmes in Nepal, finally, presents the conclusion and recommendations for future implementation.

PRESENT STATE OF POVERTY IN NEPAL AND THE AGENDA FOR ACTION

Background

Nepal remains one of the least developed countries in the world with a low per capita income for about US \$ 220 (CBS 1996) and low level of other socio-economic indicators. The incidence of poverty is growing as the proportion of the poor in the total population has increased from 42.6 percent (19984/85) to 49 percent 1992/93 (Eight Five Year Plan 1992-97). Out of 20 million people 85 percent is the rural population enjoying very poor level of public amenities and 95 percent of the poor belong to rural areas. Agriculture sector has remained as the mainstay of economy which contributes 42 percent to the Gross Domestic Product (GDP.). Thus, agriculture is the primary source of employment as other potential sectors such as hydropower and tourism are yet to be developed.

Population, in Nepal is growing at a rate of 2.1 percent per year. This has forced for the rapid exploitation of limited natural resources. The very high population density to arable land has forced the farmers to cultivate marginal land forest which, in turn, contributes to declining crop productivity.

Social indicators and selected human development indices for Nepal remain below the average for the South Asian Region - with high

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illiteracy rate, lower educational attainment, use of unsafe drinking water, high infant mortality rate, low expectancy of life at birth, inadequate food consumption, poor nutritional level, high maternal mortality rate etc. (Annex I).

Several Initiatives for poverty alleviation have been made following the realization of increasing poverty. Trickle down approach has been the dominant strategy followed in most of the previous plans. This strategy mainly based on tackling the problem of poverty through programmes of overall development taken up in rural as well as urban areas. Several measures have been considered to enhance agricultural and Industrial production and to promote infrastructural facilities. However, these programmes which assisted on raising agriculture, and industrial sectors as well as promoting infrastructure were not found to have expected impact on poverty eradication. The fruits of development, thus, would not percolate to deprived section of society. The existing income inequality (G.C. > 0.6) has not been reduced too. In Nepal, the presence of imperfect integration of economic system hindered the spreading up of the effects of the so-called *spread effects* of development. Hence, it is realized that growth is necessary but not sufficient condition for poverty eradication. So the adoption of targeted and self targeted poverty alleviation programmes were inevitable for overall attack on poverty. Recognizing this, Eighth Five Year Plan (1992-97) has set poverty alleviation as one of the major objectives; others being sustained economic growth and reduction of regional imbalances. The eighth plan has put forth various programmes as the targeted programmes for poverty alleviation with a goal of reducing poverty level from 49 to 42 percent.

Poverty Measurement Concept for Nepal

The population below absolute poverty line (failing to meet the minimum consumption level of 2,250 calories) is estimated to be 49 percent in the initial year of Eighth Five Year Plan (1992/97). It is mainly based on the Basic Needs Income Approach adopted in 1984/85 to estimate the poverty incidence. The BNI approach is as follows:

- The minimum daily caloric requirement for the hills/mountain, the terai and all Nepal are 2340 cal., 2140 cal., and 2250 cal. respectively. In addition, the assumption made is that the minimum caloric requirement is met largely through the consumption of cereals, pulses and potatoes.
- Based on the average retail prices of these commodities (April 1985), the expenditure required for the intake of 2340 cal. and 2140 cal. per person daily for the hill/mountains and the terai have been worked out as Rs. 3.86 and Rs. 3.06 respectively.
- It is assumed that the targeted group of households spend 65 percent of their budget on food and 35 percent on other necessities.

Based on this, BNI per person per day has been calculated at Rs. 5.94 for hills/mountain and Rs. 4.71 for the terai.

Characteristics of the Poor in Nepal

Poverty is often accompanied by unemployment, malnutrition, illiteracy, low status of women, and exposure to environmental risk. The rate of underemployment in Nepal is found to be about 40 percent of the available person-days per year (Gharana 1996). With this, the rural poor lack the land asset which is one of the most important economic asset. The average operational land holding of a poor farmer is found to be about 0.14 hectare per capita and 0.05 hectare per capita in terai and hills respectively. So poverty concentration in rural areas is very high in Nepal.

The poor people in rural areas either have a very small area of unproductive land or no land at all. The major asset what a poor processes is the unskilled labour which he is compelled to sell at low wage. As there is excess supply of unskilled labour force, their marginal productivity is almost negligible. In addition, the absence of off-farm employment opportunities has made the demand for labour highly seasonal. Likewise the rate of unemployment in rural areas is found to be very high.

Based on the survey of Rural Credit, it is found that out of total farm households, 78 percent are small and marginal farmers and these small and marginal farmers possess only 47 percent of land asset and average per capita income of less than US \$ 100. Since there is no alternative income generating activities, one of the major characteristics of rural poor is the indebtedness. It is reported that 39 percent of rural families are under debt and of them, 86 percent have borrowed from non-institutional source paying more than 36 percent interest rate per annum. Thus, a large number of poor fall under the *hard core* or *ultra poor* category who spend about 74 percent of their income on food alone and almost 90 percent on food, fuel and cloths. The spending on education, health and sanitation is found to be negligible.

Due to various social and legal discrimination existing in Nepalese society, women are generally a more deprived and poverty stricken group. The high preference for sons and other social values have contributed to this factor. Moreover, the society not only contains gender disparity but also the castewise disparity in rural areas. Hence, the schedule castes and backward ethnic groups often constitute a relatively deprived section of the society. As it is reported that very high percentage of *kamaiya* (bonded labour) are below poverty line, the social and legal discrimination have much to do with poverty.

In all dimensions of social and human development, Nepal ranks as one of the poorest countries in the world. The low level of per capita income (about US \$ 220 per annum) places it among the poorest one dozen countries in the list of 133 countries having poor indicators like life expectancy, infant and maternal mortality, malnutrition etc.

Table 1
Indicators of Poverty in Nepal and Selected Poor Countries

	GNP Per Capita Dollars 1994	Avg Annual Growth (%) in GNP P.C. 1985-94	Life expects In years 1994	Infant Mortality (Per 000) 1980 1984		Maternal Mortality (Per 1000,00 live birth) 1983	Adult Illiteracy (%) 1995	Caloric Intake per cap. Daily 1992	Mainnutriti on under five (1989-95)	Adult Female Ill. (%) 1989-95	Per cap. commercial Energy cons. (kg. oil) 1994
Nepal	200	2.3	54	142	95	1500	73	1957	70	86	23
Bangladesh	200	2.0	57	132	81	850	62	2019	84	74	65
India	320	2.9	62	116	70	570	48	2395	63	62	243
Pakistan	430	1.3	60	124	92	340	62	2316	40	76	255
Sri Lanka	640	2.9	72	34	16	140	10	2275	38	13	111
Vietnam	200	NA	68	57	42	160	6	2250	45	9	105
Low Income Economies	380	3.4	63	87	58	1015	34	2027	NA	45	384

Source: Guru Gharana, Macro Economic Policies For Poverty Alleviation, ILO/SAAT, New Delhi.

The table 1 exhibits that Nepal is poor not only in terms of per capita income but also in terms of socio-economic and health indicators (Annex 1). Nepal remains below the South Asian Average in term of these indicators. It can be seen, incase of Vietnam, that a country can achieve a relatively high level of social and human development, even if the per capita income is low. Nepal and Vietnam have almost same equal per capita income but a very different level of social and human development.

Agenda of Action on Social Development

Issues Under ESCAP Region

The Agenda for Action on Social Development issues related to Asian and Pacific region. The agenda has been adopted by the governments of the ESCAP region which was considered at the World Summit for Social Development convened by the UN in Copenhagen in March, 1995. The World Summit for Social Development had focused on three core issues listed as the following:

Poverty Alleviation : Eradication of absolute poverty and the reduction of relative poverty.

Employment Expansion : Expanding opportunities for productive employment.

Social integration : Enabling of all social groups to live together in productive and cooperative harmony.

Major Action on Poverty Issues

In many countries the expansion of productive employment and the promotion of social integration have been considered as the effective means of the poverty alleviation. The governments in ESCAP region have committed themselves to eradicate absolute poverty by 2010 from the region as stated in the Manila Declaration on Agenda for Action on Social Development in the ESCAP Region, 1995. To introduce poverty alleviation programme effectively, the identification of the absolute poor is the foremost task. Various experiences lead to the conclusions that the poverty alleviation programme should highlights on:

- Developing and empowering the poor themselves.
- Developing the human resources of the poor.
- Enhancing the poor to take up self employment and labour absorbing activities and technologies.
- Designing social protection schemes to meet the basic need to the poor.
- Helping poverty stricken areas improve their productive and living conditions by integrating sectoral and regional programmes.
- Mobilizing community funds and force.
- Taking concerted and congruent action by government agencies.

To keep these concepts in its own planning system, the respective governments may have to bring changes in some components due to existing national circumstances. However, the agenda has expressed the actions required on various sectors like population, health, education, employment, shelter, environment, disasters, crime, social protection and family. In such a way these issues are addressing the disadvantaged and vulnerable groups particularly and has focused on the social development strategy for substantial and sustained improvement in their quality of life. The various sectors and the actions required in those sectors are given below:

Population

- Promote the voluntary use of effective measures of family planning throughout the region taking into consideration the programme of action of the International Conference on Population and Development and the principles of the respective societies, cultural values and religious.
- Take measures which will, by 2000, reduce maternal mortality rates to half of the 1990 rates with a further reduction by one half by 2015.
- Take measures to empower women to participate in all levels of decision making involving policies and programmes affecting their health throughout their life cycles, particularly their reproductive health.

- Promote information on the safety and efficacy of family planning methods.
- Consider changing demographic profiles in relation to other socio-economic changes to ensure that policies are effective.

Health

- Recommit themselves to the attainment of health for all by 2000.
- Advocate and support the measures in preventive health care that will improve the quality of life of the people, especially those with the greatest needs, including children, women and people with disabilities, excluded social groups and groups at significant risk. For this, they have committed to achieve the progress in various health indicators like infant mortality, life expectancy at birth, malnutrition, health infrastructure, during control, etc.

Education

- Commit themselves to attaining the goal of basic education for all in the region by 2000.
- Halve the levels of illiteracy, by 2000, in their countries from those prevailing in 1990, with emphasis on female literacy.
- Mobilize resources to ensure universal access to basic education by 2000 where this has not yet been achieved and ensure by 2000 that at least 80 percent of primary school age children complete primary education.
- Reduce educational disparities between boys and girls.
- Upgrade education quality through improved teaching method, curricular development, teacher training and educational support systems irrespective of gender.
- Facilitate, by 2000, access to secondary education for all who qualify.
- Promote the attainment, by 2000, of at least equal participation rates for girls in primary secondary education.
- Promote vocational training that enables workers respond efficiently to changing labour market conditions and entrepreneurial opportunities in an increasingly competitive global economy. Attention is given to vocational training of disadvantaged and vulnerable groups, including those with disabilities.

Employment

- Pursue a course of economic development that is consistent with maximizing productive and freely chosen employment.

- Purpose the pattern of growth and investment plan that are effectively employment intensive and labour absorbing.
- Support informal section including small scale and cottage industries and services in rural area.
- Revive laws and regulations that restrict or otherwise hinder informal sector activities.
- Enhance productivity and improved market access to small farm self employment.
- Invest in irrigation, rural electrification, transport and communication and other infrastructure.
- Improve access to land and farm credit, provide technical support and promote cooperatives etc.
- Determine the feasibility scope and appropriate methods of land reform in both rural and urban areas, by 2000, to enhance the income earning capabilities of poor.
- Promulgate and enforce the designations and regulation, by 2010, to eliminate wage differential between women and men engaged in same work, if exists.
- Innovate ways of expanding productive employment including (a) the promotion of capital saving labour absorbing technologies, (b) the encouragement of activities that protect the environment or natural resources, (c) adjustment in productive structures and promotion development, focusing on skill development and other activities to improve the quality of workers such as literacy, education primary health, social protection etc.
- involve private sector and NGOs to explore and introduce special training to assist the human resource development.

Shelter

- Facilitate the provision of adequate shelter for all, by 2000, as put forth in the Global Strategy
- Provide access to safe drinking water and sanitary means of human waste disposal by all, by 2000.
- Ensure provision of adequate energy supply, sewerage and solid waste disposal infrastructure in all settlements, by 2025.
- Relax regulatory constraints to provide full opportunity rent, credit and interest rates, tenure and ownership, land taxation, zoning, utilities, and building regulations.

- Encourage *Research and Development* to generate construction materials and methods that are low cost, disaster resistant environmentally sound and appropriate to indigenous cultural values.

Environment

- Recommit on environmentally sound and sustainable development, recognizing the close nexus between environmental and other social concerns, particularly poverty and population.
- Give attention to identify and promote environmentally sound and sustainable survival strategies, including enforcement of property rights of local and indigenous communities as well as relocation and resettlement from resource degraded areas, as a means of encouraging poor communities, to adopt ecologically viable lifestyles.

Disasters

- Develop, by 2000, comprehensive strategies and specific contingency plans for the delivery of social services in the aftermath of natural disasters relevant to their circumstances including typhoons, floods, landslides, tidal waves, droughts, earthquakes and volcano eruptions.
- Include measures for natural disaster avoidance, with an earthquake resistant construction, flood-plain control, drought mitigation and avoidance of irreversible soil erosion in plans, by 2000, as appropriate to national circumstances.
- Strengthen capacity to mitigate the effects of natural disasters through (a) risk assessment, (b) risk zoning, (c) enforcement of building codes, (d) early warning system, (e) evacuation plans, (f) emergency assistance, (g) improved food distribution net works, (h) short term employment plans for disaster stricken households and communities and (i) relocation and resettlement.

Crime

- Promulgate and strictly enforce legislation to curb the growing incidence of crimes of violence against women and children, including domestic violence, rape, forced prostitution, and the sale of and trafficking in human beings.
- Undertake wide-ranging community education to awareness of unacceptability of violence against women.
- Intensify efforts at the national and regional levels to deal with the transitional aspects of organized criminality especially drug related crimes, the sale and trafficking in people and illegal trafficking of arms and armaments.

Social Protection

- Formulate an overall policy framework, by 2000, that will accord priority to social protection for all in accordance with the prevailing standards of society and within available resources, including viable measures for social protection covering unemployment, illness, disability and old age
- Set policies and programmes to provide :
 - (a) access to services (education, health care and other social services) to people with disabilities,
 - (b) emergency employment, food security, targeted subsidies and community based care and rehabilitation, and
 - (c) local level and community based support services for elderly persons.
- Introduce fiscal and other incentives to support family as the basic provider of social protection to its dependent members

Family

- Strengthen the family as a social institution in view of challenges to role of the family.
- Provide an environment supportive of strengthening the institution of the family and mutual respect within the family.

COMMITMENT MADE IN THE WORLD SUMMIT 1995

In this context, it is relevant to discuss in brief the commitments made in the Copenhagen Declaration (World Summit for Social Development). Even though all of the ten commitments directly or indirectly assist the issue of poverty alleviation (as it is one major issue included in social development), Commitment 2 is basically related to it. It focuses on the eradication of poverty in the world through decisive national actions and international cooperation. So it highlights on the following issues:

National Level Issues

- Formulate or strengthen national policies and strategies geared to substantially reducing overall poverty in the shortest possible time, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country preferably by 1996, in national context.
- Focus on efforts and policies to address the root causes of poverty and provide basic need of all including elimination of hunger and malnutrition, provision of food security, education, employment and livelihood, primary health care services, and participation in social and cultural life. Special attention will be given to needs and rights of women and children, who often bear the greater burden of poverty

- Ensure that people living in poverty have access to productive resources, including credit, land, education and training technology, knowledge and information, as well as to public services, and participate in decision making on a policy and regulatory environment that would enable them to benefit from expanding employment and economic opportunities.
- Develop and implement policies to ensure that all people have adequate economic and social protection during unemployment, ill health, maternity, child-rearing, widowhood, disability and old age.
- Ensure that national budgets and policies are oriented as necessary, to meeting basic needs, reducing inequalities and targeting poverty, as a strategic objective.
- Seek to reduce inequalities, increase opportunities, and access to resources and income and remove any political, economic and social factors and constraints that foster and sustain inequality.

International Level Issues

- Strive to ensure that the international community and international organizations, particularly the multilateral financial institutions, assist developing countries and all countries in need in their efforts to achieve overall goal of eradicating poverty and ensuring basic social protection.
- Encourage all international donors and multilateral development banks to support policies and programmes for the assignment, in a sustained manner, of the specific efforts of the developing countries and all countries in need relating to people centered sustainable development and to meeting basic needs for all; to access their existing programmes in consultation with the concerned developing countries to ensure the achievement of the agreed programmes objective and to seek to ensure that their own policies and programmes will advance the attainment of agreed development goals that focus on meeting basic needs for all and eradicating absolute poverty. Efforts should be made to ensure that participation by the people concerned in an internal part of such programmes.
- Focus attention on and support the special needs of countries and regions in which there are substantial concentration of people living in poverty particular in South Asia, and which therefore face serious difficulties in achieving social and economic development.

NATIONAL APPROACHES AND STRATEGIES ON POVERTY ALLEVIATION

Background

As poverty is widespread phenomenon in Nepal, it is a major obstacle in the process of development. During the initial three decades of planned development, emphasis was mainly placed on growth of various sectors assuming the fruits to be trickle down to the lower stratum of the society. However, the trickle down approach and growth oriented approach have not been successful to salvage the weaker segment of the population, which constitute about 50 percent of the total, from the morass of abject poverty.

The government of Nepal has explicitly shown its concern to poverty eradication and raising of living standards of masses only after the announcement of *Basic Needs Programme* in mid- 1980s (during 7th plan period). Furthermore, with the restoration of multi-party democracy in Nepal in 1990, the government in Eighth Five Year Plan has focused on poverty alleviation as its topmost priority. The broad objective of the Eighth Five year Plan is to ameliorate the socio-economic status of the citizens of the country by tackling the daunting challenges of economic stagnation, increasing poverty, structural anomalies, environmental degradation, and rapid population growth. The principal objectives of the Eighth Five Year Plan are:

- (a) Sustainable Economic Growth.
- (b) Poverty Alleviation.
- (c) Reduction of Regional Imbalance.

The targets, strategies, policies and programmes designed for poverty alleviation under Eighth Five Year Plan (1992-97) are discussed in the following section.

Eighth Five Year Plan (1992-97) and The Address to Poverty

Target

Reducing the level of absolute poverty from 49 percent to 42 percent within the plan period. It implies the elevation of 1.4 million poor people out of poverty line from a total of 9 million poor in Nepal.

Strategy

As the poverty alleviation is multidimensional in nature and is multisectoral concern, a concerted effort directing all sector programmes for attacking poverty is adopted. So identification of the backward rural areas and the estimation of people living below the absolute poverty line are defined before the formulation and implementation of poverty alleviation programmes.

Policies

- To develop a simple procedure for the identification of undeveloped areas and poor families and use it uniformly across all sectoral programme.
- To carry out self-targeted and targeted programmes for the poor people.
- To increase the access of the poor to the means of production.
- To make arrangements for awarding contracts of technically simple construction works to groups of poor people.
- To make legal provisions for the elimination of social evils and to create public awareness in this regard.
- To make effective legal provision against the exploitation of the poor and helpless.
- To initiate dialogue for negotiations with foreign governments/agencies for the employment of unskilled and skilled manpower seeking employment in foreign countries.
- To expand employment opportunities in non-agricultural sector through food security programmes.
- To maintain environmental balance while developing (designing) programmes.
- To make institutional arrangements for providing necessary support for anti-poverty programmes.

Programmes

For the socio-economic upliftment of the poor, various programmes such as production credit, training, provision of employment, children's education, nutrition for mothers and babies, etc. are introduced for poor families on individual or collective basis. Emphasis is also given to the construction of community assets like road, school, bridge, drinking water, irrigation and health post. For achieving the desired effect on poverty alleviation, the programmes like developing the poor's access to physical infrastructure, to means of production, education and training are set up. Hence, the *Social Communication Programmes, Developing Technology for Poor, Labour Export, Special Programmes for Women, Special Programmes for Backward Ethnic Tribes* etc. have also been considered under the poverty alleviation programmes in the Eighth Five Year Plan. In addition, the institutional arrangements for poverty alleviation would also be set up. The provision of establishment of the *Trust Fund, Poverty Alleviation Credit Programmes, Revival of National Development Service Programme*, and the provision of *Monitoring and Evaluation* have been the basic programmes under institutional arrangements.

The brief review of the poverty alleviation programmes included in the current plan is as below:

To Develop Physical Infrastructure

- Rural roads, schools, health posts.
- Irrigation projects, rural drinking water projects.
- Labour - intensive construction works.

To Increase the Poor's Access to means of Production

- The community and natural resources and assets such as; forest land with thin crown cover, waste land, pond, lake and river bank and the surplus land above the land ceiling will be made available to poor households either on lease or in free or in any systematic manner.

Social Communication Programme

- Expansion of programme-wise assistance to communication facilities.
- Formation of mobile communications teams.
- Establishment of community centres.
- Use of video technology and other means and technologies of communication.
- Raise poor's level of awareness.

Education and Training

- Functional non formal education.
- Adult literacy programmes.
- Social awareness development training.
- Skill development training for the successful implementation of income generating activities.
- Entrepreneurship development training.
- Excursion tours of successful programme sites.
- Arrangements of necessary assistance, support and supervision mechanism.

Population Programme

- Raising awareness about family planning and use of contraceptives.
- Control of birth rate, maternal - child health care.
- Child care and nutrition.
- Increase supply of means of birth control.

Employment Generation

- Intensive farming programme.
- Increased construction activities.
- Establishment of refinery and industrial districts.
- Promotion of employment opportunities in non-agriculture based activities.

- Simplify the process of obtaining credit for employment generating activities.

Food Security Programme

- Expansion of food-for-work programme.
- Efforts for increased integration of hill and terai markets.
- Arrangements for regional food storage.
- Developing awareness for change in food habits.
- Diversification of food consumption.
- Control of food grain leakage.
- Improvement in the system of food grain procurement and distribution.

Development of Technology for the Poor

- Developing an appropriate medium-scale technology for poor.

Labour Export

- Increase in the exports of the labour based products.
- Direct export of workers by promoting foreign employment opportunities.

Special Programmes for Women

- Enactment of effective law against dowry system.
- Development of time-saving technology for women-run activities.
- Health and nutrition programmes for lactatory mothers.
- Income generating activities for the upliftment of women in the family as well as society.
- Enactment and enforcement of laws against the exploitation of child labour.

Special Programmes for Backward Ethnic Tribes

- Develop and implement appropriate programmes for their social and economic upliftment.

Targeted Programmes

- Production Credit for Rural Women.
- Small Farmer Development Project.
- Integrated Rural Development Projects.
- Remote Area Development Programme.
- Settlement Schemes for Landless.

Institutional Arrangements

- Establishment of a *Trust - Fund* for the institutional development of NGOs, Private Sector, *Consumers'/Users Committee* and *Farmers' Group*.

- Direct production credit programmes towards poverty stricken and backward areas.
- Revival of the *National Development Service Programme*.
- Establish the *Poverty Monitoring Unit* under the rural development.
- Establishment of *Decentralization Division* of the National Planning Commission.

Implementation Mechanism and Agencies

As poverty alleviation programmes are related to various sectors, the implementation of the programmes cover almost all sectors falling within the purview of government line ministries and various public sector institutions. The government, the banking sector and non-governmental sectors including both domestic and international non-governmental organisations have much room to work for poverty alleviation campaign. So there is requirement for the coordination between various governmental line ministries and integration of their activities. This coordination helps the implementation of poverty alleviation programme avoiding duplication and superfluity of programme efforts. Keeping in view the requirement of NGOs, the Eighth Five Year Plan makes an effort towards the maximum involvement NGO in the implementation of poverty alleviation programmes. It is believed that due to small size and less bureaucratic process, the NGOs are more effective delivering service to rural poor than the governmental line agencies. The effectiveness is found in terms of cost and participation of target group through social mobilization process. To sum up, government line ministries are involved in implementing various programmes as macro level as designed in the national plan. In this context, the Women and Social Welfare Ministry and the Women Development Division of the Ministry's of Local Development also have played significant role in empowering the women through raising awareness, providing credit etc. Similarly the banking institutions have taken credit as the entry point for the upliftment of the poor. The Small Farmer Development Programme conducted by Agricultural Development Bank, the Banking with the Poor Programme conducted by Rastriya Banijya Bank, various credit programmes under Rural Development Bank, and Intensive Banking Programme (designed by government to direct the commercial bank activities in the mainstream of national development by lending to specific target group and for particular purposes) are the main examples of poverty alleviation programmes under banking sector.

The activities/programmes conducted by various national NGOs like SAPPROS and INGOs such as UNDP, GTZ, WINROCK etc. have also contributed significantly to poverty alleviation programme. Likewise, many programmes related to subsidy and social safety are implemented with the assistance of INGOs and other international institutions too.

Monitoring and Evaluation

Regular monitoring and evaluation of various activities of Poverty Alleviation Programme are essential to examine whether the activities are implemented according to the fixed schedule and to assess its impact on target group. The institutional arrangement for monitoring and evaluation in Nepal still needs to be strengthened. According to the Eighth Five Year Plan document monitoring and evaluation section/divisions have not been set up in the majority of ministries and departments concerned with the development. Monitoring procedure under NPCS is limited to the submission of reports every four months and on the basis of this review implementation is carried out. The problems and obstacles faces during implementation are mentioned in the four monthly progress report but due to the lack of system of regular monitoring and follow-up, the problems are not solved in time. Hence, the Eighth Five Year Plan document has made a provision of developing the *Central Monitoring and Evaluation Division* of National Planning Commission as the central unit for the institutional development and operation of the monitoring and evaluation system. Likewise, the *Poverty Monitoring Unit* is established under the Rural Development and Decentralization Division of National Planning Commission. There is also a provision for monitoring and evaluation of procedure with details and implementation of programmes designed for poverty alleviation at three different levels as follows:

First Level

M and E to be carried out in accordance with the procedure fixed by the NPC for M and E of sectoral Programmes.

Second Level

M and E to be carried out by the Monitoring Unit within the *Trust Fund* in proper coordination with the District Development Committies. This unit will monitor and evaluate all programmes aided by the *Trust Fund*.

Third Level

Establishment of Poverty Monitoring Unit under NPC.

AGENDA IMPLEMENTATION GUIDELINES AND POVERTY ALLEVIATION MEASURES IN NEPAL

In the following section, the poverty alleviation measures implemented in Nepal are examined in the context of agenda for action developed during the World Summit for Social Development (Copenhagen Declaration). Hence, Commitment 2 is only taken into consideration.

Guideline 1: Formulate or Strengthen National Policies and Strategies to Substantially Reduce Overall Poverty by a Target Date

- Nepal, in its Eighth Five Year Plan Document (1992-97) has mentioned the poverty alleviation as one of the major objectives and it has made a target of reducing the poverty from 49 to 42 percent of the population.
- The NPC has also recently realized that if there are too many objectives, priorities and target in a single plan, then the plan will become a bundle of confusion. Hence, they have decided to take poverty alleviation as the single objective of the forthcoming Ninth Plan. Based on the internal exercise of the concept paper of Ninth Plan, it is known that NPC is developing a perspective plan for poverty eradication under which Ninth Plan will become a part of the perspective plan. In the perspective plan, the target year will be fixed for the eradication of poverty.

Guideline 2: Focus the Efforts and Policies to Address the Root Cause of Poverty and to Provide for the Basic Needs of all

- Various programmes like food for work, establishment of health posts, provision of family planning services are target to the elimination of hunger and malnutrition and the food security and health care facilities as enunciated in Agenda. Similarly the provision for drinking water supply to 72 percent population in the rural areas and 77 percent of the population in urban areas have, to some extent, assisted the safe drinking water needs of the people. The plan document under the major development policies has included the *Women In Development* concept. The document has also mentioned various programmes to improve the socio economic and legal status of the women. Likewise, the enunciation of programmes like *Kamalya* (bonded labour) *Development Programme*, *Kamalya Loan Relief Fund* and *Social Programmes for Backward Ethnic communities*, have been designed to uplift the socio-economic status of vulnerable and disadvantaged groups. Similarly, identifying unemployment as the basic cause of poverty the government has recently formed Unemployment Commission. The Commission is provided with the task of designing employment policies to ensure the highest potential level of employment generation.

Guideline 3: Ensure that the Poor Have Access to Productive Resources, Including Credit, Land, Education and Training, Technology, Knowledge and Information, as well as Public Services, and Participate in Decision Making.

- The small Farmer Development Programme, The Production Credit for Rural Women, The Banking with the Poor Programme, The Rural Bank, and The Intensive Banking Programme have been operating in Nepal

to provide the access of the poor to credit. Similarly, the settlement schemes for landless has improved the access of poor to land asset. The current plan has a definite target of settling 2500 landless poor; the concept of universal and free primary education; and development. However, the communication programme and participation of the poor in decision making are often said more than done.

Guideline 4: Develop and Implement Policies to Ensure that all People Have Adequate Economic and Protection During Unemployment, Ill Health, Maternity Child-rearing, Widowhood, Disability and Old Age.

- In the current plan, the provision of social and economic protection during unemployment, ill health, maternity and child rearing have not been enunciated. However, the financial security programmes like senior-citizens allowance for 75 years old or more and helpless widow allowance for over 60 years have been recently introduced. The budget speech (1996/97) has assured to include the programmes like free health care and medical facilities to senior citizens, disabled and helpless people from the coming fiscal year.

Guideline 5: Ensure that National Budgets and Policies are Oriented, as Necessary, to Meeting Basic Needs, Reducing Inequalities and Targeting Poverty, as Strategies and Objectives.

- Some efforts were made in meeting basic needs during the Seventh Five Year Plan. However, in the absence of coherent and integrated approach, there was no significant achievement. Hence, in the current plan the government has targeted all the sectoral programmes for poverty alleviation. The Result of these programmes are yet to be evaluated.

Guideline 6: Seek to Reduce Inequalities, Increase Opportunities and Access to Resources and Income and Remove any Political, Legal, Economic, and Social Factors and Constraints that Faster and Sustain Inequality.

- Various programmes like the development of rural physical infrastructure, increasing the poor's access to means of production, social communication, education and training, special programmes for women and backward ethnic tribes etc. have been made to achieve the stated goals.

PROBLEMS IN PRESENT POVERTY ALLEVIATION POLICIES AND PROGRAMMES

Though the current plan has included most of the policies and programmes relevant to poverty alleviation efforts, there is a widening gap between planning and implementation. For instance, some of the issues mentioned in policies like making arrangements for awarding contracts of simple construction works to groups of poor people, making legal

provision against the exploitation of poor and conducting dialogue for legalizing foreign employment remain still untouched. Likewise, no efforts have been made in the area of social communication, promotion of labour base exports and technology for poor etc. The implementation of the model programme for selected VDCs from each Development Region has not yet initiated.

Presently, the government line ministries and a few financial institutions are involved in formulating and implementing poverty alleviation programmes. The involvement of government line ministries alone is not sufficient to implement the programme sufficiently as they are attended to operate uniformly irrespective of the difference in nature of poverty by area, caste and other variables. Hence, the local level organizations with the participation of the local poor people are essential to implement the programme. Furthermore, the lack of regular monitoring and correction of weakness of existing programme have hindered the effectiveness of the poverty alleviation programme.

There is either lack of or very weak coordination between the programmes undertaken by various line ministries for poverty alleviation. The lack of attention to interdependence and the complementarities with the programmes of the line agencies has resulted in reducing the effectiveness and increasing the cost of the programmes. The NPC has not been so effective to promote coordination between the programmes undertaken by the different line agencies. Likewise, monitoring and evaluation have also been very weak in several sectors.

Though the *Poverty Monitoring Unit* has been established under the Rural Development and Decentralization Division of NPC, the responsibilities given to it are enormous to meet under the present circumstances. As it has very few personnel, experts and has limited resources, the prescribed tasks are beyond its capacity.

Hardly any attention is paid to execute poverty alleviation programme through non-governmental organizations. There are still several questions to be answered on: the relation between the state and the NGOs, NGO activities and resource utilization by NGOs etc. Furthermore, the Social Welfare Council, a body which is supposed to register and promote NGOs; coordinate and monitor their programming is found weak in streamlining the NGOs in the poverty alleviation activities effectively.

Problems encountered in the various implementation of the targeted programmes designed for poverty alleviation are as follow:

- Rural public work programmes like roads have only short term impact on poor, as they lack the economic asset such as land etc.
- Only free education and free text books do not help promote primary education of the poor children, as many other social and economic factors inhibit it. Furthermore, the children are considered to be the

- sources of income (work as servant, child/cattle caretaker in rich family) in the poor family.
- Primary health programme is not sufficient to reach the demands of the poor.
- Though the access to credit for the poor have increased by the targeted credit programmes like SFDP, PCRW etc., their operating cost is high to sustain them. Commercial banks are least interested in the investment on poor as it is relatively more risky.
- Lack of poverty profiles of ethnic communities living in various districts has hindered the implementation of backward ethnic development programme seriously.
- Fertilizer subsidy is found to have little impact on the poor as they either do not possess land or they possess marginal land where fertilizer may or may not enhance productivity.

CONCLUSION AND RECOMMENDATION

Conclusion

Despite that several initiatives have been taken in the Eighth Plan towards the poverty alleviation, the significant achievement in terms of various socio economic and human development Index have not been attained. The major concern here is that even if the target set in the Eighth Five Year Plan is achieved, there will be still 42 percent of total population below poverty line. Hence, there is the requirement of the best policy, guidelines for the poverty alleviation in future.

The agenda for action on social development encompasses the three core issues such as poverty eradication, employment expansion and social integration. All of these issues relevant to the socio economic development of the countries in the ESCAP Region. Moreover, the paper highlights only on the poverty alleviation issue, one of the growing problem of the least developed South Asian countries. In this regard it is well known that problem of poverty has multidimensional characteristics. Unemployment, underemployment and high income inequalities are apparent features of poverty. As poverty alleviation is the outcome of various macro economic and social development, it should not be treated in isolation. Therefore, any action on poverty alleviation should be prepared with thorough hand and effective interdisciplinary action. Thus, the interdependence of various productive sectors in the economy should be carefully recognized in any efficient attack on problems of poverty. Hence, keeping in view of the various problems in economy, policy prescriptions are need to be designed.

Recommendation

Strengthen Planning and Programming Including Goals and Target Setting

- While formulating plan and designing the programme the major focus should be on the Human Development Index. In other words, more deprived areas should be identified on the basis of Human Development Index, priorities be given to those areas and target be fixed. In this context even if the provision of model programme for selected VDCs has been made in the Eighth Five Year Plan, it has not yet been implemented.
- Before the formulation of policies, poverty profiles-across district and across time should be prepared. It helps the formulation of programmes as per the nature of different areas and furthermore helps to monitor the effect of programme interventions.

Strengthen Implementation Mechanism and Organizations

- The implementation mechanism should be strengthened so as to reduce the widening gap between planning and implementation. The major problem in Nepal is not that the plan has not directed towards poverty alleviation but its implementation has been so weak to ensure the desired goal.
- There is a need to set up central organization for effective coordination of the poverty alleviation programme, for liaising with NGOs, INGOs, and donor agencies, and for streamlining all the poverty alleviation programmes in proper direction. For this the Poverty Monitoring Unit under the Rural Development and Decentralization Division of NPC should be developed as a separate Poverty Alleviation Division and strengthen it. The Poverty Alleviation Division should have research teams with sufficient number of experts related to poverty and other issues related to social development, sufficient financial support and other basic requirements for the smooth functioning.
- Inter-ministries coordination should be strengthened.
- Programme should be developed for involvement of private sector so that the resources and skill of NGOs, INGOs and private sector can be optimized properly towards more productive and poverty alleviation activities.
- Programme should be developed for involvement of private sector so that the resources and skill of NGOs, INGOs and private sector can be optimized properly towards more productive and poverty alleviation activities.
- The scheme for the involvement of private sector including NGOs, INGOs should be institutionalized by identifying the percentage share of their contribution in total national target.

Develop and Enforce the Legislative and Regulative System

- Develop necessary laws for regulating NGOs and INGOs to the main stream of national development.
- Necessary laws should be enforced against the various exploitative systems like *Kamalya* (bonded labour), child labour etc.
- A strong legislative and regulative system should be developed for monitoring and evaluation of poverty alleviation and other programmes.
- As poverty alleviation is the outcome of various other macro economic and social development, it should not be treated in isolation. Hence, the strong legislative and regulative system for smooth and efficient implementation of policies are essential.

Develop National and Local Level Capacity

- Participatory decision making provisions like identification, formulation, implementation, and benefit distribution by local bodies provide human face to economic reforms. It is therefore, recommended that empowerment of local bodies both at national and local should be seriously thought upon.
- The policy and programmes should be directed towards the development of organizations of poor to ensure their participation in planning and implementation of various activities to ameliorate their quality of life.
- Local self government with extensive support to local bodies for literacy programme, women development programme, primary health programme, forest development, land distribution, electrification, roads etc. is essential.
- Strong organizations of women, landless, peasants, and backward communities should be developed so that they are effective to work as pressure groups for their social and economic development by enhancing the bargaining power.
- Effective services delivery system at the grassroots level is required. It is therefore, recommended to build and strengthen the grassroots level (i.e. local level) institutions. So there should be some service centers at VDC level or if not, at constituency level.

Effective and Efficient Financial Resources Mobilization

- In Nepal, the revenue surplus is decreasing every year. So the financial resource mobilizations through government, local bodies, DDCs, Municipalities, VDCs, NGOs and INGOs; private and corporate sector and international resources should be made efficiently.
- The government alone cannot cater the services needed for poverty alleviation. It is therefore, extremely important to strengthen the

. financial resource mobilization of various sectors like NGOs, INGOs, private and corporate sector etc. to implement poverty alleviation programmes.

- Appropriate macro economic policies should be made to ensure a sustain and accelerated growth rate with continued improvement in the quality of life of the people. Hence, it is recommended to invest on Human Resource Development, to maintain price stability and balance of payment equilibrium, and to improve productivity and employment.

Strengthen Monitoring and Evaluation System

- A strong provision of periodical review and appropriate institutional arrangements should be made for the effective monitoring and evaluation.
- Poverty Monitoring Unit should be strengthened to ensure the better monitoring of the impact of sectoral programmes on poverty.

Others

- Economic growth in itself is not sufficient to realize the qualitative social changes in the poor section of society. It is therefore, recommended to continue existing deliberate policy interventions with necessary information to ensure improvement in the quality of life of the deprived people.
- Empower institutions related to poverty alleviation programmes including social services sectors.
- Efforts should be made at International level in providing special facilities to the countries which are least developed and landlocked. Constructive measures are to be taken for this at the multi-lateral level.
- Priorities should be given to the expansion of employment. Hence, it is recommended to implement the large scale employment generation programmes.
- The *Awareness Programmes* should be initiated in various parts of the country. It helps to understand the poor about the causes of their poverty. The major problems in Nepal is that the poors themselves have not realized the extent of their poverty.
- Macro economic stability should not be pursued at the cost of needs and interests of poor and vulnerable people. It is therefore, recommended to have a compromise between macro economic stability and social stability.

To sum up, these recommendations broadly address the poverty alleviation issues in Nepal. The specific guidelines for the implementation of agenda for action on social development (poverty alleviation issues) can be developed on the basis of these recommendations.

ANNEX I
Selected Human Development Indicators : A Comparison
Table

Indicator : Years	Nepal	South Asia	Developing Countries	Viet Nam
Life Expectancy: 1960	38.4	43.6	46.0	44.2
In Years : 1992	53.8	60.3	61.5	65.5
Infant Mortality : 1960	187	164	150	147
(Per 1000 live births) : 1992	98	84	70	42
Popn. with Access to : 1975-80	8	27	40	NA
Safe water (%) : 1993	46	48	68.8	45.6
Adult Literacy : 1970	13	31	43	NA
(%) : 1993	26	48	68.8	92.5
Gross Enrollment Ratio : 1980	18	37	46	52
for all levels (% age 6-23) : 1990	41	45	47	52
Real GDP Per Capita : 1960	584	698	915	NA
(PPP \$) : 1993	1000	1576	2709	1040
Life Expectancy : Male	54.3	60.1	60.3	63.1
(1993) : Female	53.3	60.5	62.9	67.6
Adult Literacy : Male	39.4	60.1	60.3	95.8
(1993, Female)	13.0	60.5	62.9	89.5
Earned Income : Male	67.8	76.1	69.0	52.7
Share (% In 1993) : Female	32.2	23.9	31.0	47.3
Daily Calorie Supply per capita (1992)	1957	2356	2546	2250
Popn. with Access to Sanitation (%). 1990-95	21	32	39	22
Total Fertility : Rate (1992)	5.4	4.2	3.5	3.9
: Index, 1970=100	90	71	60	66
Maternal Mortality (1993) Per 100000, live births)	1500	576	384	160
Under five Mortality Rate (per 1000 live births) 1994	118	119	97	46
Population per Doctor, 1988-91	16,667	3767	5767	247
Public Expenditure : GNP (1960)	0.2	0.6	0.9	NA
on Health as % of : GDP (1990)	2.2	1.4	2.0	1.1
One Yr. Olds Fully Immunized	61	92	86	95
against: Tuberculosis 1990-94	57	83	78	96
Measles				
Primary & Secondary Education public Exp. as % of total : 1992	62	69	71	NA Korea-83
Public Exp. on Higher	28	15	18	NA Korea-7
Public Exp. on Education : 1980	1.8	4.3	3.8	NA Korea-3.7
as % of GNP : 1992	2.9	3.8	3.9	Korea-3.7 4.2
Urban Popn. annual : 1960-93	6.8	3.7	3.8	3.2
growth rate : 1993-2000	6.9	3.5	3.5	3.5
Population Doubling date 1993	2020	2027	2032	2025
Annual Rate of Deforestation (%) 1980-89	4.0	1.6	1.1	1.7
Gross Domestic Savings as % of GDP: 1993	11	23	26	NA Korea-35
GNP per Capita : 1965-80	NA	1.4	2.9	0.6
Annual Growth Rate : 1980-93	2.0	2.9	3.9	NA Korea-8.2

Source : Human Development Report 1996, UN, New York.

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BOOK REVIEW

Dahal, Madan K. and Horst Mund (1996) *Social Economy and National Development*, Nepal Foundation for Advanced Studies, Kathmandu, Nepal, pp vi + 167, Price not mentioned.

Economic theories are always historically embedded in the intellectual mainstreams of their time. The general enthusiasm after the Second World War was reflected in development policy in an optimistic view of social technology. The modernization theories popular at the time regarded development as technically manageable. Cultural and religious aspects were underestimated with regards to their effects on the process of social change and were neglected in the design of national development strategy, approach and their institutional mechanisms for implementation, making economy not socially accountable, matching with responsibility of people's participation.

In this context the book under review throws enormous light on the problems of pungency in national economy by increasing globalization which has been the core of the development debate in Nepal for the past couple of years.

The book is an out come of the national seminar on Social Economy and National Development organized by NEFAS in cooperation with Friedrich Exbert Stiftung in 1996 and contains six papers.

The paper of Mr. M. K. Dahal entitled Outward-Oriented Economic Nationalism starts its reasoning that Nepal can not survive as a viable economic nation state without having an economic nationalism policy and for economic nationalism's definition the author sees relevancy of late King Prithvi Narayan Shah's, teachings and is in belief that economic nationalism is doctrine that assumes and advocates the safeguarding of a nation's own economic interest as an anchor line of its economic policy.

The paper by Bihari Krishna Shrestha entitled Local Development Strategy in Nepal puts the gloomy picture of the government with little work done in developing any strategy for local development and praises the non-government sector for its enlarging interventions effectively addressing the problems of poverty and under development in the rural community.

Dilli Ram Dahal, in his paper People's Participation and Development starts with his starchy remark that whatever models of development are being experienced in Nepal, the stark reality is that Nepal is becoming poor and more underdeveloped than other countries of even South Asia. He further exposes the fallacy of people's participation in development of Nepal which has become euphemistic expression in every plan document but there is more talk than truth about people's participation which he substantiates from seven case studies of Forest User Groups (FUGs) programme from Eastern Nepal and demonstrates that people's participation is rather superficial and naive.

Similarly papers like, Induced and Indigenous Self-help Organizations in the Context of Rural Development, Role of Rural Development Projects in the Growth of Cottage and Small Industries in Nepal, A Note on Social Economy and National Development by Krishna B. Bhattachan, Vidya Bir Kansakar, and Hari Uprety have been presented respectively. Mr. Bhattachan deals the development theories and practices in Nepal and regional rural development of GTZ convincing that GTZ supported self-help programme to indigenous/traditional self-help group is a paradigm of induced self-help. Kansakar highlights the importance of cottage and small industries for nursing economic nationalism in Nepal and pleads that rural development projects in Nepal must center cottage and small industries.

Hari Uprety sums up the whole seminar proceedings and puts all author's paper gist in nutshell.

In the nineteen fifties and the early sixties development policies conceived for separate national states with emphasis on inward-looking policies were considered plausible. But today the trend towards intensifying international linkages in all countries necessarily raised the number of variables that are hardly predictable and by no means controllable. Comprehensive, consistent macro-policies aiming at optimality declined in importance in favour of poverty alleviating approaches aiming at more manageable subareas, particularly on the project, regional and subsectoral levels. In this background the book does not suggest due alternative strategy to address this problem.

In spite of this the book is useful for those interested in the national development and is worth reading.

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