

Small Farmers Development Programme: An Effort In Mitigating Rural Poverty In Nepal

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INTRODUCTION

Small Farmers Development Programme (SFDP) is the His Majesty Government's pioneer poverty alleviation programme executed by the Agricultural Development Bank, Nepal (ADB/N) since 1975. The term "small farmers" is taken to include not only farmers with small holdings but also landless labourers, cottage industry artisans and other disadvantaged rural poor.

This paper aims at presenting the efforts made by SFDP in alleviating rural poverty. The paper begins with the concept of poverty followed by the poverty situation including the status of rural women in Nepal. Subsequent sections present the case of SFDP which includes basic policies, implementation procedures and various socio-economic activities and their impact on the target group. Institutional development programme of SFDP as an innovative rural development programme aimed at making the programme sustainable is also discussed. In addition, a few problems and suggestions regarding SFDP operation are dealt with. Finally, some inferences have been drawn from entire discussion in the paper.

CONCEPT OF POVERTY

Different authors have defined poverty in various ways. According to Cutler (1984) poverty is defined on the basis of availability of basic needs. Those who fail to acquire these needs are led to poverty. Basic needs can include food, shelter, cloth, fuel, health, lighting and security of both life and property.

Dandekar and Rath (1971) have defined poverty as a want of adequate income, deficiency of energies/under nutrition. Besides, they identified some more criteria for the measurement of poverty: (a) a very high proportion of expenditure to food (about 80-85 percent) in household budget; (b) a caloric minimum; and (c) balanced diet approach.

Various factors are attributable to the cause of poverty. For example, low income leads to low standard of living such as poor housing, deficient food intake and malnutrition and people being unable to afford some basic requirement of life. Low living standard in turn leads to poor health which leads to low productivity. Afterwards low productivity results in low income thus continues the vicious circle of poverty.

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Various scholars have mentioned that poverty can be measured in relative and absolute term. Absolute poverty indicates the situation when the people cannot get enough food to eat for their living. This statement relates to the measurement of nutrition (Cutler 1984:4).

Relative poverty is measured in terms of general standards of living and the accepted quality of life in the society and class (Cutler 1984:4). It means that when the people have less amount of required goods as compared to others in the society are called poor. For example in a society some people have consumer durable such as car, television and radio, etc. The person who fail to posses them are called poor although she/he has enough life support materials. As compared to relative poverty, absolute poverty can be a basis which could be useful to identify the real poor.

An absolute poor is defined as an individual with minimum income and expenditure below a specified minimum called *poverty line*. Regarding this, various scholars have estimated *poverty line* in different ways. For instance, in the Indian planning literature *poverty line* is defined by estimating the expenditure necessary for a minimum level of living.

Dandekar and Rath (1971) and Madalgi (1968) used a nutritional norm of 2250 calories per capita per day and an estimated level of consumption expenditure associated with this nutritional norm for India. Bardhan (1974) assumed the nutritional norm of 2100 calories per day per adult unit (Koirala et al. 1992).

In Nepal, National Planning Commission (NPC) was the first to quantify and define *poverty line* through the survey of employment, income distribution and consumption pattern in 1976/77. As a cut of level for defining the *poverty line*, it has considered Rs. 2 per capita/day at 1976/77 price as a minimum subsistence level of income to buy 650 grams of cereals and 60 grams of pulses to meet the average calories 2256 as suggested by Food Research Laboratory and FAO.

Above mentioned Rs. 2 capita also includes the value of actual daily consumption expenditure to meet the basic necessities (food items, clothing, foot wear, education and health and fuel and lighting. This criterion has resulted the level of poverty as 40.3 percent (Koirala et al. 1992:5). Later this level has increased to 42 percent when it is estimated based on US\$ 100/capita/annum in 1984/85 prices and the household budget survey conducted by NRB in 1984/85.

Jain (1981) has expanded the above definition based on Rs. 2 capita/day in two categories (1) those households who earn less than this income are poorest of the poor and (2) those who earn more than this income and less than national average consumption expenditure (Rs. 2.68 capita/day in 1976/77 prices) are categorised into above *poverty line* poor in the sense that these categories relate with absolute and relative poverty.

Another *poverty line* is delineated by World Bank. It has recommended US\$ 40 at 1976/77 prices as the poverty level of Nepal. Later this was adjusted to US\$ 150 at 1988/89 prices. This has resulted people below *poverty line* as 71 percent (Koirala et al. 1992).

Based on above definitions the incidence of poverty in Nepal is depicted in Table 1.

Table 1
Incidence of Poverty in Nepal

(in percent)

Poverty Line	Rural	Urban	Total
NPC: 2 NRs per day per capita income	42	15	40
WB: US\$ 150 annual per capita income	74	42	71

Source : Koirala, G. et al. 1992:6.

Various methods are in use for computing the incidence of poverty. However, Head Count Ratio is considered as the easiest and widely used ones. For computing this ratio the numbers of poor are identified based on certain criteria and such number of poor is divided by the population universe.

POVERTY SITUATION IN NEPAL

With a gross national product (GNP) per capita of US\$ 180 (Asia Week 1996:57), Nepal ranks as one of the poorest countries in the world. As a matter of fact, the number of poor is increasing steadily. For instance the rate of incidence of poverty has increased from 42.6 percent of the population below poverty line, failing to meet the minimum requirement of 2256 calorie, in 1984/85 to an estimated 49 percent in 1992/93.

The main causes of rural poverty are inter alia, high growth rate of population, low agricultural productivity, inequitable distribution of productive assets such as land, unfavorable production technologies and environmental degradation.

Those who are below the poverty line are near-landless, artisans, agricultural labourers and landless including women. Based on some studies conducted by national and international agencies the poverty situation in Nepal is depicted as below:

- Per capita food availability has declined and per capita income has remained less than minimum expenditure required for fulfilling basic needs.
- The real wages of agricultural workers have been dropping. Life expectancy at birth is 54.4 years and literacy rate is 39.6 percent (NPC 1992).

- Only 43 percent of the population has access to safe drinking water. Acute malnutrition, high infant mortality, 107 per 1000, and diseases such as goiter are endemic (NPC 1992).

Women in Nepal are among the poorest and disadvantaged group due to social, legal and intra-household discrimination. As a result of which education, health and nutrition status of women including girl child are much lower than that for men particularly in rural areas. They work harder and longer than men. Women's work, at home and outside, is 44 percent more than men, 10.7 hours as against 7.5 hours per day for men. Even then they have marginal control over financial resources (ADB/M 1990).

In Nepal, land is an important asset. Even then women rarely own land because land is inherited patriarchally. This hinders the women from obtaining credit. Lack of credit limits access to improved technology, agricultural input and information. Therefore, there is a need of such programmes for women which can make equal access to the economic activities and resources and other social programmes because contemporary rural development programmes have largely by-passed them.

RESULTS OF PAST ANTI-POVERTY PROGRAMMES IN NEPAL

Nepal undertook anti-poverty programme through various rural development programmes with a view to bringing about rapid improvement in the socio-economic condition of the rural poor. With this objective, mainly two types viz., integrated area development approach, Tribhuvan Village Development Programme and Integrated Rural Development Programme, and the local institutional approach, Cooperative Programme, etc. were launched.

The former approach was based on the perception that rural development should comprise a series of inter-linked programmes utilizing community resources and government inputs, with an initial thrust towards productivity increase whereas the rationale behind the latter approach is to bring the institutional change with a view to cater the needs of the people without discrimination within a particular area. But both the approaches to rural development failed to establish distributive justice in sharing the benefits within the Nepalese society.

Distribution of economic resources continued to be unequal. Nepal Rural Credit Review (1994) revealed that small farmers needed almost 50 percent of the estimated total credit need from external source. On the supply side more than three-fourth of the total credit supplied accounted for by non-institutional sources. The coverage of institutional credit was particularly low for small farmers. Only about 10 percent of the small farmers were able to obtain credit from institutional sources as against 16 percent in the case of medium and 49 percent in the case of large farmers (NRB 1994.)

Similarly, NRB (1994) corroborated that 7 percent of household with less than one hectare of land borrowed from formal sources during 1991/92. The proportion of large holders borrowing from formal sources was 14 percent. Small holders were compelled to approach informal sources.

Besides, women are deprived of benefit from above programmes because of the assumption of a *trickle down* effect on the development of women: if the family benefits, women will benefit, does not seem to have materialized in Nepal.

The main beneficiaries of the development programmes were found to be the rural elites who by their education, social status and economic condition were better equipped to utilize the services. The rural poor including women who actually needed genuine support were further deprived. Having realized such problems, since a few decades ago, government started undertaking such policies and programmes which targeted the rural poor, specially for those below *poverty line*.

Accordingly, Small Farmers Development Programme (SFDP) came into existence as a target group oriented programme to serve the government and non-government organizations of similar nature. Production Credit for Rural Women, Rural Development Banks, Center for Self Help Development and Saving and Credit Institutions etc. are some of the examples, which have been instrumental in delivering services at the grassroot level.

After the political change of 1990, the democratic government has also accepted poverty alleviation programme as the biggest challenge and has included it in its major development activities. In this regard, SFDP has been considered as a principal programme through which the government has been endeavouring to channel the resources directly toward the rural poor for augmenting their overall well-being (NPC 1992).

SMALL FARMERS DEVELOPMENT PROGRAMME (SFDP)

SFDP is the major poverty alleviation programme of the government. The executing responsibility of which is vested in ADB/N since 1975. The programme organises small farmers groups at village level as an approach and process to provide development services to the rural poor.

The main objective of SFDP is to improve the socio-economic condition of small farmers - the rural poor through provisions of basic inputs e.g. credit, technology, training and facilities related to social and community development. However, the specific objectives are to :

- Help small farmers to increase their productivity, production and income and thereby improving their quality of life by encouraging them to carry out other subsidiary activities which would directly benefit them.

- Increase employment opportunities for small farmers by mobilizing their skill, resources and labour.
- Enable small farmers to develop their own institutions and formulate village level plans and programmes according to their choice and needs and implement them accordingly.
- Build-up a feeling of social solidarity and trust among group members to raise their voice for different services by different socio-economic programmes like health and sanitation, nutrition, education, water supply, family planning etc.

In the mid 1970s there were 550 million people in the world, three-fourth of them in Asia suffering from absolute poverty in the rural areas of the developing countries of the world. This horrifying situation induced the planners to realize the fact that equity and social progress should not be sacrificed to the dictates of economic efficiency i.e., GNP. It also urged for the search for an appropriate mechanism which ensures the participation of small farmers in the development process through constructive group action (ADB/N 1986).

During 1973-1976 FAO/UNDP regional project, Asian Survey of Agrarian Reform and Rural Development (ASARRD) undertook the problem and organized multi-level, multi-agency and multi-disciplinary field workshop in 16 rural areas of 8 countries namely Bangladesh, India, Indonesia, Korea, Nepal, Philippines, Sri Lanka and Thailand.

In Nepal the workshop on Development Support for Small Farmers was organized during January 4-14, 1974, under the joint auspicious of Ministry of Agriculture, Ministry of Land Reform, Agricultural Development Bank and FAO/ASARRD.

During the workshop, field action was considered to test the validity of the essential elements if the rural poor were to be helped in real sense. Eight field action projects were initiated. Nepal shared two such projects one at Mahendranagar in Dhanusha district in Terai and the second at Tupche, in Nuwakot district in the hill.

The two field action programmes were implemented by ADB/N with an initial support from FAO/ASARRD. This marked the beginning of any institutional support to the small farmers - the rural poor. And what began as an experiment at Sakhuwa and Tupche has developed as a model for the upliftment of thousands of the Nepalese small farmers.

After a few years of the experience of the projects, impact studies were done on the field action programmes by the national and international agencies. The evaluation study carried out by a national agency (APROSC) revealed that the small farmers under the ambit of the SFDP were better off compared to their counterparts who were beyond the

ambit of the programme. The observation of the International Fund for Agricultural Development (IFAD) supervision mission team was that the SFDP in Nepal is one of the best models of participatory rural development programme in South Asia.

The success so achieved and appreciation of the project's performance led to the acceptance of the programme on a national level. His Majesty the King, in a royal address (1980) declared:

In an effort to make the small farmer development programme more extensive, my government will lay special emphasis on the task of making easily available agricultural credit and inputs, implementing extensive drinking water projects encouraging cottage and small scale industry as well as carrying out a programme of land reform.

Following the announcement of His Majesty the King, SFDP administered by ADB/N was initiated at the national level. Then onwards expansion of the programme both in number of the projects and coverage of districts have been growing with each successive Year.

Side by side, ADB/N, being a developmental financial institution, has to be more cautious about the strengthening as well as ensuring the financial viability of the programme. Therefore, since 1989/90, ADB/N has initiated the consolidation of SFDP in which some non-performing and non-viable SPOs were amalgamated in the neighbouring performing SPOs or branch and sub-branch of ADB/N as a unit. New SPOs were established in only such Village Development Committee (VDC) where they are actually needed.

SFDP currently operates 422 SPOs in all the 75 districts of the kingdom facilitating the convergence and integration of services of the government line agencies for more than 188 thousand small farm families covering 652 VDCs by the end of mid 1995/96.

Definition Of Small Farmers

For defining small farmers, two tier criteria of per capita income and land holding have been considered. Accordingly those who have less than 0.5 hectare of cultivated land and a per capita income of Rs. 2500 annually (at 1987/88 prices) have been considered small farmers. Accordingly, ADB/N defines that:

Small farmer is one who is depending on the profession of agriculture and cottage industries at the village level whose land holding is small, who is tenant, share cropper, fisherman, landless labourer engaged in rural industries and other skilled labourers whose annual income does not exceed Rs. 2500 per head.

Basic Policies Of SFDP

Group Organisation : This is the fundamental characteristic of SFDP. The programme underscores the fact that an individual small farmer is economically and socially weak thus dominated by the better off. So, this programme aims at providing group personality to each individual and help them seek benefits from the development programmes by seeking their direct participation in economic as well as in social programmes. Generally, the groups thus formed comprise 5-10 members small farmers who have similar type of problems, interest, economic status and live in the same location.

Planning From Below : Various studies have indicated that the *top down approach* of planning process in Nepal has been unable to take care of the aspiration and felt needs of rural poor. These types of development programmes mostly resulted in ineffective delivery of services and facilities to the needy poor. Realizing this fact, *planning from below* is harped on in SFDP to enable small farmers make their own plan based on their needs e.g. kind and quantity of inputs, resources and further help to be sought from the government and other line agencies.

Contribution Of SFDP To Alleviating Rural Poverty

The basic development philosophy of SFDP is to extend its efforts to the grass-root levels through participatory group approach for integrated socio-economic development of deprived rural communities. As such, the programme is not redistributive- either in terms of wealth or income. Thus the programme focuses on enhancing the productivity of land and labour resources available to the small farmers. For this, SFDP aims to create self-employment opportunities by providing credit and allied services such as literacy, awareness building, basic health and sanitation.

The programme also tries to improve productivity by changing technology of production. This involves physical development of productivity enhancing schemes such as irrigation and skill development of the participants. Within this broad framework, SFDP's contribution to mitigating rural poverty is discussed in succeeding sections.

Implementation Procedures Of SFDP

The SFDP sites are selected on the basis of a survey. Area survey basically gives the information on the topography, climate, availability of natural resources, farm family structure, their income, and the composition of the different ethnic groups in that area. It is really a bench mark information of the particular area.

The next step is to conduct pre-household survey by the group organiser (GO). The detailed survey provides all the informations on income, labour use, consumption pattern, existing skill, land use, literacy.

health and nutritional status. These informations help to identify the small farmers.

The group organiser is an employee of ADB/N. He is an agent of change and represents the interest of small farmers. He has working experience on agricultural credit and an insight into the small farmers situation. He is also given training which basically helps him to work efficiently for the rural poor.

At the grass-root level, the small farmers are organised into groups which are informal in nature. The small farmers' groups are both homogeneous and heterogeneous. As far as possible priority is given to form the homogeneous and cohesive groups. All inputs and services required by small farmers are provided through small farmers' groups on group liability. Group approach for a meaningful people's participation is used as a tool for the development of rural poor.

The groups of the small farmers, thus formed, identify, plan, implement, monitor and evaluate their economic and social development projects and programmes.

Major Activities Launched in SFDP

Economic Activities

As mentioned earlier, distribution of land in Nepal is highly skewed in favour of big farmers. So the small farmers are not in a position to produce enough for their families from the small size of landholding. Production can be increased either by expanding cultivated area or by intensive farming. On the one hand, there is no possibility of expanding area for small farmers and on the other SFDP has no scope for affecting the fundamental changes in landholding pattern. It has to work in the existing socio-economic milieu of the rural areas. So, the SFDP provides credit for improving productivity of limited size of land holding together with improved production technologies for intensive cultivation practices. Besides, credit is also provided for marketing and agro-processing as well as various other income/employment generating activities in order to strengthen economic base of the small farmers. Between Fiscal Year 1975/76 and 1995/96 the total loan of NRs. 3680 million has been disbursed to the small farmers, of which NRs. 2270 million has been realized. In spite of increasing trend in the amount of loan repayment, the repayment rate appears to be less satisfactory.

Regarding impact of the credit disbursed, a comprehensive study conducted by Agricultural Project Service Center (APROSC) in December 1987 showed several positive changes brought by SFDP with the help of credit availed to small farmers. For instance fairly encouraging changes were found in the use of improved farming methods. Cropped area under improved seed increased from 28 percent to 84 percent depending on the crop. Use of fertilizer and other inputs had increased. Performance among

SPOs varied greatly, but in general teral farmers performed better than the hill farmers.

The study further concluded that farm income grew by 19.5 percent during the project period or by 5.1 percent annually. During the same period, off-farm income increased by 68 percent and as a result, household income increased by 30 percent or an annual increase of 80 percent.

Apart from above, studies showed positive employment effect of the credit activity under SFDP. The credit provided under SFDP enabled small farmers to create self-employment opportunities with consequent positive impact on the overall employment situation. The survey conducted by APROSC (1987) showed that effective utilization rate of labour of small farmers increased from about 49 percent (of the total labour days available) to about 64 percent after participating in the programme. Increased cropping intensity and increased livestock activities were the principal contributors towards additional employment creation.

Social And Community Development Activities

Credit is the primary component for the productivity improvement of small farmers. However, together with credit other social and community development activities are also essential, because the economic and social activities are mutually supportive and reinforcing. So, in addition to credit, SFDP includes social and community development activities viz., adult education, family planning, drinking water, sanitation, etc.

Social and community development activities are carried out for awareness building of small farmers e.g. to make them aware of importance of education, sanitation, family planning, etc. Accordingly, the final impact evaluation (APROSC 1987) showed positive gains on social development front. School enrollment rate for boys increased from 55 percent to 74 percent and from 30 percent to 41 percent for girls. In all, the proportion of families adopting family planning practices increased from 24 percent to 30 percent. Farmers also reported considerable reduction in time to fetch drinking water. The proportion of families reporting provision of toilets increased from 26 percent to 33 percent. The adult literacy rate increased from 59 percent to 76 percent for male and 15 percent to 28 percent for female.

Among other social activities, adult education programme has shown an example of positive results by raising awareness among small farmers to participate in income generating activities and increase their income. The study conducted by Shrestha (1992) revealed that 164 out of 655 (25 percent) sample respondents have carried out income generating activities such as livestock, poultry, kitchen garden, horticulture, cash crops and tea stall/shop and they earned additional income per month with an average of NRs. 345 mainly from livestock, poultry, fruit and

vegetables after participating in adult education programme.

Marketing Arrangement

Various types of marketing arrangements have been made. These differ depending on the geographical situation. Some examples are illustrated below:

- Marketing loan has been disbursed to small farmers to purchase farm produce from other fellow small farmers and sell it in the market situated in different places.
- Group marketing has been carried out in which the small farmers collect the produce from the fellow small farmers and sell the same in the distant market place turn-wise.
- Milk has been sold through milk collection centers established in potential areas by the Dairy Development Corporation at the request of SFDP/ADB/N.
- As a result of these arrangements the small farmers have reportedly been to get reasonable prices, use their spare time in other productive activities and create employment opportunities.

Creation Of Productive Assets

Irrigation development programme is imperative to increase agricultural productivity and protect small farmers from the vagaries of monsoon. In accordance with this, SFDP has been emphasizing the construction of irrigation schemes since the beginning of 1983/84. ADB/N under SFDP provided community organization the technical support services for this purpose. As per of 1994/95, over 18,443 hectares were irrigated which benefitted closely to 20,000 small farm families. Other technological options utilized for the purpose include rowel pump, shallow tube-wells and sprinklers.

In order to assess the impact of irrigation project, a case study of Kumroj community irrigation project was conducted (Acharya 1992). The study revealed that the irrigation project has significantly increased agricultural productivity, income and employment opportunities. The per hectare productivity has increment from about 2.6 metric tons to as high as 7 metric tons with a net increment of 4.4 metric tons per hectare. Crops grown in this area generally were paddy, wheat, maize, mustard, pulses and vegetables. Accordingly, the gross income per hectare of the small farmers has increased from NRs. 19 thousand to NRs. 43 thousand with a net margin of NRs. 24 thousand per hectare.

The study also revealed that labour absorbed in unirrigated farm was equivalent to 2,825 person days and in those irrigated, 4,508 person days which was an increase of 59 percent. Regarding the use of improved

seeds and technology, the study showed that, out of the cultivated 1079 hectares 647 hectares (59 percent) were under improved farming. Similarly the cropping intensity increased from 203 percent to 278 percent with an increase of 75 percent.

Training Programmes

Although training does not show direct return, it is essential to increase the efficiency and productivity of small farmers in terms of production and income by enhancing their knowledge and skills. Crop production, horticulture, adult education, cottage and small industry, irrigation management, environment, and women development programme are the main components of the training imparted to the small farmers. Between 1977 and 1995, total numbers of trainees including other bank beneficiaries were 78,397 (male 49,867 female 28,530).

Training has both economic and social impact on small farmers. A case study conducted by Shrestha (1988) revealed that after training, small farmers have improved their economic condition by receiving an average income of NRS. 5045 per year from veterinary service, *muda* (bamboo stool) making, integrated fishery and tailoring alone which would otherwise have been impossible.

As far as social impact is concerned, it cannot be directly measured but when measured in terms of change in their food habits, attitudes and behaviours, that show a substantial shift. Accordingly, the study has revealed that increase in productivity, and efficiency of small farmers due to training has improved the food habits basically of those who were involved in veterinary, fisheries, seed production. Besides, training has changed the attitude of small farmers because of their involvement in the group actions which led to group consciousness and team attitude. It implies that training increases not only the productivity and efficiency of small farmers but also changes attitude which in turn results in improving their living standard.

Group Savings

Group savings provision is one of the fundamental characteristics of SFDP. The main purpose of group savings is to enable small farmers to manage some emergencies such as death, illness, etc. out of the funds they establish on their own. Sometimes small farmers use this fund for ceremonial purpose e. g. marriage and also for food consumption when they have scarcity of food. Sometimes this fund has also been very much useful for procuring agricultural inputs when they fail to submit their loan application to SPO on time. Significant advantage of the group savings is to prevent small farmers from taking credit from the private moneylenders who generally charge usurious interest rates. For group savings, certain amount of fund is deposited by each group member once in a month as per the group decision. Under this programme total amount of NRs. 68 million has been deposited between 1975/76 and 1995/96.

Livestock Insurance

Livestock insurance scheme has been implemented in some potential SPOs. The basic feature of the scheme is its management through member farmers' own associations. Training has been imparted to the small farmers, para-veterinary personnel have been developed from among the farmers themselves so that the reliance on them would be ascertained at any moment.

The important feature of the scheme is self-insurance by livestock owners. It is entirely voluntary. The insurers themselves decide on the annual premium on the basis of past 5-10 years of mortality rates of livestock in their given area and administer the scheme through an elected insurance committee of their own.

As for the premium, it is being replenished by 50 percent matching fund by ADB/N using HMG/N's subsidy so that the farmers be assured of the commitments from the governmental agencies.

Environmental Conservation

Realizing the adverse effect in agricultural productivity due to soil erosion, environmental conservation programmes have been undertaken since 1990. Presently, this programme has been executed in 36 SPOs. Under this programme, series of activities such as orientation, promoter training, skill enhancement training, forest nursery and plantation, river training, low cost electrification etc, are carried out in the project sites. Major purpose behind conducting these activities is to create awareness among the villagers regarding environmental issues. Within a span of four years (1989/90-1993/94), more than 123 thousand small farmers have been brought under the programme as beneficiaries including women. Such programme implemented in the rural area is believed to benefit entire population residing in the project sites (ADB/N 1994).

Women Development Programme

Women Development Programme (WDP) was initiated in 1982 under SFDP with the aim of providing basic service activities to women. Women Group Organisers (WGOs) assigned to different SPOs remain as the responsible officials to look after such activities.

As of 1994/95, a total number of 22 thousand women members benefitted from such scheme and they were given credit totalling NRs. 65.39 million to undertake different farm and non-farm income raising and employment promotional activities, of which NRs. 39.03 million have been repaid back (Shrestha 1996).

Besides, women were also imparted various types of training and provided opportunities for inter-project observation visits. This programme has been in operation in all SPOs. It is, however, intensively implemented in

132 SPO sites with the assistance of donor agencies. Under this programme, the women members have deposited about NRs. 4 million as group savings between Fiscal Year 1981/82 and 1994/95 (Shrestha 1996).

As per the impact of WDP, a study conducted by Nepal Rastra Bank (1991) revealed that with project support 65.2 percent of the sample respondents have undertaken fresh activities other than their own family occupation to generate additional income. Such percentages in hills and terai were 75.6 and 48.1 percent respectively. It was generally observed that large numbers of women members in the hills were engaged in some form of economic activities than in terai. The women beneficiaries were mainly engaged in extra activities such as weaving, knitting, tailoring, poultry raising and shop keeping. The overall income per woman member from such extra activities was NRs. 2730.67. The same figures for the hills and terai were NRs. 3353.08 and NRs. 1701.25 respectively. It was generally observed that income level differed widely depending on project location and type of economic activities.

Such income generating and employment promotion activities have been helpful to lessen the household financial strain and have been a tool to empower rural women in decision making with regard to their financial matters. In the process, some rosy pictures are gradually in the scene of the project area. Some women after joining SFDP have been able to provide full time work to their unemployed husbands. Change in traditional role prescription for male and female is in the process. Male conceived as the bread winner for family traditionally is gradually reversing in case of earning women in the project area.

THE INSTITUTIONAL DEVELOPMENT PROGRAMME OF SFDP : A BREAK THROUGH FOR SUSTAINABLE DEVELOPMENT

In order to make the small farmers capable and self-reliant for undertaking various socio-economic activities ADB/N developed a new concept of Institutional Development Programme (IDP) of the SFDP and started its experimentation in Dhading district since 1987/88. The Programme aims at evolving the self-help and autonomous organisations of small farmers (SFs) at grass-root levels so that they could develop management capability and bargaining power to undertake various socio-economic activities. Such organisations are expected to play the role of a financial intermediary between the individual small farmers and ADB/N. In this, the SF organisation receives whole-sale credit from the bank and retails it to small farmers, individual or group. These activities will be carried out by the SF organisations only from ADB/N and function independently with the help of local youth workers/women group organisers belonging to the small farm families. Based on the positive outcome of the aforesaid experiment, 10 SPOs of Dhading district and 21 SPOs of other 16 districts are handed over to the respective SF organisations. Gradually, its replication furthermore in other districts is being

contemplated. It is thought that the IDP of SFDP would facilitate development of a small farmers-led institution which would be able to operate the SFD activities in sustainable manner.

Future Programme Of SFDP

Considering the demand for SFDP services by small farmers all over the country, the programme has to be gradually expanded. For the purpose, various strategies are being undertaken by ADB/N through which additional 11,000 small farmers are envisaged to be covered in the current FY 1996/97, and SFDP will actively provide credit and other supports to small farm families through the networks of local SF organisations and NGOs.

Problems And Suggestions

Based on experiences and evaluation studies conducted by various agencies some problems were revealed which the SFDP has faced during implementation as follow:

- The programme is constrained by required number of manpower in the SPO sites. Therefore, high work load among SFDP functionaries at the grass-root level has resulted in lack of follow-up and constant stopping support to help the small farmers to generate income/production from the borrowed fund. This has affected repayment position at the SPO level. Similarly affected are the quality and expansion of the programme. Inadequate monitoring and supervision from higher level ADB/N offices is another problem of the programme. Therefore, an optimum size of staff needs to be assigned, especially in SPOs based on the geographical location and the range of activities carried out by them. In this regard, ADB/N should seriously undertake the actions to fulfill the staff requirement.
- As the rate of incidence of poverty is increasing due to interalla, population pressure, inadequacy of income raising and employment promotional activities in the rural areas, SFDP has a high degree of demand for its expansion to combat against poverty. On the other hand the programme could not spread to a desired extent because of its high operational cost. Therefore, the present coverage of the programme at the grass-root level is felt short of expectation. In order to complement the programme other innovative anti-poverty approaches need to be explored and that should equally be cost effective and time effective. IDP implemented in Dhading district could be taken as an example and which would be appropriate to replicate in other parts of the country. Similarly, more VDCs could be covered through the existing SPOs and ADB/N's branch/sub-branch offices networks of small farm families. Apart from that potential NGOs, INGOs should be encouraged to supplement and complement similar services to the rural poor.

- In fact, poverty is so complex and massive that it is not possible only for SFDP to resolve the entire poverty problems of Nepal. Instead, global concerted efforts from all those agencies involved in the rural development is required and join their hands to act in coordinated approach.

CONCLUSION

Anti-poverty programme is the vehicle for improving the overall well being of the weaker section of rural population in Nepal. The rural poor, however, have not been able to benefit to the desired extent which can be balanced to a certain extent by avoiding the implementation lapses of the past.

Prior to 1975, there was no institutional mechanism to look into greater interest of the rural poor. SFDP which came into being in 1975 has the major task of identifying the poor, organising them into homogeneous groups with the help of local organisers and get them involved in productive activities. Evidences abound to suggest that farmers within SFDP are better off, from income, employment and social status angles, than their counterparts outside SFDP. Because of the positive impact of SFDP on these aspects, there is demand for expansion of SFDP. ADB/N, however, has its own limitation faced as it is with staggering overhead cost. The positive gains do not provide any scope for complacency. It has to carefully look into the past and present implementation flaws and formulate ways to make SFDP a self-reliant programme aimed making a frontal attack on rural poverty. One of the ways devised and implemented is the IDP programme through which ADB/N seeks to achieve farmers' participation in running the affairs of SFDP. It would be quite appropriate to suggest that only with the effective development of the small farmers led local institutions and some support from outside agencies, a large number of real poor of the country could be able to receive demand driven services in short span of time that could manifest rapid growth and real rural *trickle down* to the quite poor thereby reducing abysmal rural poverty and inequalities.

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BOOK REVIEW

Bongartz, Heinz and Dev Raj Dahal (1996) *Development Studies Self Help Organizations, NGOs and Civil Society*, Nepal Foundation for Advanced Studies, Friederick Ebert Stifting, Nepal, PP III+118, Price NRS 250.

The developed as well as developing countries of the world are experiencing various development process in order to reduce the uneven distribution of income, alleviating poverty, promoting economic growth, improving economic well being of the people. Development Strategy adopted by different countries with varying approaches did not become success-substantially, and most people live in rural areas marked by an increasing number of the landless and jobless, and are struggling in hardship to ensure their daily survival.

Over the years numerous books have been written which are closely associated with development issues. These books directly or indirectly acknowledged the development experiences of developed countries extending the adopted development techniques in the developing countries. The present book under review however, is different and innovative in providing the critical appraisal of development strategy adopted in the past incorporating development strategies and techniques at the present situation of the developing world. The book has eleven chapters including conceptual outline for the proposed programmes with notes, bibliography and index.

Chapter one divides United Nations Development Decades into successive three periods: the First Decade of 1960s concentrating on economic nationalism for developing countries suggesting an economy geared towards self reliant, inward oriented, socially distributive and import substitution industrialization. In the Second Decade of 1970s critical voices over the sustainability of the development programmes and projects currently being undertaken are being raised. The Third Decade of 1980s of UN development era did not show positive sign which may be described as the 'lost decade' owing to greater misery of the majority of the people in developing countries.

The second chapter of the book makes a substantial critical appraisal of development theories. It states that the development theorists and practitioners begun to discuss that there was a need for new and innovative approaches for an equitable and just development. The trickle down approach hardly would be succeeded in overcoming the problems faced by the poor people of developing world. So the theoreticians and development practitioner realised that the top down planning strategies should be superseded by bottom up planning procedures and by more poverty alleviation programmes.

The third, fourth, sixth, seventh and eighth chapters throw a cursory light on the development theories such as dependency theories, community development approach, people's participation, decentralization of power, self-reliance approach and basic need approach. The book tries to show and analyse these in the subsequent chapters and opines that these development approaches did not properly help to the development of developing countries of the world. These theories were not able to cope with the challenging poverty; environmental degradation and general well being with an critical appraisal of the programmes.

In the chapter nine of the book, authors have emphasized the self-help organizations in rural development with the participatory approach and through decentralization of power in management and decision making. This programme is more effective in raising the standard of living of poor, generating new and additional employment and income through replacing local level planning to central one. It stresses in strengthening the deprived, poor and backward in the rural communities by promoting their self-help organizations. The local level small programmes rather than larger ones have the distinctive features that promote economic base of the group, encourage to formulate organizations and promote a continuous education process. The book further stresses that the creative capacity of the community should be utilized competently in production, distribution and financing so that the rural population can be only seen as an untapped resource that has not yet sufficiently exploited for the sake of national development. This type of development strategy in the rural areas especially for backward and deprived class promotes the participatory planning, education and training, resource mobilization in local levels, self-management, linkage building. Process of extension and movement building, self-evaluation etc. are also discussed in this chapter.

Chapter ten of the book has extensively categorised the NGOs and explains the effectiveness of NGOs in the development process which are linked with the overcoming poverty, degraded environment etc. The book emphasizes on the rural oriented approach for NGOs towards their resource mobilization process from the donors and their working style in the field. The book clearly defines the types of NGOs' role and identifies their working fields, such as accountabilities, network co-ordinations and vertical integration, empowerment, capacity building, access, relief, management, actual implementation of programmes etc.

In chapter eleven, the authors try to present the development process through human development approach. The human development approach is basically originated in 1990s which contributed to people centered development. It includes among others, participatory development approach, empowerment, self-governance, good

governance, poverty alleviation, sustainable development, economic governance and civil society. These sub-chapters are analysed in detail. The book stresses the failures of the paradigm of development theories and simultaneously inspires global debates on alternative concept of development. The resulting thoughts of development in alternation can be referred to as the right to development. The pre-ecological and materialistic theories based on maximizing productive capabilities ignored both ecological and social considerations, essential to the notion of sustainable development. These alternative concepts of development are the bed rock to the declaration of the new International Economic Order in 1994. Under the civil society heading history, origin, social sphere, politics, and economics of development discourses, etc. are dealt.

The last chapter of the book analyses the preparation of programmes in detail, and emphasizes micro projects which need local base line study, constraint analysis, target group analysis, workshops design, implementation and evaluation.

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