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**New Roles in Civil Society – Current and Potential Roles
in Decentralised Decision-making in Rural Nepal.**

**A thesis presented in partial fulfilment
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Abstract

New Roles in Civil Society – Current and Potential Roles in Decentralised Decision-making in Rural Nepal.

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This study attempts to develop a better understanding of the roles civil society plays in rural Nepal. Makawanpur district has a diverse population and villages both remote and close to national highways and urban centres. The study was carried out during a period of political instability and civil war during which the functioning democratic government was replaced by an administration appointed by the King.

At the community level an active civil society undertakes a range of roles and responsibilities. The most significant organisations involving large numbers of people were those contributing directly to supporting livelihoods, including dairy co-operatives, savings and credit groups, forest and water user groups. State-controlled sectors such as education and health had weaker participation. Religious and ethnic organisations do not play significant roles while non-government organisations are present and contribute to welfare and development but do not have large memberships.

Many civil society organisations were “induced” but over time had evolved and developed their own agendas. Roles being undertaken included management of resources and utilities, supporting poverty alleviation and improved livelihoods, participation in decentralised governance and addressing social issues. Microfinance was a powerful motivating factor used both to form and keep groups together. Groups claimed “inclusiveness” but this could not be independently verified in this study.

Civil society theory holds that a healthy society balances the *Prince* (State), *Merchant* (commercial sector) and *Citizen* (civil society). Applying and understanding this theory in a rural environment is challenging and raises many questions as to what “balance”

would look like. The State presence is small, mostly in the form of schools and health posts, but it controls policies that affect civil society. Organisations felt they had little influence on policy. The commercial sector is also very poorly developed. In this environment, community based civil society organisations undertake many roles. Civil society is complex and can only be viewed in context of the given point in history and specific community power relations. As communities undertake more roles and responsibilities, they will need to be better understood and supported by the development industry if they are to achieve their full potential.

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Abbreviations

ABC Nepal	Agro-forestry Basic Health Co-operatives Nepal
CBO	Community Based Organisation
CFUG	Community Forest User Group
CPN-UML	Communist Party Nepal – United Marxist Leninist
CSO	Civil Society Organisation
DDC	District Development Committee
DfID	Department for International Development
FCHV	Female Community Health Volunteer
INGO	International Non-government Organisation
LGP	Local Governance Program
NGO	Non-government Organisation
PDDP	Participatory District Development Program
PTA	Parent Teacher Association
TTBA	Trained Traditional Birth Attendant
SAPPROS	Support Activities For Poor Producers of Nepal
SEACOW	School of Ecology and Community Work
SMC	School Management Committee
UNDP	United Nations Development Programme
UNICEF	United Nations Children and Education Fund
USAID	United States Agency for International Development
VDC	Village Development Committee

Chapter One - Introduction

"Civil society" has become omnipresent because it rings most of the political, economic and social bells of the late twentieth century. The ideas packed into the two familiar words are rich, overlapping, contradictory and in danger of being all things to all people; at the same time, however, they hold out tremendous inspiration for change." Alison Van Rooy et. al. 1998

As "civil society" and the strengthening of civil society becomes the focus of many donor initiatives it has become important to examine more closely the functions and objectives and evolution of civil society within any given community. Nepal located along the Himalayan range between India and China is one of the world's poorest countries. The United Nations ranks it amongst the developing countries with a Low Human Development and ranks it along with the Sudan and Bangladesh (UNDP 2000). With a population of 23 million, 85% of people in Nepal have no access to electricity, 40% lack clean drinking water, 28,000 children die each year from diarrhoea and poverty is rampant with more than 70% of the population being classed as poor by world standards (Dahal 2001). Nepal has only had a democratic multi-party political system for 12 years. From the early eighties the government started to allow independent grassroots organisations to form. These were usually single purpose such as water user groups or mother groups to promote health. In 1989 as single party regimes around the world toppled, Nepal also experienced a revolution that overthrew the one-party Panchayat system and replaced it with a multi-party democratic system. Expectations were high but the challenges the new leaders faced were immense. Many of the new leaders had been underground for most of their lives. Their roles as revolutionaries were difficult to reconcile with the tenacity and compromises needed to address longstanding development issues. While the political system and leadership have made little headway the situation in rural Nepal deteriorated. In 1996 the Maoists opted out of the political system and declared the 'Peoples War'. The Maoist Revolution now affects most districts of the country and has brought about the deaths of more than ten thousand citizens. In early 2002, after peace talks had broken down and violence had escalated, the Prime Minister dissolved both the House of Representatives and all elected local bodies. On October 4, 2002 the King finally became impatient and seized power installing a puppet government. In the past two years civil society organisations have been forced to operate without much support

from the government or development partners and in spite of attacks and harassment from government and Maoist armed forces.

Despite the lack of leadership from the politicians, the freedoms gained with democracy have helped encourage the emergence of a strong free press and an enormous number of local NGOs and small community based organisations. These organisations now take increasing responsibility for many aspects of life in rural Nepal. Communities manage forests, water supply systems, marketing systems for produce, dairy co-operatives, trail and bridge systems, rural hydro-electricity systems, pre-schools, historical and religious sites.

The donors, and demands from the community level, have forced a reluctant bureaucracy and political system to legislate greater decentralisation of decision-making and control over resources. Many urban-based planners, bureaucrats and politicians however continue to question the abilities of the rural “uneducated” farmers to assume the roles the donors want them to have. Teachers who for years have politicised the schools now claim that parents and school boards would politicise schools more. Government forest officers and politicians, that used to benefit from the money that flowed from shady forest deals, now rail against community forestry even as they admit the huge gains that have been made in improving forest cover. The hard won rights and control the community gained are constantly being eroded. Communities too are suspicious that government is using these community-based organisations (CBOs) or civil society organisations (CSOs) to abdicate its roles and responsibilities, without providing the resources or technical help that communities need to be successful.

The community have both recognised the need, and proven their ability, to manage resources at the local level. Many communities also believe that they cannot automatically trust central level decision-makers to act in their best interests. In this thesis I explore further the current situation to develop a clearer understanding of the roles community based organisations are fulfilling, their extent and inclusiveness, and what roles they might be able to undertake within Nepal’s new decentralised planning processes.

The current problems Nepal faces in achieving improved standards of living for one of Asia's fastest growing population's are daunting. Centralised control and massive inflows of aid have not been able to change rural poverty much. Many grassroots organisations have been successful but their coverage and impact is probably limited. This is especially so in hill districts of Nepal. Here distances are measured in walking hours and even simple solutions that work elsewhere, become expensive and impractical. By understanding what locals are achieving and where they face problems the organisations and those interested in supporting them can identify future strategies that increase their control over both resources and decision-making.

1.2 Research Plans and the Civil War

This thesis was originally proposed in 2001 when the civil war was still having a limited impact in many parts of rural Nepal. As the Maoist revolutions' impact became more widespread the fieldwork had to be postponed. In the spring of 2003 the initial planning meetings for fieldwork were held in Makawanpur District. Two local NGOs *Grameen Mahila Swabahunnum Kendra* and *Samadiyak Mahila Bikas Kendra* were approached for assistance. Both are women led non-government organisations that have been involved in a range of social and development activities. These NGOs were interested in participating in the research and saw this as an opportunity to learn more about civil society issues and what this concept means within their own communities. They agreed to mobilise their staff and members to help collect the information on the local civil society organisations. Several of the staff acted as research assistants in their working area.

Some modifications to the original research design were needed due to the escalating civil war and it was necessary to rely more on the survey information than on focus groups and interviews as had been planned. All fieldwork was done between June and December 2003 and involved weeks of volunteer time.

The original plan was collect information from state and non-state organisations promoting civil society groups and then do field survey to verify how the groups operate, inclusiveness, what they contribute and would like to contribute. This was to

then be followed up with focus group discussions with a representative sample of the groups identified. It would also interact with those not participating. To get an overview of the spatial participation in the district secondary information from the district offices was to be obtained to see if it would be possible to map the participation in different kinds of groups at the district level by Village Development Committee (VDC).

The survey was conducted in one district of Nepal, Makawanpur District (see Map 1 for location of district), by approaching all government line agencies and known INGOs and NGOs with programmes in the district for leads. From this secondary information the locations and membership of these groups was mapped. This initial information was to be crosschecked for four VDCs using semi-structured interviews and focus groups to get an indication of how these groups operate, what they contribute, and what they would like to do to improve the civil society. A cross-section of groups was included in this sample that are involved in different sectors such as education, savings and credit or community forestry. The survey tools were developed in collaboration with the local NGO partners in the research (see Annex 1).

In focus groups it is usual to use fairly simple language and to ask follow-up questions. Having to rely more on a survey conducted by assistants resulted in more standardised responses that lacked the depth that had been expected. The second problem arose immediately. The original idea was to try and create an overview of participation in civil society organisations (CSOs). The first step was to generate community maps that would roughly identify and locate the groups to be surveyed. The first VDC was Makwanpurghadhi and in the mapping exercise (see sample Map2) it became clear that there were more than 120 civil society organisations in just one of the four study VDCs. It would have been preferable at that point to reduce the scope of the study to just one or two VDC. However after numerous discussions about conducting this research over the previous year it seemed impossible to then not be interested in what these communities were doing. It was then agreed to survey a representative selection about 50 CSOs in each VDC.

Once the survey was underway I made a third visit to the district to start holding the focus group discussions. Focus group discussions were planned for two groups. Those involved in the community-based organisations and those not involved. These discussions were to identify the reason the group was formed, who led the process (a member of the community, another district person or an outside agency). What the group does. It's membership and inclusiveness i.e. of women, men, minorities in the community, different castes and socio-economic groups. What they feel they have achieved both for them as individuals and as a community. It was also hoped that the groups' potential to contribute in the future in its area of primary focus or in other sectors of concern to its members could be assessed.

By that time the security situation had deteriorated dramatically with general strikes in force preventing movement of transport. Hetauda then experienced a number of bombings. This was then followed by the Maoists declaring two of the study VDCs within their "closed areas" for which special permission was to be obtained. As the situation got worse the NGOs found it more difficult to ask questions and were nervous about having a very visible Westerner in the area asking questions. In November 2003 this was abandoned in favour of inviting a small representative group from each type of CBO to Hetauda but even this proved impossible with the escalating security problems and civil unrest. At that point it was decided to "wait until the situation improved" before doing the focus group discussions. In fact the situation has got worse with many incidents involving the Maoist and government forces and deaths including civilians and political leaders. While I was keen to complete my research it did not seem important enough to endanger the lives of the local NGO staff or risk jeopardising the work they do in their communities. After consultations with my advisor it was decided to discontinue the fieldwork and work with what information had been collected and the existing literature and secondary data. A total of 156 CSOs had been surveyed.

The use of secondary information was seen as a quick way to identify what the government, NGOs and others thought was happening and what civil society groups they believed they had helped form or strengthen. Most of the government line agencies, the District Development Committee, the UNDP programme representative and INGOs/NGOs were approached for information. Most of the information was in

Nepali and translation proved a major challenge as the names of VDCs and groups were often not clear. The usefulness of this information lies in the myths and perceptions it generates rather than what it really tells you about what is happening on the ground. It was not entirely unexpected that many of the CBOs mentioned by government weren't evident on the ground while many more they were unaware of were. Different government rules and regulations relating to decentralisation were also identified. A literature review of locally published works and conclusions in relation to civil society participation in Nepal were then compared with the information gathered in the focus district.

One aspect of special interest was to understand what skills groups had or would like to have. Some of this information came through in the survey but without focus group discussions it was not possible to gather as much of the detailed information as had been anticipated. This would have helped to better determine the generic skills (e.g. communication, organising, social mobilisation, bookkeeping) and the specific technical skills (e.g. forest management, silviculture, milk measurement, education planning) civil society organisations have or need to develop.

One suggestion was that the research topic could be refocused to assess what civil society does and how it functions in a conflict environment. In many respects the information gathered illustrates this but the more difficult questions about how the groups have been affected were not adequately touched upon to draw conclusions. It was frustrating to not be able to make more progress on the research despite numerous visits and weeks of effort. The NGOs did a great deal of work and it was unfortunate not to be able to complete the research as planned. In many ways I ended up wishing I had chosen a more compact and manageable topic in this environment. Still I feel if donors are ready to simply hand over huge responsibilities to communities without even knowing what is going on it was a topic well worth at least trying to understand better. Through this research the local NGOs, my colleagues and I have learnt a lot more about the complexity, diversity and issues in civil society and how they affect development. Hopefully they will help us as we struggle to address some of the challenging issues these communities face and view our work through the donor prism of civil society.

Chapter Two - Understanding Civil Society Theory

Civil society which encompasses all the organisations and action outside of the State and the commercial realm has become increasingly important to the development industry. Development is complex, and as the concept of 'civil society' is so appealing, donors and development organisations have been increasingly incorporating civil society and local governance into their goals and programme designs (DfID 2001, Van Rooy 1998, Hulme & Edwards 1997). However civil society is as complex as development and is not easily understood. As World Vision's Alan White cautions "the ways in which development NGOs perceive civil society, and consequently plan projects to facilitate and enhance the work of civil associations, can have a significant long-term effect on the evolution (or lack of it) of civil society in the countries in which they work" (as cited Van Rooy 1998). As donors and practitioners have become disillusioned with state-centred development efforts they have increasingly focused their interest on civil society and on NGOs in particular (Dahal, Bhattachan 2001, D Dahal 2001). Civil society though encompasses many more forms of organisations, both formal and informal, than just NGOs. In fact in South Asia only a small minority of NGOs have any size of membership and it is in fact community-based organisations (CBOs) that are most inclusive of large numbers of people and represent their interests.

With the emergence of many new more democratic states in the late 1980s high expectations have been placed on civil society. As NGOs started to be more engaged in development work they were seen, not just as being more efficient than governments at development work, but also as being more democratic and representative of civil society. This faith in NGOs as representatives of civil society though is far from universal. Many commentators from both North and South question the motives of many NGOs and express alarm at the way NGOs undermine States in meeting the needs of their citizens (Van Rooy 1998, Dahal 2001, Bhattachan et. al 2001, Hulme & Edwards 1997). In fact civil society is a much more inclusive entity. Many see it as being an important component of a democratic society and chose to ignore the existence of the "citizen" in societies that are definitely not democratic. A better understanding then, is needed if we are to link our development efforts to civil society.

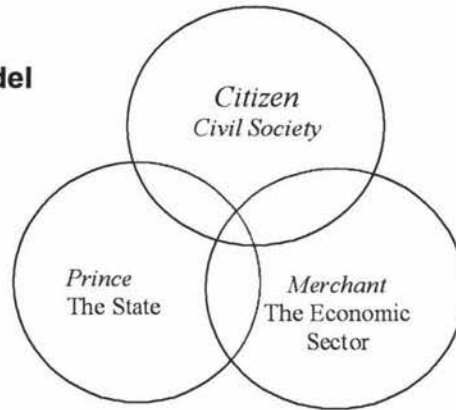
Civil society then has emerged as the “topic of the day” (Van Rooy 1998) in the development industry. As in other countries around the world, Nepali society has picked up the term, “*Nagarik Samaj*” in Nepali. The term though is used in many ways both in the development world and in Nepal until it has become a “catch all” term for all organisations and actions outside of government and even including local government at times. It has become increasingly important as the concept of civil society is changing the way international relations and development aid in particular is managed (Hulme & Edwards 1997). For Northern donors “the ‘discovery’ of civil society has promised a solution to enduring problems of development and democratic change”(Van Rooy 1998). The search for theory and practical solutions has led to many development practitioners and donors grasping civil society in a utopian manner, “using civil society” as a code for values and institutions we think may present an answer” (Van Rooy 1998).

Van Rooy (1998) questions whether civil society has become a vapid phrase and suggests that “the guilt is not in too little meaning but, rather, too much”. Civil society as a term is used in many different ways and contexts with rather too many meanings. Most commentators though generally agree that “civil society” is the sector of society characterised by voluntary association and collective action. It comprises groups of people who work together to fulfil a particular mission of that group by providing services, advocating for causes or simply sharing and promoting their interests (MacNeil 2001). The voluntary associations of people that emerge in a civil society are very different in each country or society and the roles they undertake are determined by each societies perceived needs and the “space” it is permitted to occupy within a given country.

2.1 Civil Society Theory

The relationship of civil society to the state and the economic sphere is often represented within a framework. This framework uses the image of three players. The *Citizen* represents civil society and counterbalances and complements the will of the *Prince* (the state) and of the *Merchant* (the economic sector).

Figure 2.1
Civil Society Model



This theory which has evolved over time, holds that the *prince* regulates the market, decides public policy, enacts and enforces laws and ideally, guarantees the safety and rights of the *citizens*. The *merchant* is the economic engine of society (business) and is concerned with production and the transfer of goods and services and regards the *citizen* as an individual as a potential consumer or customer. The *citizen* regards people as active participants in the creation and management of society's institutions (McNeil 2001, Van Rooy 1998).

Others commentators such as Taylor and Uphoff question these relationships and believe that clear dividing lines cannot be drawn between the state or the market and the other civil society organisations. Too often classification of organisations based on type, such as NGOs, union or religious group, serves to hide their actual functions in a society. The theorists say that when these are in balance, society will be healthy and citizens will have ample opportunities to realise aspirations (McNeil 2001). In civil society literature these circles are “frequently drawn in even, egalitarian sizes, neatly overlapping” to effect a vision of balance and segregation that may not exist in reality” and that is rarely so well balanced (Van Rooy 1998). It is equally valid to argue that civil society is as much a creature of the State as it is of society (Chamberlain 1993 as cited in Van Rooy 1998).

2.2 Civil Society at a Historical Moment and “Voluntary” Association

Any discussion of civil society also requires the discussion to be placed in a specific historical context of time and place. Adam Seligman in the *Idea of Civil Society*

maintains that the primacy of the individual, rights-bearing and autonomous, and in a shared public space with agreed norms and rules are prerequisites (Van Rooy 1998). He also contends that these norms must be universal for civil society to have meaning and that nationalism, excessive individualism or ethnicity kill it. Civil society then is an outcome of history.

Others such as Gellner and Castiglione contend that this very western liberal version of society is rare in the world. They argue that it matters deeply how, and what kind of organisations is formed. Assumptions that the market is based on a capitalist system also need re-examination when we are confronted with historical systems of reciprocity and feudal structures that continue to control the economy. Similar notions of cultural specificity need careful consideration. In a situation such as Nepal where there has been cultural dominance of one ethnic group over another and State sanctioned discrimination, the norms and values that are supposedly being adhered to may in fact be being subverted through resistance strategies (Gellner 2002). This lack of societal consensus should not restrict the inclusion of these groups in discussion of civil society. Callaghy, in *Civil Society and the State in Africa*, argues:

Much associational life has very little to do with the creation of norms, especially civil ones ... In fact, group interaction ... may easily lead to the development of norms that do not further the development of the public sphere, much less a civil, open, tolerant, and participatory one based on established rights, as commonly presumed.

(Callaghy 1994 as cited in Van Rooy 1998)

This faith in civil society as being for the common good, and notions of civility lead to a concept of an ideal society. A society that is described in many ways be it trustful, tolerant, co-operative, progressive, an antidote to the state or as Chamberlain(1993) described it civil society “has come to signify nothing less than the ‘reign of virtue’”. By placing such high expectations on a concept the result seems often to be either confusion over what is realistic or included and disappointment when it fails to deliver and meet everyone expectations. As Van Rooy advises researchers on civil society we need to keep “analysis separate from hope”. Often civil society organisations do not promote harmony or democracy and reflect more the narrow interests of one group managed (Hulme & Edwards 1997, D. Dahal 2001).

Throughout civil society literature great emphasis is also placed on the “voluntariness” or “free association” as being a defining feature of civil society. Larry states:

“the realm of organized social life that is voluntary, self-generating (largely), self-supporting, autonomous from the State, and bound by a legal order or set of shared rules. It is distinct from society in general in that it involves citizens acting collectively in a public sphere to express their interests, passions, and ideas, exchange information, achieve mutual goals, make demands on the State and hold State officials accountable.”

(Diamond 1994 as cited in Van Rooy 1998)

Such definitions raise the question of whether the associations or organisations formed to meet government requirements, where there is a large measure of coercion, are civil society or an extension of the State. In the context of Nepal, service delivery and control by the State is often based on the formation of “voluntary” associations. Other organisations are as Pepi Patron (1998 in Van Rooy ed.) terms them ‘survival organisations’. He questions this notion of “voluntariness” and believes it is hard to call participation in these groups strictly ‘voluntary’ when vital needs, and the very conditions for subsistence are at stake. Some commentators suggest these are not genuine civil society organisations. Yet despite their supposed lack of autonomy, their functions, roles and resistance to the State (Gellner 2000), suggest that these groups, in Nepal, more closely fulfil the other functions (expressing interests, achieving common goals, making demands of the State and holding State officials accountable), than other more clearly autonomous organisations. In assessing participation in civil society organisations Van Rooy and her colleagues argue that more focus is needed on what organisations *do* than how they are formed. These organisations “cannot be discounted simply on account of their form (*ascriptive* rather than voluntary)” (Van Rooy 1998). Even northern governments have been known to subsidise volunteerism and the current focus for example by USAID on supporting “faith-based organisations” leads to an even more blurred line between civil society and the State.

Serrano (1994) in his assessment of civil society in the Asia-Pacific region maintains that it is the voluntary nature of civil society that lends it strength. He maintains that:

“Voluntary associations are groups, organisations and movements freely formed by citizens not for profit, but to advance group interests or the common good. They mediate between the private citizens on the one hand and state and corporate structures on the other. They are the building blocks of society through which individuals express a sense of belonging and develop solidarity with others.”

In addition to suggesting that all civil society organisations should be voluntary he also defines them as “not for profit”. Yet this contradicts the reality that many civil society groups are formed specifically to improve the economic or social condition of a social group. The “profit” or return from belonging may be in the form of enhanced income, an improved water supply or services, in social standing or some other benefit. The motivations that drive civil society are as complex as the individuals that make up that society.

It seems that there is little agreement then as to the norms that define civil society and that these need to be specific to the community of specific time and place as they determine them.

2.3 Civil Society - The Roles It Plays and is Expected to Play

Theorists, governments and donors have many differing views on what roles civil society can or should play. The roles that are undertaken are affected by many factors. Civil society is made up of a complex array of organisations often with overlapping membership and concerns. The role that any one civil society organisation plays is often determined by:

- ◆ the nature and mission of the organisation
- ◆ the political and legal space in which to operate
- ◆ the needs and demands of society or membership for which the organisation works
- ◆ and the degree of experience and resources that are available to the organisation

For example an organisation focused on the blind in a developing country might be working to try and provide the most basic services for the blind using donor funding. In a developed state an organisation for the blind may be totally controlled by the blind, be supported by member fees giving it a degree of independence and may be more focused on advocacy for the protection of the rights of the blind to education, services and employment.

Civil society organisations (CSOs) fulfil many roles. These can be functional roles such as providing services or be more political in nature such as advocacy for change or control of corruption. In Nepal, the most common roles undertaken by CSOs are: the

provision of basic services such as an NGO run health clinic; preserving cultural sites or the local environment; religious groups; associations to meet emergencies such as traditional Dhukuti¹ or modern savings and credit groups or co-operatives; professional associations for lawyers, doctors, nurses, artisans, farmers, tourism and trek agents, or trade unions; groups that support livelihoods without being for profit such as farmer co-operatives that organise and do marketing with all benefits to members; ethnic focused organisations that promote and protect their heritage and the needs of their own group; parents, school associations or alumni associations that promote education with a specific focus on one school; federations that brings like minded groups together e.g. Federation of Community Forest User Groups; groups that manage utilities and resources, Forest User Groups, Water User Groups, irrigation management groups; mothers and women's groups to pursue the agenda of a large group within society and some also consider unpaid elected representatives to state boards or local government to also be a part of civil society.

While these groups are all created by the society not all would be included in different theorist's lists. Elected representatives, or groups engaged in commercial activities would fall in the state or economic sectors. Others however would recognise their civil society roots and place them in the overlapping zones between civil society and the state or civil society and the economic sector. There is little consensus as to which organisations fit where within the theoretical framework and ultimately it is perhaps not as important as where a society at any point in time perceives them to be.

Holloway (1993) identified and categorised the three sectors in society – government, business and civil society and the primary resources they mobilise. He suggests that the main resource that civil society mobilises is its shared values and commitment.

Table 2.1

The Three Sectors of Society			
	Sector	Symbol	Primary Resource Mobilisation
First	The Government Sector (incl. Armed Forces)	The Prince	Command and Coercion
Second	The Business Sector	The Merchant	Trade and Exchange
Third	Private, Non-profit (Civil Society)	The Citizen	Shared Values and Commitment

Source: Richard Holloway

¹ A Dhukuti is a traditional community group that provided materials and financial support for its members needs.

Holloway then developed a typology of civil society organisations based on those in Bangladesh. He suggests that the characteristics that most define the type of civil society organisation are whether they are for the benefit of their members or others and who formed the organisation. Holloway states “the fundamental distinction is between those organisations operating for the benefit of their members and those operating for the benefit of othersthe governance structure, the accountability, the access to resources, the links to outsiders all depend on whether the organisation is a creation of its members for itself or a creation of individuals for others.” Based on this typing of organisations he developed three categories: 1. Membership that help their members; 2. Non-Membership that helps others; and 3. Spurious that are not really helping but call themselves Non-government Organisations but that may be profit oriented, or be donor or government organisations in disguise.

Table 2.2

Organisations of Civil Society	
A. Membership (help their members)	
1. Indigenous Community Groups	
2. Induced Community Groups	
3. Mass Organisations	
4. Co-operatives	
5. Religious Societies	
6. Trade Organisations	
7. Professional Organisations	
B. Non-Membership (help others)	
1. Local Philanthropic Institutions	
2. NGOs – i.e. Private Voluntary Welfare and Development Organisations	
3. Area-based Benevolent Societies	
4. Service Clubs	
5. Non-profit Companies	
C. Spurious (not helping)	
1. NGOs for personal profit	
2. Government-organised “NGOs”	
3. Donor-based “NGOs”	
4. Business-organised “NGOs”	

Source: Richard Holloway

2.4 The Emergence of Non-Government Organisations in Civil Society

As to the roles different civil society organisations play Serrano (1994) recognises the importance and contributions to social transformation, national harmony, stability and development of voluntary associations. He focuses on the need to better understand and evaluate the roots, motivations, inspiration, vision, purpose, activities, means,

hardships and successes of these organisations. In particular he explores the explosive growth of the Non-government Organisations (NGOs). A similar growth occurred in Nepal. Before 1967 there were just 15 NGOs ((D. Dahal 2001). According to Chand (1999) there were 38 NGOs in 1977, there were 219 by March 1990 and this swelled rapidly after the revolution. Over the next ten years the numbers grew dramatically with 26,475 being registered by the year 2000 (Dahal 2001).

Serrano (1994) states that NGOs grew out of widespread disillusionment with government and donor led development initiatives starting from the 1960s. This was triggered by a search for causes, alternative solutions to persisting problems of poverty, inequality, participation, civil conflicts and resource degradation. More bottom-up perspectives, more efficient service delivery, flexibility and the use of strategic methodologies that empower the poor and excluded were seen as the hallmarks of these new emerging organisations.

NGOs now come in many shapes and sizes. They may be small, tightly knit local organisations dealing with a single issue or nation-wide organisations addressing a wide spectrum of issues covering human rights, development and environmental concerns (Serrano 1994). Some grew out of churches while others were formed by groups of like-minded individuals. NGO working styles also differ greatly with some being largely voluntary organisations while others rely on paid professional staff. The term Non-government Organisation (NGO), was first used by the United Nations in 1953 to refer to non-state organisations. In many countries it now carries negative connotations and is often associated with flashy development workers in fancy vehicles delivering “projects”. Despite the many myths surrounding NGOs, UNDP estimated that by 1993 NGO activities had “touched” the lives of 250 million people (Serrano 1994).

Hulmes and Edwards (1997) raise the possibility that many NGOs have crossed the line and are now “both *Prince* and *Merchant*”. In addition to the sheer size and range of services of these organisations, for example the Bangladesh Rural Advancement Committee (BRAC) with more than 12,000 staff and working with three million people, total spending through development NGOs exceeded US\$5.7 billion a year by

1993. They suggest that not only is the rise of NGOs no accident “nor is it solely a response to local initiative and voluntary action” (Hulme, Edwards 1997). They contend that the changing thinking of both governments and donors have contributed to this rise. The first factor in this thinking is that markets and private initiatives are “the most efficient mechanisms for achieving economic growth and providing the most services to the most people”. The second factor is that NGOs and grass-roots organisations are “seen as the vehicles for ‘democratisation’ and essential to the success of the economic dimension”. Increasingly NGOs engaged in development have higher percentages of their incomes coming from donor funding. This raises issues of independence and accountability (Bhattachan 2001, Hulme, Edwards 1997). Are NGOs accountable to the communities they supposedly work for, their professional staff or the donors ?

Harry Blair (Hulme, Edwards 1997) contends that all civil society organisations (CSOs) are in effect NGOs but that “by no means are all NGOs also CSOs”. He contends that to be a civil society organisation an organisation must meet two criteria. They must enjoy “*autonomy from the state* (are not a part of the state or creatures of it) and have as one important goal among others to *influence the state* on behalf of their members.” To be purely a service-oriented organisation would not be enough in his opinion. Such a rigid classification of civil society organisations and NGOs is not widely supported and in countries like Nepal would effectively exclude most grass-roots organisations.

NGOs have same right to exist as any other voluntary association of citizens. Their very success though has become one of their greatest problems. There are now greater demands for accountability and often for more democratic governance of these organisations. It is likely NGOs will continue to perform complimentary, but necessary roles, in social transformation (Serrano 1994). Increasingly in many countries they play the role of intermediary between the state and donors and the society at large (Van Rooy 1998, Hulme, Edwards 1997).

In some countries the formation of NGOs has been also been an assertion of autonomy of social voluntary action against the hegemonic state agenda represented by governments-in-waiting, or political parties or instruments for state power and

governance (Serrano 1994, Gyawali 2001). States and governments that arose out of independence struggles have now become the new targets of social mobilisation and voluntary action. They have become the focus of social action against perpetuating the colonial legacy of poverty and oppression. Citizens come together to engage the state and corporations and will relate among themselves according to certain norms and values. Their form and the actions they take vary depending on the “stimulus, motivations, intentions, capacities, cultures, traditions, values and other considerations that induce citizens to come together and fight to improve their lot” (Serrano 1994).

2.4 Civil Society as a Form of Resistance to the State

Serrano (1994) further explores the relationship between the formation of civil society organisations and resistance to the state in Asia. He suggests:

“Repressive state policies and legislations pushed many citizens groups into clandestine resistance; a good part of organised voluntary activities were and are conducted outside of legal parameters. Even during transitions from authoritarianism to multiparty democracy many citizen’s associations, especially those involved in underground activities, are reluctant to come into full public view.”

Citizens resist as well as co-operate. They may fight back openly, as in mass protests, or quietly, as when they engage in foot-dragging, silent boycott and other forms of non-co-operation and civil disobedience. They criticise, debate, discuss, confront, advocate, promote and demonstrate alternative ways of doing things (Serrano 1994). While groups may come together to resist the state it is doubtful that this was a major feature of NGOs within civil society in Nepal before democracy. In fact NGOs were tightly controlled by the Panchayat system until the revolution of 1989 (Gellner 2002). The numbers were small and many of those registered had their origins in state supported organisations. For example the Family Planning Association of Nepal and the Nepal Women’s Association were state promoted organisations in their early incarnations.

Resistance to the state has though, been a major feature of life in Nepal for at least the last one hundred years. Political participation was tightly controlled first under the Rana regime and later under the Panchayat² regime. By the 1980s “contradictions

² The Panchayat political system was an elected single party system

between the Panchayat state's rhetoric of national and all-round development, on one hand, and the facts of corruption, stagnation, and decline, on the other" were apparent (Gellner 2002). This then created an environment in which there was increasing resistance to the state. The emergence of community based organisations coincided with pressure from development donors for more community participation that along with a rapidly growing population and an increasing number of educated adults meant the techniques used to maintain control in the past were no longer effective. While civil society increasingly resisted the Panchayat monopoly on power it remained very firmly in place until just prior to the revolution. Indeed what resistance there was remained underground until nearly the last days of the revolution. In Nepal's situation then the CSOs had a limited role in using their resistance to bring about democratic change. Communities though have resisted and continue to do so the edicts made in Kathmandu that they do not agree with. Harper and Tarnowski (2002) document the resistance strategies of people to the communal decision-making of community forest user groups.

After the revolution the era of multiparty democracy brought new freedoms and opportunities to resist the state. An interesting example emerges from the mobilisation of the Tharu people by an NGO, BASE (Backward Society Education). This NGO emerged first as a workers liberation movement. It is now one of the biggest member organisations in Nepal. Over the years it managed to build increasing pressure on the *Kamaiya* (bonded labour or slavery) system. This was eventually made illegal in the late 1990s largely as a result of their efforts (Krauskopf 2002, Dhakal et. al. 2000).

Despite the progress made in achieving development goals there remains vast inequity in Nepal. This extreme inequity and unequal access to opportunities has helped fuel the larger and most serious resistance of recent decades, the Peoples' War. The Maoists felt excluded from the political mainstream and so have been able to exploit the frustration of large sections of the society (Leconte-Tilouine 2003, Karki & Seddon 2003, Thapa 2003). In particular they have focused on the poor and remote districts and more recently on the neglected minority groups. With the war now in its ninth year we have Maoist resistance to the State, the resistance by political parties to the King's control over the State and now resistance to both the Maoists and the State

forces in many districts. While communities resist central authority to the state there is little evidence of CSOs other than unions, political parties, the media and students mobilising their organisations in opposition to the state.

2.5. Civil Society in the Asian Context

The evolution of civil society is seen as being very dependent on the context in which it evolves. Nepal has its own unique history, however the forces that shape the region and its major neighbours China to the north and India to the south have had a major influence on the society. Until the 1950's the Himalayas to the north and the malarial Terai jungle to the south enabled the Rana regime to largely isolate Nepali society from outside influences. To this day the interactions with Tibet and China are very limited. With the coming of independence in India, Nepal's rulers were no longer able to contain Nepal as a feudal regime. The modern state that emerged, despite having limited democracy, did open up dramatically to the world. For many years what happened in India was of greatest significance in terms of being a role model and helping shape the society. In more recent years, greater mobility, education, tourism and communications have helped open Nepal to more international influences. Despite this the influence of Asia has probably played a large role in shaping the evolution of civil society in Nepal.

Serrano (1994) suggests that "Civil society is a concept alien to Asia." He theorises that "Asiatic societies are largely communitarian and integrative, while modern Western societies tend to be atomistic and differentiated. For good or ill, the family, the clan, the community are highly valued and a high premium is put on obedience, loyalty and respect for authority." Civil society usually refers to self-organisation of citizens in contrast to the state and in the Asian context this would be a contradiction of these traditional values. Perhaps this explains why it is so easy for both donors and governments to co-opt community initiated efforts. Other cultural factors also come into play such as the in Japan where corporations are run like families or in India where the distinction between government and non-government blurred at local level because it is part of a unified social structure.

In his analysis of civil society in Asia, Serrano (1994) asserts that voluntary action is deeply rooted in Asian society. It is directed to common concerns that cannot be adequately addressed by individual families and extended kinship support systems – production, exchange, rituals from birth to death, and collective security, all of which maintain community consensus and cohesion. The most common forms of civil society organisations are self-help groups and mutual-exchange groups (Fisher et al. 2002, Bongartz & Dahal 1996). Communal organisations ensure the sound management and sustainable use of the commons, such as forests and watersheds, hunting and fishing grounds, water, sacred areas, places of worship and festivities. The present generation has inherited rich traditions of indigenous organisation and principles of natural resource management. Many of these management systems are driven by issues and concerns over sovereignty and control. Communities that live off the resource base have the greatest stake in its conservation. They attempt to reserve the basic right to control, exploit, manage and benefit. Abuse of these rights can lead to overexploitation at the expense of the community and environment. The community-based organisations have evolved so that communities can live in accordance with the limits of their environment. As the societies evolve a variety of associational forms have emerged. Some are distinctly local based on traditional groups, others have been built using Western models like Trade Unions or co-operatives, while still others fuse indigenous self-help groups with introduced models.

Many of the ‘new’ organisations that have emerged have been in response to the need for “development”. There are two processes shaping development in Asia. The first and dominant is regionalisation from the top and second democratisation from below. These two processes are in dynamic tension. The main issue in developing world is what constitutes equitable and sustainable development. In the region “poverty and inequality exist side by side with affluence”. The challenge lies in the huge contrasts. With the bulk of the poor living in villages often as small and landless peasants depending on cultivating primary resources. Yet rural life is now fused to the global economic order (Dahal 2001). Urbanisation is often attributed to rapid population growth and rural-urban migration. However Serrano (1994) argues that it is the growing rural-urban divide that is a more fundamental reason for rapid urbanisation. The city has become the symbol even if illusory one of prosperity. It offers jobs,

money, comfort, information and education. The city is culture while the village is lack of it. With this growing inequity many civil society organisations have evolved to address these concerns and issues in Asia (Bhattachan et al. 2001).

2.6 Civil Society and Providing Balance

Donors and theorists often focus on the roles civil society plays in balancing the powers assigned to the *Prince* and the *Merchant*. In international development organisations and academia there is constant reference to civil society's role in decentralisation and in public sector reform. With many different motivations and perspectives on what roles civil society might play and what it might contribute to these goals it is easy to lose sight of what it does *do* and what its limitations and constraints are in any given society. In some women are excluded, in others a powerful minority controls the agenda and participation, in others minorities are excluded or the poor or those in remote communities. Civil society participation and the effects of that participation are uneven at best and differ greatly even within countries. A greater understanding then is needed of both what donors and development professionals want civil society to do and what it actually does in any given situation.

Chapter Three

Development, Decentralisation and Good Governance - Donors and Civil Society in Nepal

3.1 Development Donors Perspectives and Priorities

The bilateral agencies are often major supporters of initiatives to “strengthen” civil society initiatives. The USAID and DfID are most prominent in this field with a number of private foundations like the Ford Foundation, Soros or Stiftung Foundations (Van Rooy 1998). Their approaches differ greatly and they each emphasise different aspects in different countries for support. In general USAID had focused more on activities that strengthen and support the democratic process (Hulme, Edwards 1997) while DfID has focused more on good governance and decentralisation. Other donors focus on specific sectors such as forestry or the media. Despite the rhetoric for strengthening civil society Alison Van Rooy (1998) concludes that “monies spent have not yet matched the volume of enthusiasm generated by the idea”.

After the British 1997 general election, a new vision for DfID’s engagement with civil society was developed (DfID 2001). This highlighted the important roles of civil society, in both north and south, in engaging Governments at all levels and international institutions on pro-poor policy development and implementation. These roles included:

- ◆ building a popular base for development;
- ◆ engaging in decision making of global, national, regional and local levels;
- ◆ helping to empower the poor to demand and access public services.

Since 1997, DFID has increasingly worked directly with southern civil society, often through DfID’s country programmes. However funding for northern-based NGOs and others in civil society has also continued to grow, reaching a level of some £184 million in 2002. This reflects DfID’s recognition that northern NGOs, as well as wider civil society in the UK, still have a key contribution to make to achieve the International Development Targets.

DfID states that it has clearly supported a number of worthwhile activities but that the administrative costs of managing such small-scale activities are high, and the projects supported inevitably add up to an ad hoc group. Many projects require matching funds,

which has in practice created significant administrative burdens for DFID and for applicants, and has also potentially deterred smaller organisations. DFID places great emphasis on “working with a wider range of civil society groups”. However despite their intentions they have found that in practice civil society funding has largely “ been dominated by development NGOs who are more familiar with the requirements of the scheme” (Civil Society Department, DfID 2001).

In Nepal for example DfID has focused on pro-poor governance and has been supporting the Enabling the State Programme (ESP 2001). The Enabling the State Programme (ESP) aims to “support the government, the private sector, and civil society to improve the situation of the poor in Nepal”. The ESP sets out to build seven capabilities to achieve this:

1. To operate political systems which provide opportunities for all people, including the poor and disadvantaged, and civil society to influence government policy and practice.
2. To provide macro-economic stability and to facilitate private sector investment and trade so as to promote the growth necessary to reduce poverty.
3. To develop a policy framework which can meet the poverty eradication targets and to raise, allocate and account for resources in accordance with those pro-poor policies.
4. To guarantee equitable and universal provision of effective basic services.
5. To ensure personal safety and security with access to justice for all.
6. To manage national security accountably and to resolve differences between communities before they develop into violent conflicts.
7. To develop honest and accountable government that can combat corruption.

By necessity projects that set out to address civil society (*Citizen*) need to address the interactions with the *Prince* and *Merchant* and quickly become extremely broad in their objectives as the ESP project has.

In Nepal USAID has focused its resources on addressing specific issues and sectors through civil society participation. For example the forestry sector and participation of Community Forestry User Groups is given as an example of their “Success Stories” on the official USAID website (2003). UNDP have focused their efforts on supporting the District Development Committees (DDCs) to more effectively engage communities in developing district priorities and plans. UNDP Resident Representative Henning Karcher (UNDP website 2003) stated “Civil society organisations can and should play the role of an educator and watchdog at all levels of society”. He also stated that they

should be social mobilisers and deliver services “all the way down to the community and household levels where the state cannot reach”. While UNDP’s resources are intended to give communities a voice in decision-making through civil society organisations many communities question this as the programmes supported by UNDP increasingly focus more attention on participation in economic groups than on contributing to the planning process or acting as “watchdogs” for the state’s actions.

3.2 Decentralisation and Public Sector Reform

Many donors and governments then see civil society as a vehicle through which to achieve decentralisation and public sector reform. As Schacter (2001) concludes the “effectiveness and accountability of the public sector.....are now at the heart of thinking and practice in development agencies.” In the early days donors financed almost anything while paying little attention to the inner workings of the public sector. After the financial crisis of the 70s and 80s the public sector came to be regarded as an obstacle to growth. First donors focused on downsizing the “public sector” and curtailing its roles. By the 90s the consensus was that the “pendulum had swung too far” in an “anti-public-sector” direction”. Now the World Bank is stating that the state still has “ great potential to reduce poverty”. Donors now wish to see more efficient and responsive states. Public sector reform and decentralisation are then seen as the means of achieving this.

3.2.1 Public Sector Reform

There are a number of things that the “Public Sector” does (Schacter, 2001). These include:

- *Economic and Social Policies* - design and enforce policies
- *Public programs* - to achieve goals, deliver public services, produce goods, transfer resources and enforce regulations
- *Revenue* - collect taxes and fees
- *Accountability* - enforce internal accountability and report to citizens on how money is spent.

A number of reasons are given Public Sector Reform not succeeding. Often a *technocratic approach* overlooks the fact that reform is a social and political phenomena driven by human behaviour and local circumstances. At times *failure of local ownership* and ready-made blueprints undermine local leaders and falsely assume

outsiders can build state capacity without internal demand for reform. A vicious circle can also be created resulting in *failed accountability* between government and citizens. The public sector does a poor job delivering services; citizens, accustomed to unresponsive public-sector performance, feel little motivation to make demands for better service; the public sector, sensing little accountability pressure from citizens, continues delivering poor public services. External demand from citizens can also be “muffled by cynicism and inadequate channels for communicating demand – internal demand from public sector leaders does not emerge because they feel little accountability pressure from citizens” resulting in *failure of demand* (Schacter, 2001).

In addition to the factors identified by Schacter, in the context of Nepal, lower level bureaucrats often say they *can't be accountable* as their superiors are corrupt and they would lose their jobs/be transferred if they provided the community with information. Ironically there is also a growing view that development assistance itself contributes to vicious circle. In countries that rely on donor revenue not citizens taxes the public sector is not strongly motivated to be accountable to their citizens. They are either more responsive to donors or feel that donors can provide the services and they need not be obliged.

In Schacter's review of Public Sector Reform a number of best practices are identified. These best practices include *Local Leadership and Ownership* as strong and constant local leadership is essential to overcome political and bureaucratic obstacles. *Popular Pressure for Reform* must also come from local stakeholders outside the public sector. “Organised civil society (e.g. civic associations, users' groups, labour unions, NGOs), the private sector, political parties and other local institutions all have a role to play in pressuring the public sector to do a better job.” A bond of *Accountability* is also important and generates demand for reform. Wide dissemination of information allows citizens to monitor public service delivery and public expenditure and can have a powerful positive impact on the attitudes and behaviour of public officials. This *Power of Information* has shown that putting relevant and easily understandable information into the hands of citizens promotes a more accountable and effective public sector. If the *Organisational Culture* is outcomes oriented and “mission-driven” higher levels of performance can be achieved. To *Build Capacity for Policy-making* there needs to be

timely and well-argued policy advice for decision-makers. *Downsizing* is seen by many as a desirable trait but a more sophisticated view is needed rather than simply downsizing for downsizing sake.

Public sector reform is a challenging task in any country and can take a long time. For it to result in meaningful change, civil society needs to be engaged. Mistakes and setbacks are inevitable. It is also hard to achieve when entrenched interests can be relied upon to resist moves or changes that may not be in their personal interests even if they are for the good of the country. If positive change is to occur then civil society needs to be supporting and ensuring that governments stay the course for public sector reform.

3.2.2 Decentralisation

Decentralisation is seen as the other major strategy to bring about more efficient governance and development in many countries. However decentralisation is a complex subject and many different models and variations exist. Decentralisation is currently very much in fashion and there is a presumption that decentralisation is a *good thing* that goes along with democracy, good governance, a market economy, poverty alleviation and efficiency in public expenditure (Lister and Betly, 1999). It is seen as a “critical mechanism for aligning public expenditure to local priorities, for improving management incentives and for improving accountability to users close to the point of service deliver.”

Decentralisation can be between national, regional and local governments or between central and peripheral units of government organisations. There are several types of decentralisation which Lister and Betly (1999) and Agrawal, Britt, Kanel (1999) define as:

- **Deconcentration** – dispersion of responsibilities e.g. from central to branch office
- **Delegation** – local government or agencies execute certain functions on behalf of the centre
- **Devolution** – not only implementation but decision-making shifted to lower body
- **Deregulation or Privatisation** – transfer of responsibility to NGOs or private sector

In discussion of decentralisation, generalisations often miss the mark. The reality is that decentralisation always has to occur within a particular country. Each a "country with its own history and traditions and its own specific institutional, political and economic context" (Bird & Vaillancourt, as cited in Lister and Betly, 1999). There are many economic and non-economic arguments given in favour of decentralisation. The main arguments are that decentralisation creates choice with resources allocated according to local preferences. This can be important for accommodating variations and especially differences between rural and urban situations and needs. It can also facilitate experimentation and innovation. Another argument is that greater efficiency is achieved by having reduced layers of decision-making. Also that citizens will be more willing to pay for valued services through increased tax collection and less resistance to user charges increasing revenue and sustainability. Other non-economic and ideological values may be that it is a political imperative or that values attached to democracy or participation are involved. Where a high value is placed a "bottom-up" versus "top-down" as top-down perspectives focus on efficiency while bottom-up are more related to political values, participation and responsiveness.

There are a number of forces driving this push to decentralisation. World-wide there is a trend towards more democratic governance and towards a market economy. In developed nations a rethinking of the roles of government has been taking place. Constant change is forcing some of this rethinking. Increased urbanisation, changing needs for education, changing international economics are all placing greater demands on services. At the same time new technologies are making management more economic at the local level. As aid agencies look for solutions to development dilemmas in the developing world their interest in public sector reform and decentralisation reflects their exposure at home to these changes. Increasingly they see it as a way of bypassing unsatisfactory central governments and are forcing this agenda on developing nations as a condition of grant and loan assistance.

3.2.3 Decentralisation in Nepal

There are two forces pushing decentralisation in Nepal. The first are the donors that play a large role in supporting government programs and development. Since the 1980s they have been pushing for increased community involvement in decision-

making. Usually the donors push for decentralisation within a sector such as forestry or health. They have succeeded in pushing government policies and laws to commit to decentralisation such as the new Education Acts 7th Amendment and the Local Self-Governance Act 1998 but there is a lack of commitment to following the spirit of this in reality. In many cases it remains a paper version of decentralisation of control.

The second set of forces pushing for decentralisation are bottom-up forces. Frustration from the rural communities helped force the overthrow of the Panchayat one-party system in 1989. Each taste of local control has resulted in communities pushing for more control. In the early nineties the CPN-UML government of Man Mohan Adhikary introduced a program called – Aphnoo Gaon Aphnoo Benau (Build Your Village Yourself 1995) (Dahal, Rijal, 1998, D.P. Paudyal 1998). This program for the first time gave real decision-making power with money attached to rural communities. Initially it was Rs.300,000 per year (about US\$4,500 at that time) with few strings attached. It was subsequently raised to Rs.500,000 but now with the dissolution of local representatives funds are less available and accessible. The control of decision-making at the VDC level resulted in a major change in that local bodies had real power. Rather than just being contractors of the central government simply implementing programs designed in Kathmandu, they could respond to local priorities and did. The range of activities undertaken expanded rapidly including road construction, water supplies, income generation projects, upgrading of schools and health posts, construction of bridges and many more. VDCs responded differently in how they used and mobilised the allocated funds and how they raised additional funds. The government wouldn't give a schoolteacher when one was needed, the VDCs provided a salary. Some VDCs with strong leadership, access to additional resources and clear priorities did better. Many communities across Nepal saw the VDCs as being their own. This feeling of "ownership" is so strong that when conducting the civil society survey in Makawanpur many community members insist that these unpaid local representative bodies are "civil society" as opposed to centralised power structures of Kathmandu or the government's unresponsive bureaucracy. The first bottom-up force then is the demands of rural citizens.

The failure of the system to respond to the escalating needs and expectations of the rural populace has resulted in the emergence of the second bottom-up force. The Maoists have tapped the discontent of the rural populace with the appalling neglect of rural Nepal. While progress was being made in the early nineties the Communist Party Nepal (Maoist) were initially excluded then withdrew from the political process (Thapa et al. 2003). While many of the central politicians were inept the progress being made on the ground by the VDCs was winning widespread support. The Maoists then emerged to challenge State authority. They maintain that they support decentralised decision-making and control over resources. Ironically the success of the VDCs threatens to undermine what support they have and so the VDCs have become major targets of the Maoist movement with VDC offices having been destroyed across the country. Despite their attacks on local autonomy the Maoists presented a challenge to the centralist control and the need for a better sharing of educational opportunities and political power. The increasing recognition of the need to change Kathmandu-centric development priorities is now at least being given lip service. Unfortunately the power to make changes rests with a few key politicians and bureaucrats and without a functioning democracy there is little evidence that they will make the changes needed to bring about the decentralisation demanded. If anything since the King seized control on October 4th 2002 and started installing 'appointed' Prime Ministers decentralisation has been rolled back.

The 1990s then, represents a period of experimentation with both democracy and with decentralisation. Many commentators writing about this have focused on different aspects. The shift back to centralised authoritarian control in 2002 has put in doubt many of the conclusions and predictions made about the course this might take in the future. Over the year 2003 many important decisions both at the national and district level were made by a small group of leaders, selected by the King, behind closed doors with little public input. Important decisions were made by decree and then published in formal gazetteed notices. Despite the grim situation in Nepal today many remain optimistic that decentralisation will, one day, bring about real change and a more responsive government system in rural Nepal.

A lot of efforts at decentralisation in Nepal have focused on strengthening the district level elected bodies to better plan and manage resources and programs. The UNDP created the Participatory District Development Program and the Local Governance Program to help contribute to decentralisation (PDDP 1999). At the village level this is manifested in large numbers of groups being formed to contribute to the process of district level planning. In reality many community members express confusion about the aims of this initiative. Households are required to participate in the microfinance programme and there is heavy social pressure from local leaders, as UNDP requires that 80% of the households participate³. The local leaders fear that if sufficient community members don't participate the community will be left out of the development initiatives and will fail to get its share of the resources available. Participants in the groups often feel that the groups are no different in function to the other groups they already had or that others had formed in their community for microfinance. Many women leaders fear that this is an attempt by government to co-opt the community groups control over microfinance. In theory the difference between these groups and others is that they are contributing to the local district planning process. Women though complain that they are expected to spend hours each month in these planning meetings but at the end of the day the decisions are made as to funding priorities and those identified at the end of the process seldom reflect their input. Heeks (1999) suggests that this gives a veneer of participation and helps legitimatise an existing system that is not participatory or responsive. Such token participation is proven by the "willingness" of communities to save money and take loans. The relationship of this to decentralised planning is never clearly spelled out. Presence in the planning process is deemed sufficient even if there is no concrete evidence of it having an impact on the decisions made.

In their assessment of decentralisation in Nepal, Agrawal, Britt and Kanal (1999) identified the first moves towards this as having been in the 1970s with community managed irrigation systems and then the management of community forests. These activities involved the "exercise of authority locally, often without an explicit central state-led initiative" (Agrawal et. al. 1999). Further attempts were made under the Panchayat system in the 1980s but "in reality little was accomplished". Nepal faces

³ Personal communication group participants and village leaders Kavre/Sindhupalchok District 1999

special challenges with problems of inadequate communications, insufficient or inaccurate information at the central level, limited finances, and a scarcity of skilled personnel. Centralised command-and-control systems have already proven ineffective to address these challenges. Despite this many Nepali academics (Bhattachan et. al. 2001, Dahal 1998) conclude that in fact Nepal has become more centralised over the last four decades and that there is more centralisation in the name of decentralisation since the introduction of multi-party democracy. Decentralisation then with the greater involvement of communities is seen as a way of increasing distributive justice.

With the objective of eliciting participation through greater decentralisation the donors and government have rediscovered an older social form – community. However the concept of community sits uneasily with decentralisation for two reasons. Firstly decentralisation and participation are being centrally driven and are not locally initiated therefore they are always vulnerable to withdrawal of support. Also they can only succeed when there is a mobilised constituency at the local level that has the capacity to force to a logical conclusion the initial steps towards decentralisation. Secondly efforts to build participation and decentralisation “always run the risk of reproducing power structures and relations present in existing communities” (Agrawal et. al. 1999). All communities are stratified and hence the interests of some actors are represented only inadequately. In the presence of hierarchies and problems of representation and accountability, it is important to create structures of representation and accountability that can undermine existing power structures and prevent new ones becoming entrenched. Agrawal, Britt and Kanai assert that in this sense, decentralisation cannot ever be taken as an accomplished fact only as a process in the making.

The demands for decentralisation continued to grow in the 1990s with the introduction of multi-party democracy. New legislation was introduced such as the Local Self-Governance Bill and 7th Amendment to the Education Act. However many practitioners working to help enforce these acts complain that they are often unclear and contradictory. The 1990s then saw the greater institutionalisation of the principles of decentralisation.

In assessing the gains made by the Participatory District Development Programme (PDDP), Agrawal identified the seven major activities as being those that mobilise and involve people in governance and the partnership building activities. The projects seven major activities and their status during the 1997 assessment found that:

1/. *Information System* - PPDP first concentrated on creating a more local information system to inform planning. They identified three concerns over this aspect. The first was as to the accuracy of the data collected, the second the lack of ability to make use of and analyse data at the district level and thirdly to show villagers the usefulness of collecting this data and demonstrate that it does contribute to their planning efforts.

2/. *Participatory Planning and Monitoring* – Despite the depth of discussions the “extent to which local levels of administration and village-level people’s bodies contribute to national planning, expenditure, and revenue raising priorities has remained limited.” However the PDDP process does for the first time attempt to professionalise the decision-making and planning process at the district level. The thorniest issue was the relationship between the local DDC and its planning process and the government line agencies like education or health.

3/. *Village Development through Social Mobilisation* – according to UNDP the program is “to use social mobilisation as a tool for urging local people to form their own organisations, to promote their development through their own resources and to actively participate in decision-making process for improving their lives and surroundings”. These organisations were formed using an “economic incentive” (access to credit) and to force them to be representative of the community by having 80% of families included. Concerns were raised about this process and how vulnerable such organisations at the village level are to the domination of powerful individuals. The common interests identified were mostly economic and the most common form was savings and credit groups. Seed grants are then provided by the DDC or VDC. At the time of the assessment 5720 villagers were members of groups but the time found no evidence of the formation of the “Functional groups” as envisaged to undertake development activities. They write of the “hope” of PDDP that eventually these community organisations will “act as the link between people’s demands and public resources that are directed towards development activities in the villages”.

- 4/. *Management Support: Strengthening the District Development Councils* – this mainly focused on increasing the manpower, restructure and provide equipment so was too early to assess the impacts.
- 5/. *Partnership Building* - The greatest example of success of these partnership-building efforts they identified as the establishment of a large dairy and milk processing plant in Chitwan District.
- 6/. *Human Resource Development* – To achieve this various trainings, workshops and study tours are used.
- 7/. *Action Research on Sustainable Human Development* – Uses studies and action research to guide future programs and policies.

With the escalation of the Peoples War in the late 90s village level participation in governance declined and finally resulted in the dissolution of *elected* local governance structures. This has resulted in a return to centrally appointed bureaucrats making decisions about the allocation of resources and policies. What gains were made seem to have quickly dissipated but may quickly re-emerge should elected governance be restored. As Agrawal (1997) says “ decentralisation is ultimately a highly political process since it seeks to redistribute power and resources within the territorial confines of a given nation state”. Bearing in mind the current situation and Maoist insurgency in Nepal it can be argued that serious effects to decentralise and bring about public sector reform were too little too late. The Maoists too claim to be pursuing decentralised decision-making and issues of equity and good governance can be expected to remain central to Nepal’s peace and development for many years to come.

Reviewing different writer’s theories on civil society we can see that the organisations formed can be very diverse and include many more forms than just NGOs. The roles they play and the expectations donors have of them can also vary greatly. Donors, development workers often focus on these organisations role in ‘balancing’ the State and in supporting decentralisation and public sector reform. To be able to understand civil society though it needs to be viewed within the context of a given community at a specific point in it’s history. Through examining a number of communities in Makawanpur District of Nepal we can begin to understand civil society, the roles it plays and how it can contribute to development or balancing the *Prince* or *Merchant*.

Chapter Four

Makawanpur - The Study District

4.1 The Physical Environment

Makawanpur District is situated in central Nepal to the south and west of the capital Kathmandu. The district rises from the flood plains of the Terai to the rim of the Kathmandu Valley. The Mahabharat hills are steep, unstable country. To the east, the district is bordered by the deep gorge of the Bagmati River, which drains the Kathmandu Valley. To the west it reaches the valley rim of the mighty Trisuli River, which drains the Langtang, Ganesh and Manaslu Himal. The hills are prone to frequent landslides while the flood plains have suffered from extensive damaging floods over the years. The district is typical of many of the hill districts of Nepal. It has, though, the advantage of two highways leading to Kathmandu and the Indian border passing through and its close proximity to the Kathmandu market (see Map 1).

4.2 The Demographics

The district has a population of 392,604 (2001 Census Data) with a population growth rate of 2.22 %. Over the past thirty years the population more than doubled from 163,766 people in 1971. There are 161 people per sq. km. with 71,112 households. The average age of marriage for males is 23.6 years and females 20.6 years. Of the total district population 68,484 (17.44%) live in urban settlements. The population is Hindu (49.36 %), Buddhist (47.63%), Christian (2.07%) and Muslim (0.02%).

4.3 The Economy

Hetauda is located at 500 metres above sea level and so enjoys a pleasanter climate than many Tarai plains' towns. This, combined with its location close to the Indian border and on transport routes to Kathmandu, resulted in it being developed as an industrial centre in the 1960s. Over the years a number of major business and factories have been developed in the district, most close to Hetauda. The ratio of Non-agricultural Occupations to Agricultural is 0.82:1, making it one of the top ten districts out of 75 in terms of the percentage of the economically active population not dependent on agriculture (ICIMOD 2003). Despite this the majority of the employment is agriculture based. The main agricultural crops produced in the district are rice, winter wheat, corn, and vegetables for sale in urban markets such as

cauliflower and cabbage. Livestock and milk are other important farm products. The average farm size is 0.52 hectare with an average of 7.14 livestock for each farming household. The government has a fisheries centre in the district, but aside from the Khulekhani dam there is limited scope for fisheries. The district also has a hydropower station at Khulekhani and 60% of the population have electricity for lighting, which is a high percentage by national standards. There is some tourism in the Hetauda and Daman areas.

4.4 The Ethnic Composition

Makawanpur district has a long history of in-migration from other neighbouring districts and so has a very mixed ethnic composition compared to many other districts of Nepal.

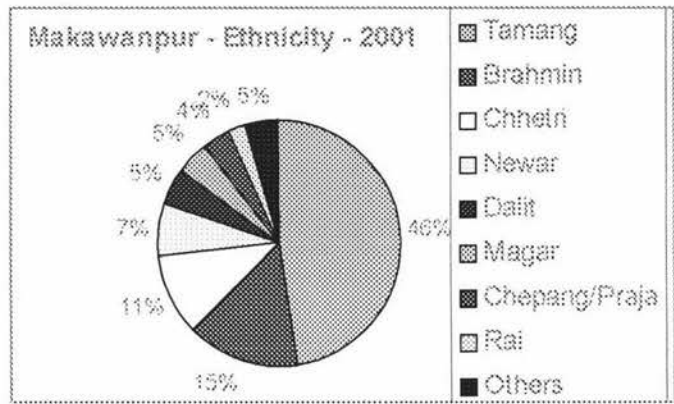


Figure 4.1

Source: Census Data 2001

Ethnically the population is Tamang 46%, Brahmin 15%, Chhetri 11%, Newar 7%, Dalit and Magar both 5% and Chepang 4%. The ethnic composition has many implications for civil society participation, the evolution of traditional groups and the dominance of different groups within civil society. There are many smaller ethnic groups represented but those of the most represented and minority groups historically significant in this district are:

4.4.1 The Tamangs

The Tamangs are the largest ethnic group in the district (2001 Census Data⁴) and the other six districts that surround the Kathmandu Valley (Gurung 1996). There is much speculation as to the origin of this people. One theory is that the Tamang people came to Nepal in the 7th Century when the Tibetan King Tsrong-tsong Gompo invaded Nepal and later wed a Nepali Princess. The tourist guidebooks describe the Tamangs as “a gentle and artistic people whose name suggests they were once Tibetan cavalry or the grooms of Tibetan invaders” (Hofer et. al. 1990). Another theory holds that as Tamang means “horse trader” in the Tibetan language, they were horse traders that eventually settled in Nepal. However no one knows whether they ever traded in horses (Hofer et. al.). An alternative theory is that the name comes from the Gurung or Thakali languages in which the term means “highlander” (Gurung 1995). Tamangs are also known as Lamas and were often known as Murmis in the past, until this name was banned under the Rana regime.

Tamangs are Lama Buddhists and have *gompas* (monasteries) in most sizeable villages, some of which are supported by land endowments (Hofer et al. 1990, Gurung 1995). They follow the Nyingma-pa sect of Buddhism which permits married *lamas* (Gurung 1995). The gods, religious paintings and texts, festivals and ritual ceremonies are all in the Tibetan style (Hofer et al. 1990). Like most Nepalis, Tamangs “retain *jhankris* (shamans) in addition to their *lamas* (priests)” (Hofer et al. 1990, Holmberg 1996)). These are the remnants of earlier religious traditions tied to clans and associated with ancestral rituals and spirits of the *Bonpo* religion that predated Buddhism and relate to the exorcism of evil spirits or the invocation of local deities.

The Tamangs have numerous clans, which are equal in social and ritual status. “Preferred marriage is between cross-cousins, that is, to one’s mother’s brother’s daughter or father’s sister’s daughter for males” (Gurung 1995). Despite this the Tamang community has gradually adopted a class system in which certain clans are regarded as superior while others have lower or inferior status. The language is closely related to the Gurung and Thakali tongues. There are more than one million Tamangs

⁴ In the 2001 Census the Tamang population was 1,282,304 or 5.64% of Nepal’s population

in Nepal (5.65% of the total population) and a high percentage, 88.8% speak their mother tongue (Gurung 1995).

“Today the Tamang people are mostly small farmers: some work as porters and craftsmen, especially in wicker work and carpentry. Their elaborate two story stone and wood houses are clustered along cobbled streets” (Hofer et. al. 1990). In the past the Tamang people held *kipat* with communal rights over defined territory including forest resources (Gurung 1995). Despite their close proximity to Kathmandu the Tamang have remained an exploited ethnic group. For centuries they have provided the bulk of the porters and domestics in the capital, with the sight of the Tamang porter labouring under his large *dhoko* (load basket) being a common sight. Unlike other tribes, historically the Tamang were not allowed to enlist in the army and thus deprived of the income from mercenary service, they were left to menial jobs or migration to marginal lands elsewhere (Gurung 1995).

4.4.2 The Chepang

The Chepang people are one of Nepal's smaller minority ethnic groups. There are different theories as to their origin but their language has a Tibeto-Burman base. They were nomadic hunters and gatherers until about twenty years ago (Riboli 2000). They live concentrated in a small geographic area encompassing parts of Makawanpur, Dhading, Gorkha and Chitwan districts. Within two of the four study VDCs, Manahari and Sarikhetpalase, 2274 Chepang were identified in the 2001 census. Nation-wide there were 52,237 Chepangs identified in Nepal. Many Nepalis regard the Chepang people as backward and primitive. Throughout the government, development, ethnographic and tourism literature the Chepang people are portrayed in this way (Ukyab & Adhikari 2000).

A search of the internet will show up another side of Chepang life. The name is mostly connected with efforts to convert the Chepang to Christianity. The Chepang people have a long and rich tradition of shamanism. Their religious traditions are related to Hinduism and the Chepang people believe that they are descended from Lava ('Lohari' in Chepang dialect) the son of Lord Rama in the great Hindu epic Ramayana. Despite their belief system being closely linked to Hinduism many high caste Hindus give them

low status within the Hindu caste system and many regard them as untouchables or *dalit*. The conversion of the Chepang to Christianity has created new social problems and tensions within the community (Gurung 1995, Riboli 2000). In discussing these tensions and conflicts, Riboli (2000) notes that the Chepang religion helps the community cope with outside pressures, constant poverty, famine and epidemics. The culture is passed down orally from generation to generation and is re-enacted in the shamanic chants. The old myths "tell of the nobility and antiquity of the Chepang, the divinities and spirits, of their forefathers, of life and death. To destroy all this by not allowing shamanic seances, which are perhaps the only time when the Chepang are reunited and can take courage from the sense of togetherness to take place, is the equivalent to destroying the culture of a people" (Riboli 2000).

The Chepang have had to change their lifestyle in recent years. Riboli (2000) maintains that in the last fifty years they have been forced to migrate from the lands originally occupied by their forefathers in Dadhing in search of arable land. Having been hunters and gatherers they were gradually forced to settle and adopt a sedentary life due to a ban on hunting and increasing deforestation in their home area. Many accounts state that in the past they had practised shifting cultivation but with the increasing population and deforestation this has become more difficult (Gurung 1995, Riboli 2000). Most Chepang now rely on agriculture, supplemented by gathering wild food. Despite the low regard in which many hold the Chepang their status as poor farmers to a large extent is the result of being late to settle land. As a result they were assigned the poorest, least fertile land. This has meant that few have sufficient production to cover more than a few months each year. Many Chepang have been caught up in debt bondage continually working for better off caste groups to survive and repay never-ending debts.

In 1977 following a visit by the King new attention was focused on the Chepang. On the orders of the King these people were given a new name the Praja. It is claimed that the 'Praja' people requested the King to give them this name which mean "subjects". Since that time there have been a number of development efforts to try and improve their status. The results of these development efforts are questioned by both the Chepang people themselves and by outside(foreign) observers.

"A number of development programmes in our name have been being carried out for the last 23 years but unfortunately these efforts have been of little use to us. It has done us more harm than good for we have lost our fundamental identity and our status of being citizens of Nepal in the process," said Santa Bahadur Chepang, secretary of Nepal Chepang Association (NCA).

Kathmandu Post 16 April 2003

Riboli (2000) is harsher and having spent years living and studying the Chepang people states "However, rampant corruption in the country and a certain disinterest in the weaker groups has meant that almost none of this funding has been used for real development projects." She also questions the sincerity and strategies and notes the poor schools without teachers, the distribution of seed during famine that is eaten not planted and the efforts to construct permanent homes, ignoring the religious beliefs and culture of the people. She challenges the commonly held belief that the Chepang are cave dwellers and maintains that because of their beliefs they prefer to have simple houses that are easily relocated. These very impermanent homes are often destroyed in the worst monsoons and at these times families take shelter in caves but never reside permanently in caves. The sensationalism of the reporting on the Chepang has reinforced many Nepalis' belief that these are one of the most primitive people. Others take this further and believe they are dangerous savages that have human sacrifice in their traditions. Riboli contests this too and believes there is no basis in fact but that their shamans are widely regarded as the most powerful in Nepal. These perceptions have made them the target of both the development community and the evangelical Christians, all of whom want to change and "reform" this community.

In the area of the study, the Praja Development Programme, UNDP, UNICEF, SEACOW, SAPPROS and the Nepal Red Cross Society as well as numerous other smaller projects and Christian groups have initiated efforts to reach this community.

4.4.3 The Brahmins

The Brahmin or Bahun are a hill caste group that originate from two regional groups, the Kumain (from Kumaon) and Purbiya (eastern). After the Moghal invasion of India they sought refuge in the Garwhal and Kumaon hill and are believed to have entered Nepal from there in the 12th century AD (Gurung 1996). Over the years they became

politically prominent in the west. During the expansion of the Gorkali state, some Bahuns were prominent in diplomacy and on the battlefield (Gurung 1996). It is likely that it was during this period that they were rewarded with land and became a major group in some of the VDCs of Makawanpur. The fact that they were late arrivals in the area but that they now occupy much of the best land is locally attributed to the land being granted to them by Kings at different times.

Brahmans are the priestly caste that ranks highest within the Hindu *varna* system. Strict rules determine who can be called a Bahun and offspring of intercaste marriages are accorded lower status. The migration of Bahuns into Nepal had a significant influence on the society. It brought about Hinduisation and brought many diverse ethnic groups under a hierarchical order imposed by the Hindu caste system (Gurung 1995). This was later enshrined in law in 1854 as the Mulaki Ain.

The main occupation of Bahuns is farming, but owing to their high literacy status relative to the rest of the population, they have a high representation in government service and as teachers (Gurung 1995).

4.4.4 The Chhetris

Chhetris form the largest social group in Nepal with 15% of the population. The term Chhetri comes from the Sanskrit *kshatria* for warrior caste. In the caste hierarchy, the Chhetris along with Thakuris, come second to Brahmans. They are originally of the Khasa, a Caucasoid people of the western hills of Nepal. Their mother tongue, Khasa-Kura, is now known as Nepali (Gurung 1995). The Chhetri allow the sons of a Chhetri of an intercaste marriage to retain their status as Chhetri. Over the years this has augmented their population and diversity. The Chhetri have a rich martial tradition and to this day are prominent in Nepal's army and police and administration. Chhetris are among the most influential and well-to-do social classes. Many though, have remained farmers and are relatively poor and live like any other ethnic group.

4.4.5 The Newars

The Kathmandu Valley was the original 'Nepal' and the people who lived there were known as Newars. The Newars are of both Mongoloid and Caucasoid extraction and

neither a tribal nor ethnic group (Gurung 1995). The Newar language is a Tibeto-Burman language and has no connection with Sanskrit, Nepali or Hindi. After the Gorkhali conquered the valley and later other parts of the Himalaya they chose to adopt the name Nepal for the country. The valley was inhabited as early as the 7th century BC. For centuries the Newars evolved as traders and farmers and built a rich culture over time. The Newars embrace both Buddhism and Hinduism and different communities following different traditions or a blend of the two. Over the centuries the merchant families established themselves in the hill bazaar towns outside the valley and today half the Newar population resides outside the Valley.

4.4.6 The Occupational Castes

These are the people of the hill ethnic groups that are considered low or untouchable (*Dalit*) based on their occupation. The most common of these are the Kami (blacksmith), Damai (tailor-musician) and Sarki (cobbler) groups. They follow the religious practices of Hinduism though they are discriminated against by upper caste Hindus. They make up more than 13%⁵ of Nepal's population and form an essential part of the rural society because of their skilled services. Members of the occupational castes are not only socially oppressed but are often very poor. They are often forced to live on the periphery of villages or in separate settlements. In many cases they are denied access to communal resources such as water taps, temples and their children suffer discrimination in schools. Usually they possess very little land and so are forced to labour for other castes. With the mass production and importation of goods, many now find it hard to support themselves using traditional skills.

4.5 The Historical Evolution

Nepal's southern border was for centuries a solid barrier from the plains of India. The Tarai⁶ was heavily forested and was known to the local people as the home of a virulent strain of malaria, called *Aul* fever (Stiller 1993). Until the introduction of pesticides and the clearing of forest in the 1950's only the Tharu people, who possess some natural immunity to *Aul* fever, were able to dwell in the Tarai forests. In early times communities were gradually established with farmed land in the valleys and settlements on the hills. Just a few staple crops were grown and the steep terrain and large rivers

⁵ As different people include different groups within the *dalit* group this percentage is variable

limited travel and trade. Land was the most valuable commodity and hence the high value placed on it. Stiller, the historian, speculates that it was this “hunger for land” that resulted “in part in the emergence of small principalities or mini-states” (Stiller 1993).

Exactly when these first states emerged is not known, but Stiller speculates that “Villagers probably entered into political union to protect their land. The constant desire of farmers in the Hills to improve their landholdings led naturally to land disputes and the need for an authority to settle them. Local leaders emerged, and, as larger political units developed, local leaders became kings. Some of these kings were dynamic leaders.” Over time these states needed to raise revenue, which they did by taking a share of the crop, which eventually reached fifty per cent of the crop. Over time, the system evolved from the king’s right to allocate new land and decide land disputes, to all land being considered the king’s land. Taxes paid in grain became the king’s share of the crop and farmers became tenants, holding the land as long as they paid the taxes or rent. To control this system, the kings evolved a system of landlords that collected taxes from a number of villages under their control. It was often easier for kings to acquire new territory than for them to keep it.

Being on the main route from Kathmandu to India, Makawanpur has a colourful history⁷. To the east of Hetauda, the district’s main commercial and administrative centre, is MakwanpurGhadhi. This “*ghadhi*” or fort was the palace of King Tula Sen and was the original Sen capital of the kingdom for many years. The Sen Dynasty rose to importance in the 14 century and, at its zenith in the first half of the fifteenth century, extended along the southern slopes of the Mahabharat Lekh one hundred and fifty miles east and eighty miles west of Makawanpur (Stiller 1993). King Mukunda Sen (1518-1553) later shifted his capital to Palpa in the west. After him the kingdom splintered into six petty states. These in turn splintered into a dozen independent kingdoms. Even Makawanpur, the old nucleus, broke into three separate principalities.

With the rise of the House of Gorkha, Prithvi Narayan Shah conquered many of the smaller principalities and kingdoms and united them into one country. In 1762 the Gorkhali forces took the Sen capital in Makawanpur. Stiller notes that some foreign

⁶ Tarai – also Terai - Belt of alluvial plains along the southern border with India

critics “mourn the violence of the unification and the lost simplicity of the petty hill states.” He maintains that they fail to understand why the Nepalese take such pride in Prithvi Narayan Shah’s achievements based on “their belief that he saved the Hills of Nepal from the violence of eighteenth century India”. The decay of the Moghul empire unleashed violent forces there. It was the ruins of this empire that the East India Company began to expand bringing one province after another under their control. The Gorkha army fought the British and defeated them on the slopes of MakwanpurGhadhi.

Prithvi Narayan Shah used the common desire for land to both motivate his fighters, and to wear down key figures with promises to protect their control over land. As Stiller puts it “Land was life. Land was security. Land was wealth and prestige.” To have land and control was the dream of every tenant. Prithvi Shah gave everyone who helped in his campaign *Jagir* or control over a piece of land. For many of the tenants this had little effect as they continued to farm and provide half their crop in taxes. Farming remained the lifeblood of the kingdom and the source of its wealth and survival. Huge armies were not possible. As Prithvi Narayan Shah consolidated his power he established a new monetary system and justice system and included diverse cultural groups in his administration. After his death in 1775 the throne passed briefly to his eldest son then the contested regency of his grandson. His second son Bahadur Shah took over power and continued the campaigns his father had started. He too assigned *Jagirs* and *Birtas*⁸ land and his army grew to 10,000 men. Despite so much land under *Jagir* and *Birta* and over fifty per cent of the crop coming to the state, the entire amount was needed to support such a large army. In desperation he resorted to tightening up the tax system and appointed tax contractors and created the very system that Prithvi Narayan Shah had warned against.

Over the next 75 years there were numerous palace intrigues and shifts in power. By 1846 the Shah dynasty was considerably weakened by wars and internal rifts, which resulted in the rise of Jang Bhadur Rana. He became Prime Minister and commander-in-chief and established a system of hereditary rule which lasted a hundred years with a sequestered monarch as a figurehead institution (Agrawal, 1999). In 1951, the Shahs

⁷ see Annex III for Historical Timeline

⁸ Jagirs were grants of land linked to employment to the state, whereas Birta were for recognition of past services, and were tax-free and inheritable.

were restored to power and Nepal was opened to the world. This brief restoration of absolute royal powers did not last long. The political leaders who had gained their experience working alongside the democratic leaders in India in their efforts to overthrow the British, applied pressure to create a more democratic system. In 1959 King Mahendra agreed to elections which were won by the Nepali Congress. This experiment with democracy was short-lived. Concerned about his declining political influence the King dissolved parliament accusing it of misuse of power and influence and imprisoned key leaders. In 1962 a new constitution ushered in a new party-less Panchayat system.

This system enabled local 'elites' to control access to resources and opportunities. Leaders gained support based on the material benefits they could channel or withhold from those lower on the vertical political chain (Agrawal 1999). The 1960s and 1970s, saw increasing international aid flow into Nepal but little improved. Modest gains in education and a rapidly growing population fuelled discontent. This dissatisfaction resulted in the student demonstrations forcing a referendum in 1980. The results, supporting maintaining the status quo, were widely believed to have been manipulated. Throughout the 1980s pressure grew and in 1989 pressure led to the overthrow of the Panchayat system and the establishment of a multi-party system in 1990.

The new political leaders had been underground for many years and a succession of elected governments followed. The more radical communist groups were sidelined in one of these elections, split from the mainstream and went underground. In 1996 they launched the Peoples War and have been fighting the State since then. Matters were not helped when King Birendra and the royal family were killed by the Crown Prince in June 2001. Under increasing pressure, the parliament lost public support as the country saw numerous prime ministers (12 Prime Ministers in 12 years) unable to resolve the insurgency. On October 4th 2002 the new king, King Gyanendra seized control and has since appointed two Prime Ministers from the old Panchayat regime. Efforts at peace talks have failed and in much of the country the Maoists have control, while the government has a very limited presence. Human rights abuses and violence have undermined many of the political, social and development gains made in the 1990s and many are pessimistic about any rapid return to democracy or peace.

4.6 The Importance of Caste, Ethnicity, History and Power Relations on Civil Society Participation

The roles civil society undertakes and why, who participates and who benefits are heavily influenced by ethnicity and the power relations between different groups within a society. In Makawanpur, in the VDCs in the study, there is a long history of shifting power relations. The majority Tamang community, have for centuries survived these shifts but have never been in control. Their fate has often depended on the whim of rulers, while the ownership of land, the greatest asset, has been subject to highly discriminatory feudal control, excessive taxation and seizure.

The Brahmins dominate the population in one VDC Ambhanjyang, (see Map 1 VDC locations/ Annex IV - Ethnic composition) while to the south the VDC closest to the original Sen palace Makwanpurghadhi remains dominated by Tamangs. It is hard to determine - without delving into the land and tax records - why this distinct division exists, but it is highly probable that the land was granted as *birta* or *jagir* at some point. The Tamangs were already present in Makawanpur when the Brahmins made their first appearance in west Nepal, so Brahmin migration into the area is more recent.

To the west of the district, Manahari and Sarikhetpalase⁹ VDCs in the study straddle the highway and floodplain and reach up into the remote and inaccessible hill areas. This area has been jungle and prone to floods and landslides for many years. Settlements in this area reflect this checkered history, the Chepang people who were formerly nomadic are present in both, but are in greater numbers in VDCs to the north and west of these. These VDCs have very mixed populations that reflects the way in which poor migrants have cleared the jungle and settled. The Tamang population is still the majority, but the other groups are many, though in smaller numbers. The interactions and power relations to this day affect who participates in civil society, the roles they undertake and the influence they have over decisions and policies.

⁹ More commonly referred to as Sarikhet

Chapter Five

The Education and Health Sectors

In communities across rural Nepal there are just two visible signs of a government presence. The first sign is the public school, usually a modest building overflowing with students with few teaching materials or facilities. Teachers salaries are supported by the government however most are poorly trained and forty percent have had no training. Schools receive a modest budget per student for supplies and maintenance of about Rs.50 (\$1 NZ) per student per year. There are nearly 5 million students, with 4.3 million in government schools across the country.

The second sign is the village Health Post or Sub-Health Post. The Health Posts are usually able to provide basic services and medicine and provide outreach into the community through a network of Female Community Health Volunteers (FCHVs) and Trained Traditional Birth Attendants (TTBAs). There are 48,000 FCHVs and 22,000 TTBAs providing outreach services across the country. TTBAs reported delivering 64,611 babies or 47% of all deliveries assisted by a trained person in 2001(MOH 2002). The majority of the births are attended by family members or are totally unassisted. Most Health Posts have insufficient staff, medicine or supplies to meet the demand for services. They do though manage to provide important basic services such as child vaccinations, treatment for TB, ante-natal and post-partum care, distribute Vitamin A and family planning, first aid and make referrals for other services.

Under the Local Self-Governance Act 1998 and the 7th Education Amendment (2001) a greater roles for civil society to manage their own health and education systems are envisaged. Some moves have been made towards this. However with the current civil war and the dissolution of local bodies in 2002 progress towards this has slowed. The historical involvement of the community in the two sectors is quite different. There are also great differences between different parts of the country.

5.1 Education – Both a Local and National Priority

Nepal has one of the most rapidly growing populations in the world with a current population growth rate of 2.6 % from 1975-1998. This is expected to decline to 2.1% for the next decade. Currently over half the population is under twenty. With such a high proportion of young people and a rapidly growing population the need to educate youth is a national necessity. Donors have provided huge amounts of funding and have increased the numbers of children enrolling in schools but this has had little impact on the educational achievement or quality of education.

Table 5.1 - Basic Education Statistics For Nepal – 2000 (2057)

	Pre-Primary	Primary	Lower Secondary	Secondary	Total
Schools	4038	25927	7289	4350	26036
Students	257,968	3,623,150	957,446	372,914	4,953,510
Teachers	11,785	97,879	25,375	19,498	142,752
GER¹⁰ %	13	120	58	37	87
NER %	8.9	80	33	20	56

Source: Department of Education

In the 1990s different donors have been supporting the government to upgrade the education system. In particular basket funding of \$110 million US was provided for Basic Primary Education Project (BPEP) ending 2001 with another US\$120 million pledged for the next five years (Dixit 2002). This project has been successful in terms of increasing access and enrolment but disappointing in terms of improving the quality of education. The Gross Enrolment Rates are high due to overage and under-age enrolment whereas the actual Net Enrolment is low. The Internal Efficiency figures¹¹ for Grade 1 are dismal - 13.6% dropout, 41.8% repeat the grade and only 44.6% are promoted. The government allocated 14.1% of the national budget to education in 2000, which is 2.8% of GDP.

As part of its international commitments to Education For All Nepal in 2000 reviewed its educational achievements and challenges and prepared a new National Plan of Action. It identifies the vision and the way forward with decentralisation seen as a key strategy. At a meeting in Makawanpur in November 2003 parents, teachers and Department of Education staff, the District Education Officer described the move to decentralisation as their “compulsion”. The demands of donors, the demands of parents

¹⁰ GER – Gross Enrolment Rate

for improved quality and the pressure from the Maoists for educational reform are all forcing the decentralisation process. Despite this many teachers are reluctant and the current environment has not made it easy to do the social mobilisation needed to generate an understanding of and support for the new system.

Under the 7th Education Amendment Act parents are given a greater role in the management of schools. Under this new legislation each school is required to have a Parent Teacher Association (PTA) that now has the responsibility to elect parent representatives onto the School Management Committee (SMC). In the past the SMC was usually selected by the Principal and the District Education Office and the representatives from the community did not have a majority and so were not in a position to force decisions. Under the new legislation the community representatives have a majority and so are in a stronger position to make decisions on the day-to-day management and development of the schools. Despite this they do not have control over the hiring and firing of teachers which remains under the control of the Department of Education. Under this new decentralisation it is planned to gradually handover the control of the schools to the community. So far 167 of the nation's 27,000 schools have been handed over (Kathmandu Post 4 September 2003) with 140 more in the process. The new legislation also makes provision for Village Education Committees and District Education Committees but these have not been established due to the dissolution of local government.

Community management of schools is not a new phenomenon. Until the 1950s the Rana regime limited education to an elite minority. In addition religious scholars were literate. With the opening of Nepal and a more liberal environment schools were rapidly opened across the country by different communities. To begin with many of these were community managed schools, with teachers salaries being paid by the community through school fees or with donor support. Simultaneously the government expanded its school system. By the mid-seventies the demands for political reform and a multi-party system were growing. Teachers and students were active players in this movement. The government was also keen to create a national education system and standard curriculum. These two factors resulted in the government taking over

¹¹ Internal Efficiency is calculated on the number of students achieving learning outcomes for the cost i.e

community schools and declaring them government schools. Some communities have retained a strong connection with “their schools” while other communities have relied on the government.

5.1.1 Makawanpur Educational Statistics

Makawanpur is a typical district, not very remote but with an ethnically diverse community and isolated pockets. Its education falls in the intermediate range for many key educational indicators.

Table 5.2 Public Schools – 2058/2000 – (2059-2001)¹²

Category	No. Schools	Total Students	No. Girls	No. Teachers	No. Female teachers
Pre-primary	40 (44)	648 (2395)	307 (1073)	125 (191)	29 (61)
Primary 1-5	396 (423)	63,211 (63,600)	27,863 (31,800)	1,485 (1,588)	309 (371)
Lower Secondary	87 (107)	14,022 (16,059)	6,176 (7,148)	239 (340)	20 (43)
Secondary	47 (53)	4,544 (5,977)	1,956 (2,597)	180 (178)	12 (11)
	397 (424)	82,425 (88,031)	36,302 (42,618)	2,029 (2,297)	370 (486)

Source: Department of Education

Table 5.3 Private Schools– 2058/2000 – (2059-2001)

Category	No. Schools	Total Students	No. Girls	No. Teachers	No. Female teachers
Pre-primary	5 (25)	135 (1618)	55 (701)	28 (47)	9 (19)
Primary 1-5	34 (25)	456 (2763)	196 (1147)	58 (161)	19 (62)
Lower Secondary	1 (12)	90 (721)	36 (269)	36 (79)	3 (16)
Secondary	1 (5)	0 (277)	0 (111)	18 (22)	0 (3)
	41 (67)	681 (5379)	287 (2228)	140 (309)	31 (100)

Source: Department of Education

In 2000 there was considerable gender disparity with 10,000 fewer girls than boys in school in the district. The 2001 data shows a dramatic increase in girls’ enrolment, higher retention into secondary school and the rapid expansion of preschool access. It also shows a decrease in the number of private primary schools as pressure from the Maoists forced many to close. Other communities have opened up “community” or private schools to meet the growing need for secondary schooling. The data suggests though that many of the schools are in poor condition; only 37% have a toilet of which 75% are insufficient or in a poor condition; 56% have drinking water; 10% have electricity; and 68% of the schools have a playground.

promotion, repetition and drop out rates are taken into account

¹² Source for all Educational Data – Department of Education, His Majesty’s Government – School Level Educational Statistics of Nepal 2000 (2057)

The data for the schools also highlights the poor distribution of children with high numbers in grade one and few left by the end of high school. It is estimated that there should be about 14,000 children¹³ in each grade level or 70,696 in primary school, 28,278 in Lower Secondary and 42,417 students at the Secondary level. Due to overage and underage enrolment Nepal has the highest gross enrolment rates in the world (EFA 2002). However once these are adjusted for each age cohort the are just 81 % of girls and 95% of boys actually enrolling in school. This is because of underage enrolment and overage enrolment. In Primary School 74% are the correct age at primary school enrolment – 17% are overage and 6% are underage.

Table 5.4 - School Student Enrolment by Sex and Grade

Makawanpur – School Student Enrolment by Sex and Grade – 2000/2057¹			
Grade	Boys	Girls	Total
Grade 1	12,283	9,601	21,884
Grade 2	7,282	6,200	13,482
Grade 3	6,120	4,593	10,713
Grade 4	5,170	3,951	9,121
Grade 5	3,927	3,019	6,946
Grade 6	3,349	2,586	5,935
Grade 7	2,249	1,887	4,181
Grade 8	2,203	1,703	3,906
Grade 9	1,617	1,257	2,874
Grade 10	971	699	1,670

Source Department of Education

The teachers, their education and training are important factors in the quality of education. In the district only 19% are fully trained, 34 % are untrained and 49% are untrained (Table 5.5). Of the teachers 2% did not complete high school, 67% completed the School Leaving Certificate, 20% have Higher Secondary/Intermediate level qualifications and 6% a Bachelors degree with the remainder not stated. The Student Teacher Ratios are; Primary 43:1, Lower Secondary 59:1, and Secondary 25:1.

Training of Teachers public, community and private schools			
Level	Fully Trained	Partially Trained	Untrained
Primary	152	599	734
Lower secondary	92	26	121
Secondary	92	16	72

Table 5.5 Teachers Training

Source: Department of Education

Nation-wide just 55% of students pass Grade 1 with this pass rate improving in subsequent grades. Makawanpur District data for 2057(2000) shows just 43% passed grade 1 that year. According to the District Education Office the budget 59/60 (2003)

¹³ Based on census data for the district based on all children of eligible age.

was Rs.18,70,57,060. Of this 15-16 crore(ten million) was spent on salaries with 10 crore for the primary level. This comes to \$US2,527,798 or US\$28.71 per student. In addition to the government expenditure parents spend an average of Rs.500 on school fees which comes to Rs.4,40,15,500 or US\$6.75. A total cost of about US\$35.46 per student.

Table 5.6 Enrolment Makawanpur 2000/2057

Level	Gross Total	Net	Gross No. Girls	Net	Gross No. Boys	Net
Pre-primary	1.8	1.1	1.8	1.1	1.9	1.1
Primary 1-5	118.7	88.1	105.3	81.1	131.9	95.0
Lower Secondary	81.5	27.6	76.8	24.3	86.5	31.0
Secondary	25.1	13.9	21.5	12.4	28.6	15.4
All Levels	81.2	57.2	71.3	52.0	91.1	62.4

Source: Department of Education

5.1.2 The Chepang and Education

Makawanpur is one of the four districts with a significant Chepang population. The Chepang Association (Kathmandu Post 2003) claims that of the 52,237 Chepangs, only 67 have been able to pass the School Leaving Certificate. Recent efforts have focused on getting the government to give permanent teacher status one of the two Chepang's with a university degree. The Chepang Association focuses on the lack of access to schools close to their locality that deprives children of this community of an education and result in 47 per cent of those that do enrol dropping out. The Association has demanded that the government offer more scholarships and support for this community. Others in the district point to the problems as being more complex and difficult to solve. The poverty and illiteracy of the parents, the opportunity cost of attending school, the lack of relevance of the curriculum, the poor condition of the schools, lack of space and formality and discrimination in the schools. All these factors contribute to the low involvement of the Chepang community.

5.1.3 Survey Results – Schools and Civil Society Participation Within the Study Area

In Ambanjyang VDC the oldest civil society groups identified were those formed to establish schools, *Ambar Singh Primary School, Ishori Primary School, Sharada High School, Sarswoti Primary School, and Jalpa Devi Primary School*. Locals suggest that it was the desire to have schools and education that first brought people together for co-

operative work in this VDC. The first schools were started in 2032 (1975) long after many other districts had extensive school networks. Two more schools were initiated by parents with the help of the District Education Office in 2045 (1988). Four years ago the first private school was opened in the VDC. A recent development is the introduction of pre-primary or kindergarten classes and four pre-schools were surveyed that were established in this VDC four years ago.

In Makwanpurghadhi 11 government schools and 1 private school were identified. In addition the community have established six "open schools" which provide pre-primary education and basic grades for remote communities. Plan International is mentioned as having assisted three of these. In addition 17 Bal Bikas Kendras or pre-schools were identified. The oldest school *Shree Banu High School* in this VDC was established in 2022 (1965). Over the years the other schools have gradually been added mainly at the initiation of the community. Only one a Lower Secondary was at the initiation of the government.

Under the new decentralisation process all schools are required to have a Parent Teacher Association. In this VDC the primary schools have been a part of the school lunch programme, which required active parent committees. As a result they have been quicker than the other three VDCs in the survey area to organise into Parent Teacher Associations. Despite this during discussions with the researchers that these have not all been formed with a proper orientation of parents and teachers and an election process. Here the parents have all been active in the initial construction of the school, the management of school lunches, the provision of scholarships and maintenance.

All the schools had a School Management Committee and it was the people involved in this that responded to the survey in MakwanpurGhadhi and Ambhanjyang VDCs. Parent Teacher Associations were just being established this past year. In Ambhanjyang and MakwanpurGhadhi the District Education Office staff had "established" the PTA but had not involved all the parents and teachers as directed. Instead the community members reported that a committee of parents and teachers had been "selected" by the Resource Person and the Principals. In a training for PTAs in Hetauda the representatives from one school in Sarikhet explained how at first people were

confused as to what was expected of them and what a PTA was. As a result they first formed a PTA with parent representatives from each of the schools in the VDC. Later when an NGO representative was identifying a school interested in participating in a program to train and support the PTA and SMC they understood that their "PTA" had not been formed correctly and they then held a meeting of the parents and reformed it. Despite this representation of women was minimal.

In all the schools that desegregated by gender in both VDCs, males are the majority with one or two females on each SMC. Most of the community have children in the schools except in some cases where the wealthy have sent their children to school elsewhere or children of the furthest hamlets who do not attend. Most of the SMCs identified providing a quality education as their priority. Some mentioned working for the construction of the school, providing teacher salaries, scholarships and other school facilities like toilet and water supply. One focused on enrolling Tamang children.

The major benefits identified were being able to get an education in the local community. Many of the schools expressed the desire to upgrade the schools to provide either Lower Secondary or Secondary School. When identifying the challenges the most common complaints within the school were the lack of financial resources, lack of space, educational materials, inadequate government budget and insufficient teachers. The more social problems identified were the "lack of awareness" and poor economic status of parents, and the geographical problem i.e. the distances children must walk to school. Two schools identified problems with caste discrimination and traditional superstitions. One school had the added problem of no drinking water while another had the school compound washed away in a flood.

The schools are part of the government system while the committees are volunteers. Most felt the District Education Office was supportive but all felt they had insufficient resources. Most responses were non-committal but the respondents from one SMC did mention the problems they have with the government appointed teachers not attending school regularly and "giving trouble". About half the SMCs felt they had some ability to influence policies at the VDC level and a few at the District level.

No information was collected from groups engaged in education in Manahari and Sarikhet VDCs through the survey.

5.1.4 Bal Bikas Kendras¹⁴

The introduction of Early Childhood Education is a relatively recent phenomena in Nepal. The age for starting formal school is six and many educationalists think children need more pre-school. Many children do not speak Nepali as their mother tongue and so arrive in school, not only struggling with learning to read and write, but with the added disadvantage of not speaking Nepali, the language of instruction.

In the study area Bal Bikas Kendra (Child Development Centres) or pre-schools have all emerged in the past 10 years. The early groups were mainly formed with the support of NGOs/INGOs. The greatest concentration was 17 in Makwanpurghadhi where Plan International had supported their formation with 4 in Ambhanjyang. Most of the groups surveyed said they had formed the centres to care for the young children and to prepare them for school.

The groups mentioned different activities that they were responsible for which included constructing buildings, forming mothers groups, selecting teachers, management a lunch programme, doing savings and credit to generate income for the centre, as well as assisting in the care of the children as volunteers. Some groups mentioned providing special help to the poorest families so that their children could also attend. In assessing the benefits of the centres the main one mentioned was that children are ready for school, that they are well cared for and keep healthier, that they are better able to speak and express themselves, and are more disciplined. Most of the groups also mentioned that the “parents save time”. The greatest challenges they identified was the distance for children to reach the centres, the lack of awareness of parents and poverty preventing parents sending children as well as the centres being poor in not having enough resources. Some also mentioned how difficult it is to cope with so many young children. Most groups of parents felt that they mainly had input for policy at the village level.

¹⁴ Literally Children’s Development Centres

5.1.5 Education Related Civil Society Groups in the District

A. NGOs

*Grameen Mahila Swabalumnun Sanstha*¹⁵ in Makwanpurghadhi (that assisted with conducting this research) was one of the few NGOs based within the study area that is engaged in providing education. Over the years the NGO has been active in providing adult education in particular for adult women and out-of-school children. It was formed 11 years ago as a co-operative that was involved in microfinance and more recently has also registered as an NGO to be able to access donor funds for other development activities. It has received support mainly from World Education and Plan International and from the local VDC. In addition NGOs based in the district Headquarters Hetauda and national NGOs in Kathmandu were also identified as providing education related services. The NGOs identified were *Samadiyak Mahila Bikas Kendra* (that also assisted in the survey), *Nepal Red Cross Society*, *ABC Nepal* – a Kathmandu based NGO working to prevent girl trafficking and *SAPPROS* another Kathmandu based NGO were specifically mentioned by the community. The survey did not seek to find out who had ever run a “programme” in the area but rather what was being done by civil society groups within the community so it may well be that others have had literacy type programmes in these VDCs.

B. Private schools

Just two private schools were identified in the study area. As it was not planned to survey these schools it is not clear whether there may in fact be others that were not included.

5.1.6 Civil Society Participation in Education in the Study Area

In the study VDCs the oldest civil society groups identified were formed to establish schools. Locals suggest that it was the desire to have schools and education that first brought people together for co-operative work in these VDCs. The first schools were started in 2022 (1965) long after many other districts had extensive school networks. Not being in a tourist area or other area of high visibility the district was probably slower to get the attention needed to start an extensive school network. The community maintain that these schools were started on their initiative. Their vision is to see these

schools improve the quality of education and to expand to provide more grades in the local community. The schools identify a number of problems such as a lack of support from parents, financial problems due to a lack of government budget and the weak economic status of parents, access problems due to poor trails and the absence of drinking water in one school.

These public schools are well supported however two groups are mentioned as not being part of the school community. The first the children of wealthy families are not attending these schools. As in many parts of Nepal these children attend private schools, or boarding schools outside the area. The second group identified were the families of small hamlets due to remoteness and distance to school. Parents in Sarikhet in the PTA training identified members of the Chepang community as not participating due to their "lack of awareness".

The schools feel they have good support from the government, DEO, VDC and in two VDCs have also had help from the INGO, Plan International. They feel what influence they have on policy is at the VDC level. Participation on the decision-making body the School Management Committee is male dominated in the majority of the schools with just 4 schools having good representation of women. These schools had larger committees and seemed to have made a greater effort to have representation of women. Despite the government requiring the formation of Parent Teacher Associations this year only Makwanpurghadhi identified the existence of these new associations. This despite the fact that according to the District Education Office these schools ALL report having a PTA. There is however great interest being expressed by the parents of being more involved in the decision-making and management of the schools as the main motivating factor seems to be to find ways of improving the quality of education.

5.2 Civil Society Participation in Provision of Health Services

Health care services in rural Nepal, are mainly provided by the government. The government system has a District Health Office that manages the system and pays staff based in the district centre. The district has one District Hospital and a network of 4 Primary Health Care Centres which are supposedly staffed by a doctor but rarely are, 10 Health Posts and 30 Sub-Health Posts that are manned by Community Medical Assistants (CMAs), and Assistant Nurse Midwives. These staff then work with a large network of volunteers. The 378 Female Community Health Volunteers (FCHVs) that are in every ward and the 381 Trained Traditional Birth Attendants. In each VDC there is a Health Management Committee with representatives of the VDC, the volunteers and the professional staff to make decisions about how to run the services in the local community. In some communities these committees are very strong and active and mobilise resources and volunteers to make the system more effective. For example in some VDCs they have established Endowment Funds to help in some way compensate the volunteer health workers for the time and expenses they incur providing services. Under the FCHV Programme the FCHVs are meant to have Mothers Groups for health learning, to promote health and to support the health care system.

In Makawanpur just 5% of the deliveries were assisted by a trained TBA or other health staff (MOH 2002). There were an estimated 16,370 birth last year. Use of family planning is 48% (MOH 2002). Nation-wide it is estimated that the real demand for family planning is 67.1% and that in Makawanpur would mean about 19% of couples have not had access to appropriate services. This rate though indicates a high degree of access to services compared to many other districts. For childhood illnesses the district has of 187 Acute Respiratory Tract Infections per 100 children under 5 each year of these just 2.5% are rated severe which indicates effective services for this. Diarrhoeal diseases are another major cause of infant mortality and for this district is 176/1000 in the under five age group but just 1% are severe dehydration cases. The district has a research centre for contagious diseases and the effects can be seen in the quality of the services in response to these illnesses. Of children checked 14.1% are malnourished. 75% of children are fully vaccinated. For adults the major illness continues to be

Tuberculosis with an estimated 66% of cases being identified for treatment in Makawanpur and 83% of those identified being successfully treated.

In addition to the services provided by the government private services are provided through pharmacies and clinics but these are located mainly in the market towns and district headquarters. In addition NGOs provide some outreach services. *Samadiyak Mahila Bikas Kendra* a Makawanpur NGO provides services in the Ambhanjyang/Makwanpurghadhi area with support from Plan International. They have also provided services in many other VDCs in the past for family planning, safe motherhood and have had a large health education component. *Nepal Red Cross* and others have had health education and awareness activities particularly in Sarikhet. One large project Meera which supports Mother and Child Care has the largest health budget in the district. United Mission to Nepal an INGO, the Family Planning Association of Nepal and the General Welfare Pratisthan provide health services and have AIDs prevention programmes.

Under the new Local Governance Act a greater role is envisaged for communities to manage their local level health care system. This will eventually be under the VDC. Local hospitals too, will eventually be run by District Hospital Boards. Moves have been made in this direction with some districts have strong community participation in the decision-making and management. These districts have shown a qualitative improvement in the services provided. In addition many have also been able to strengthen the referral system by running their own ambulance services. Nepal Red Cross Society is still the major provider of ambulance services.

5.2.1 Civil Society Participation in Health in the Study Areas

Only a few groups related to health were identified as being active in the VDCs. Unfortunately the survey was never completed as planned due to the deteriorating security situation. Under the FCHV programme the FCHVs are meant to have Mothers Groups for health learning, to promote health and to support the health care system. In the survey many "Mothers Groups" were identified but none of them specifically mentioned that they focused on promoting health or supporting the FCHVs or TBAs. Neither did they mention being formed or supported by the FCHVs. It may be these

“Mothers Groups” have evolved from their original focus on health to being multipurpose groups. Over time the savings and credit activities have become a focus of many women’s groups as this is a regular activity which keeps the group together even though they still engage in other community activities like health.

Within the study VDCs the following groups were identified:

- ♦ *Manahari Mukdishor Samuha* in Manahari with 150 members was formed three years ago with the help of a community mobiliser and supports pregnant women for a safe delivery. It is perceived as being of greatest benefit to women in an emergency.
- ♦ The *Ambhanjyang Health Management Committee* stated it had six men and one woman on the committee and that it was formed by the District Health Office. They state that their main objective is to solve the public health problems and their vision is to achieve the government’s health goals and to meet the communities needs and expectations and provide quality health services. The main problems it faces are that community interest is low, it lacks the required physical facilities, the staff do not work regularly and the it has insufficient medicines. The poorest families don’t use the services or participate. The committee mainly interacts with government line agencies and the local school and VDC. No mention is made of interaction with mothers groups or NGOs who are also involved in health. They feel they are mainly able to influence policy at the VDC level.
- ♦ *Plan Unit Offices* – in both Ambhanjyang and Makwanpurghadhi local support organisations have been formed that have health education as one of their priorities and activities. These organisations were formed by Plan to support project activities according to the respondents. They have a broader focus than health and do not perceive that they have any influence on policy at either the local or district level.

The District Public Health Office was approached for information on the community participation on Health Management Committees in these VDCs. Each committee has the VDC Chairman (currently the VDC Secretary acts as representative), the Headmaster of the High School or largest School in the community, the Health Post in-charge who is the member Secretary, one FCHV and one social worker nominated by

the VDC Chairperson, and the Ward Chairperson of the Ward in which the Health Post is located. This committee is expected to be actively involved in running the health programme, collecting resources to support and in identifying the needs. In Ambhanjyang the VDC has contributed Rs.10,000 and in Manahari they raised Rs.1,31,000. In Sarikhet they are very supportive of the FCHVs. In these communities the committees have helped with building construction and maintenance. Organising the supply of electricity to the Health Post, purchasing additional drugs, managing the community drug programme, created an Endowment Fund for FCHVs in Manahari VDC, managing the bank account, assisting the FCHVs to hold regular meetings. In addition they have assisted the FCHVs to establish a system for having the pneumonia drug Contrim for sale. It was initially provided free by the donor, now they have a revolving fund to ensure its availability. Most of the health committees were formed in 1996/97.

Due to the incomplete nature of the survey and the inability of the researcher to conduct the follow-up focus groups as planned few conclusions can be drawn. It was apparent though that there was very limited participation by the communities in this area in the field of health. The Health Committees though active, involve only a small group from within the community. Further study would be needed to gain a more in depth understanding of the participation and potential. In the Education Sector there was greater community participation in the initial establishment of schools and their ongoing management. Civil society though was engaged in both sectors through NGOs and other less formal organisations devoted to the development and welfare of the community. The next chapter attempts to assess the roles these other organisations with less connection to the State's provision of services fulfil.

Chapter Six

Community Development or Welfare Sector

Every society is made up of a complex array of organisations that meet various needs of the community. Some of these are very specific and serve small sections of the community while others have broad objectives and work for the common good. In Nepal the oldest civil society organisations in many districts are the *Guthi*. These *Guthi* were community organisations that were linked to religious institutions both Buddhist and Hindu. The *Guthi* usually focused first on maintaining and supporting the religious environment, the temples, *stupas*, *vihars*, *ghats*¹⁶ and other sites. Then they supported the rituals and religious people. Gaining merit for the next life has always been an important part of the religious traditions of South Asia and so many also managed care of the destitute and abandoned. While this was very rudimentary in the past in more recent times religious groups have supported old age homes such as the one at Pashupatinath Temple, medical clinics, outreach camps and other services.

The emergence of the Non-government Organisations is a much more recent phenomena. For much of Nepal's history all types of social organisations were tightly controlled to prevent them becoming sites for political movements. From the 1950s when Nepal opened its borders to the 1990s when multiparty democracy was in force a very limited number of NGOs emerged. Those that did were formed under a very tight controlled environment. All activities were overseen by the Social Services National Co-ordination Council (now the Social Welfare Council) which tightly controlled regulations, legal status and funding. Organisations that did not conform were effectively unable to operate. This ensured that the organisations that emerged were either closely affiliated with the government or were linked to important international organisations for example the Red Cross that could help pressure for their independence. As NGOs started to blossom world-wide more NGOs started in Nepal. With the coming of democracy in 1990 the numbers formed rocketed as mentioned earlier. In addition to the formal *Guthi* and NGOs many more organisations that are more informal exist. Some are very transient in nature such as youth clubs while others such as ethnic based groups have existed in communities for many years.

¹⁶ *Stupas* – Buddhist temples, *Vihars* – Newar monastic or educational institutions, *Ghats* – cremation sites

At the community level there are big differences between the types of organisations in the larger urban areas and those that emerge in the rural environment. This study focused on a hill district in VDCs both reasonably accessible and remote. In these communities the CSOs that have emerged to address community needs and welfare functions fell into three main categories, Religious Organisations, Youth Groups and NGOs.

6.1 Religious Organisations

In Nepal the religions are closely connected with certain ethnic groups. While there is some conversion to Christianity is usually possible to determine the likely religious affiliations from the ethnic data. This data on religions is available but is done on a district not VDC basis. For Makawanpur district the population in 2001 was Hindu (49.36%), Buddhist (47.63%), Christian (2.07%) with less than 1% Kirat, Muslim and other religions. Only Dhading district to the north has a higher percentage of Christians. Within the study area in three of the VDCs two Tamang community are the majority community who are Buddhist. In Sarikhet 64% of the population are Tamang, while in Makwanpurghadhi 54% and Manahari 37% are Tamang. In Ambhanjyang the majority population is Brahmin and Chettri with 67% and 28% Tamang. The Chepang community are significant in Sarikhet and Manahari. Their religion is usually grouped with the Hindu but they have their own distinct religious traditions (Riboli 2000). Manahari is a mixed community of migrants and includes a number of Rais who probably follow Kirat traditions.

6.2 Study Results

6.2.1 Buddhist Religious Groups

Three Bhuddhist groups were identified in MakwanpurGhadi, the oldest formed twelve years ago. Their main motivation and activities are centred on the construction and support of the Buddhist *gompas*, construction of *stupas* and public shelters and praying for peace. Having places to pray within the community, bringing spiritual peace to the people of the community, and providing religious education were the main advantages mentioned. The *gompa* committees mention the lack of funds and the lack of awareness and interest of people as being their biggest challenges. Two of the *gompa* committees mentioned that they receive inadequate support from the government or “donors” and saw this as a form of neglect. One group had received support from the

government through the Ministry of Local Development for *gompa* development but had found this process slow and difficult. None felt they had any ability to influence policy even at the local level.

6.2.2 Hindu Religious Groups

Two Hindu groups were identified one in Makwanpurghadhi the *Brahma Kumari Rajyoga Sewa Kendra* with 50 members and formed in 2050(1993) and the *Shree Krishna Pranami Sewa Samitti - Aambhanjyang Sub-Branch* in 2035 (1978). The group in Makwanpurghadhi was formed by the local people to reduce social evils and bad habits and help improve the character of the community. As part of its activities it tries to control alcoholism and drug addiction, eliminate caste discrimination and do self-development work. They feel they don't have the support of local leaders but they are able to make policy inputs to both the Red Cross and local government. The *Shree Krishna Pranami Sewa Samitti* was formed with the help of a centrally based office in Kathmandu for human welfare and spiritual peace. The wealthy and the poor tend not to be involved in the organisation. Its activities have included helping provide disaster relief, assisting the disabled, assisting the elderly with shelter giving religious education and constructing temples. The organisation believes it helps the community both directly and indirectly. The organisation has an input at the local and district level and feel it is able to influence policies at the Ward and VDC levels.

6.2.3 Christian Groups

During the initial community mapping exercise the surveyors identified Christian groups active in the Manahari/Sarikhet area as well as in the Makwanpurghadhi area. However the presence of these organisations is extremely sensitive and in the final survey only one Christian group was included. The *Bijaya Anugraha Mandall Lamidadda* in Makwanpurghadhi has seventy members and was formed five years ago. It was established by a Christian pasteur based in Hetauda. This group mentioned that their biggest concerns were addressing superstition, girl trafficking, drug and alcohol addiction. The group meets to pray each Saturday and mentions many members being able to give up tobacco and alcohol as a benefit. Their vision is to take their members forward and to be able to address any kind of problem. The problems they face are

social discrimination and internal arguments. They do not feel they are able to have any policy influence locally or elsewhere.

6.2.4 Religious Organisations and Their Contributions to Civil Society

The religious organisations in this district are far less developed than in many other parts of the country. Lacking urban areas or strong monasteries there are no old, well-established *guthi*. In fact prior to multi-party democracy there was only one Hindu organisation formally registered. Over the period prior to 1990 the Panchayat system tried to portray Nepal as being much more Hindu than it was. For example in Makawanpur in the census data in 1971 it was 50.45% Buddhist, by 1981 it was shown as 20.98, by 1991 44.1% and by 2003 47.63%. By the 1980s the discrimination (particularly for employment) and pressure to be 'listed' as Hindu was very high and census surveyors were said to simply list 'Hindu' regardless of the sentiments of the householders. According to local informants Buddhist organisations were also suppressed and were not permitted to register. However it is not clear whether this was more a perceived restriction or whether any groups tried to form or gain legal status and were prevented from doing so. Regardless the community felt that it was not possible to have a visible active Buddhist group until after the revolution in 1989. For Christian groups the situation was even more complicated. Until recently it was illegal to convert anyone, from the religion of their father. This essentially made all Christian missionaries' work illegal. Anyone caught proselytizing was liable for nine years imprisonment under the law. In this environment and where Christian converts often face social discrimination and become estranged from their family and culture it is not surprising that Christian groups are relatively low-profile in these communities.

In terms of the work these religious organisations do there is an element of social welfare work, helping the sick, disabled and elderly. In addition many focus on "character" – improving self, and helping others to address their character problems such as addiction to alcohol or drugs. The groups though seem small in number and membership relative to the households in the VDCs and the community perception seems to be that the priority for these groups is more *dharma*¹⁷ than other community development or welfare functions. At the time when the government was keen to be

¹⁷ related to spirituality

seen to be accommodating towards “*janajatis*” (minorities) the government provided some assistance to Buddhist organisations to maintain and support their religion and culture. Many saw this as a way for the government to win over the support of the minority groups. Interestingly this has created a sense in the *gompa* committees that the government should be supporting them financially.

6.2 Youth Groups

When interacting with communities they often refer to “youth groups”. This though can be a misnomer as in the Nepali context the youth that started these groups retain the active membership long after they are young. Some eventually register as NGOs while many others remain small CBOs. Some have high turnover of members continually bringing in young people while others have static membership or they disappear and a few years later are replaced by new youth groups. Some districts also have large numbers of child clubs promoted by donors, NGOs and projects in associations with the schools. The largest youth organisation in Nepal is the Junior Red Cross which is present in all districts of the country and is active in Secondary Schools. The Girl and Boy Scouts are mainly limited to the larger urban areas. There were many small youth groups were present in the survey area in the Ambhanjyang and Makwanpurghadhi VDCs and so a smaller sample of the bigger groups was surveyed.

In Ambhanjyang three youth groups were surveyed. The *Shree Juntara Youth Club* had been formed by local social workers for the all round development of youth and to eradicate social ills and bad habits. It is six years old and hosts sports events, quiz contests and puts on street dramas. They find it difficult to stay active and complain of the lack of awareness. Another group has a much longer history the *Nawa Jagriti Youth Club* and was formed by local youth nineteen years ago. It states its objective as being to work with others to mobilise youth power. It has conducted many activities such as construction of family toilets, holding awareness programs and sports. The third is the *Jana Chetana Yuwa Samuha* which also formed by youth 8 years ago. It places greater emphasis on uplifting the *Dalit* groups and being active in environmental conservation. These groups believe the benefits the youth have brought to the community have been conservation of the environment, physical and mental fitness. The oldest group has had some support from government and feels that it can influence policy at the VDC level. Youth groups in Nepal are often almost exclusively male.

Two groups surveyed just indicated the committee size not the total membership while one had 40 members (27 males and 13 females). It was not possible to get information on the age range of these “youths” either the general membership or the executive.

6.3 Non-government Organisations and Welfare CBOs

There are different NGOs working in the VDCs in the survey. This survey set out to identify the civil society organisations of a given area. It did not specifically set out to identify NGOs and other projects that were or had been present in the VDC. As a result the local communities only identified civil society organisations that were physically located or were perceived to have their ‘home’ within the given community. To the community then there are NGOs from their community as well as NGOs from the district centre, Kathmandu or other countries. Despite this there are probably many staff, and members from these communities, that belong to other organisations but identifying all these links and memberships was not possible. The local administrative office that registers NGOs has 903 NGOs listed in the district. Without a detailed survey of the NGOs it is not possible to determine how many of them are active or present in these VDCs.

From the survey the following locally based NGOs were identified:

- ◆ *Nepal Red Cross – Ambhanjyang Branch* – this is a District Chapter sub-group of the nation-wide organisation was formed four years ago and focuses its efforts on supporting disaster relief. The NGO has found it difficult to recruit members in this area and to determine what its objectives are other than in times of disaster.
- ◆ *Plan Nepal Unit Office (CBO)*– this group is a local advisory group (there was some confusion from the group as to their correct title) for the INGO Plan’s project in Aambhanjyang VDC. It was formed through a PRA process by Plan staff to help uplift disadvantaged women and children. The group supports health, education and environmental programmes and builds linkages between the community and line agencies. The group states that they are working closely with the schools and health posts but have not succeeded in getting formal recognition. They feel that they are able to influence policy and programmes at the Ward and VDC level and especially in relation to the health post and school.

- ◆ *Sayapatri Communication Group (CBO)* – this was formed 11 years ago and focuses on raising awareness on social issues in the community. It supports landless farmers and communities to run Early Childhood Education centres. They feel the need for more manpower. They have received support from Plan but find it difficult to manage accounts.

- ◆ *The Jayrung Khyar Pariwar (CBO)* was formed 15 years ago in Ambhanjyang specifically to work in the Tamang community to address social evils and reduce superstition. The group mainly uses drama and cultural programs to achieve this. They believe they have been able to make the community more aware and active and to develop the human capital. They feel their task is difficult and that they need more support from the community people to be successful. They don't find the government helpful but have been involved in policy workshops and feel they have the most influence at the Ward level and also some influence at the VDC level.

- ◆ *Agroforestry Basic Health and Co-operatives (ABC) Nepal* is a Kathmandu based NGO that works mainly to prevent girl trafficking and address issues of women. This is a local committee of 26 members formed by the Kathmandu NGO one year ago. They are focusing their activities on assisting migrants, registering married couples (this is a big deterrent to traffickers who use fake marriages to lure young women), and document who is literate and illiterate locally and needs help. They have registered couples and run child literacy classes. They are also engaged in savings and credit activities. Their biggest concern is that the 'shareholders' are not actively participating.

- ◆ *Pa Pi Pe (CBO)* – is a men's group formed 7 years ago that were concerned about 'anarchy' and the situation in the country. They have involved in improving drinking water supplies and irrigation and other community development efforts.

- ◆ *Assitto Nepal* is a newly formed NGO in Makwanpurghadhi that wants to protect the environment and be involved in community development. So far they have not been able to do anything.

♦ *Grameen Mahila Swabalumun Kendra* – this NGO was formed 11 years ago by local women originally as a co-operative and later was also registered as an NGO with the same name. Women from all the wards of the VDC are members of the NGO. The organisation was formed to raise the status of women, raise their awareness of issues, and help them improve their livelihoods. The NGO has had goat raising programmes, literacy classes for women, has participated in outreach programmes for medical care and has formed a large network of savings and credit groups. They believe that they have helped improve livelihoods, increase access to savings and credit, and help many women become literate as well as helping women to gain greater recognition in the community. Their long-term vision is to be able to sustain their work and to have the trust of the community. The biggest problem they face is that they do not have their own building and that they are financially weak. The NGO has had good co-ordination with the government line agencies like the District Education Office and works closely with the DDC and VDC and feels it is able to influence policy at the local level.

♦ *Ghadhi Bikas Samitti (CBO)* – this was formed by the VDC two years ago to support different activities for the benefit of the community such as preserving the historic palace and temple, constructing trails, and conducting awareness programmes. The group has so far been engaged in conservation work, has been managing the weekly ‘haat’ bazaar and has been involved in forest plantation and river control work.

These were the organisations that the community felt were from within the VDCs. In addition the following district or national level NGOs and INGOs were mentioned as being active in the area.

♦ *Plan International (INGO)*– that works both directly and through CBOs, NGOs and local government counterparts. Plan has staff and/or offices in the VDCs. Plan supports an array of health, education, water supply, access roads and other interventions to improve livelihoods.

- ♦ *World Education (INGO)* has supported two NGOs in these VDCs and currently supports one in two of these VDCs. It supports adult non-formal education, farmers' education, economic education and out-of-school programmes.
- ♦ *Nepal Red Cross Society (NGO)* - is nation-wide and has District Chapters in all 75 districts as well as local branches – one branch was identified in Ambhanjyang. The local Chapter had been active in the Sarikhet/Manahari area for disaster relief, water supplies and sanitation and community development. It also has ambulance services in the district.
- ♦ *Samadiyak Mahila Bikas Kendra – (NGO)* – this is a district based NGO that works in many VDCs of the district. It was formed 9 years ago. It is especially focused on the needs of women and children and has an integrated programme that includes, water and sanitation, basic health services, health education, microfinance, livelihoods, solar energy, prevention of girl trafficking and child labour.
- ♦ *ABC- Nepal* – this is a Kathmandu based NGO that has committees in several districts of the country. It is involved in activities that address discrimination against women and girl trafficking.
- ♦ *Support Activities For Poor Producers of Nepal - SAPPROS (NGO)* – this is a Kathmandu based NGO that has been active in the Sarikhet/Manahari area and is mainly active in basic community development issues like water supplies, irrigation and green road construction under the Food-For –Work programmes and improved agricultural livelihoods.
- ♦ *MADE Nepal (NGO)* this is an agriculture and livelihood focused NGO with its base in neighbouring Chitwan district. It has programmes in a cluster of districts in the central Terai belt of the country. It was mentioned as assisting groups in Makwanpurghadhi.

It is likely and indeed probable that other NGOs or INGOs have or in the past have supported programmes in these VDCs however this was not a major focus of this study and so a full assessment of NGOs work in these VDCs was not done.

6.4 Engagement in Local Governance

In Sarikhet VDC several groups identified themselves as having been formed by the Participatory District Development Programme. This UNDP supported programme forms groups to engage in decentralised decision-making and has microfinance as a component to improve rural livelihoods. Nine groups identified themselves with this project. All focused on the microfinance aspects, participation in community development and accessing training and support for livelihoods. Just one mentioned being able to contribute to local governance or decision-making and none felt that any of their suggestions were being implemented.

6.5. Religious, Ethnic, Youth and NGOs Civil Society Roles

The religious organisations play a fairly limited role in meeting welfare or community development needs. For many years there was only one Hindu organisation. With multi-party democracy and a more liberal environment in the 1990s (Lecomte-Tilouine/Dollfus2003) new Tamang Buddhist organisations and Christian organisations emerged. These young organisations mainly focus on supporting religious activities but also have wider social agendas. All mention addressing the social issue of alcohol and drug abuse. Alcoholism is seen as a major problem in many of these communities. Other issues they are concerned about and try to address are caste discrimination and girl trafficking. Addressing superstition is also mentioned and in some of these communities there have been incidents of harassment of women accused of being witches, women dying in childbirth because they were not taken to hospital because of traditional beliefs and others dying while under the care of traditional healers when timely treatment could have saved their lives. Several of these communities have strong shamanic traditions and the organised religious groups while not wanting to undermine cultural traditions also want the communities to be more modern and improve peoples' lives. These contradictions and concerns are evident in the use of explanations about the lack of awareness and need to overcome superstitions.

The religious organisations also express a desire to play more active roles in supporting the sick, disabled, elderly and the poor. So far their ability to fulfil these roles has remained limited. The rise of these organisations coincided with both a more liberal environment and an improving economy in the 1990s. As the civil war has escalated the economy has declined thus reducing mobility and the resources available for

communities to assist these groups. If the social and economic environment improves it is highly possible that these groups will do more. For now little is done for the sick, the elderly, widows or the poorest of the poor. The government has a very limited social welfare program that provides just Rs150 (US\$2) per month as an allowance. It does not have the manpower or the capacity to support the needy across the country.

The Youth Groups were more visible and active in the more accessible and better off VDCs in the study. These groups primarily focused on meeting the non-educational needs of youth such as organising sporting and cultural occasions. They also mobilised youth to support community development priorities such as sanitation and environment programmes. These groups have enormous potential to contribute to community development and welfare in Nepal but are hampered by a number of problems. The greatest problem is that youth become economically active from an early age and have little free time to engage in these activities. This is more so for girls than boys as girls are more engaged in agriculture and household work. Disproportionate representation of males means these groups are more often young men's clubs rather than clubs for all youth. Another problem the groups face is sustainability. The Junior Red Cross for example is supported by teachers and is continually able to renew itself. There is also a progression path for members to carry on their efforts as adults. In contrast the spontaneously emerging groups lack a support system and have trouble engaging new younger members and evolving. Some fold, others having a membership that is no longer "young" and only those with good leadership and community support seem to be able to keep going and meet the needs of youth. Some have evolved into NGOs in their own right. The potential is there for these groups to meet the needs of youth and to be able to mobilise youth to assist in other community development and welfare efforts. The information from surveyed groups though is not encouraging or suggestive that any large scale or organised mobilisation of youth taking place in these VDCs.

The NGOs and CBOs involved in community development and welfare work in these VDCs are more varied. The locally promoted organisations based in the VDCs tend to be small with a limited range of activities. They have played a role over the years in mobilising the communities, delivering services and projects. As part of this work most have promoted local community based organisations. Two national organisations

the Nepal Red Cross and ABC-Nepal have a local membership and presence. Most of the other NGOs though are perceived as being based elsewhere in either the district headquarters or Kathmandu even though their efforts on the ground are mentioned and even though they have local staff. Most have not formed VDC level membership based groups. Despite this the NGOs have large networks of organised groups that they have promoted that sustain the work started and that they are able to link to.

Grameen Mahila Swabalumnum Kendra is the largest and oldest locally based NGO. Other district based NGOs such as Samadiyak Mahila Bikas Kendra are also very active in these VDCs. These two NGOs assisted with the study as they had the local presence in these communities to assist with this survey. Both were promoted by groups of women and have broad development agendas but with a special focus on women. The other groups are mainly CBOs and have evolved in response to specific needs or in response to a donor interest as in the case of the communication groups working with Plan. The NGOs from Kathmandu were also active in the area but did not have a strong local identity. They have though had a considerable role in delivering services and in helping communities to organise. In fact many more groups mentioned having the support of these "outside" NGOs than mentioned government line agencies or local government. Plan International is the only INGO with a visible presence in the area. In its' earlier years directly implemented projects but in more recent years it has moved to working with and supporting locally based organisations or working with larger national NGOs to implement its programmes. The other INGOs active in the district are less visible as they work more through local partners.

While these organisations make valuable contributions it is the CSOs managing resources or addressing livelihood issues that were most visible in the community. These organisations involve large numbers of local residents and are perceived to play roles that deliver valuable tangible benefits.

Chapter 7

Natural Resource Management Sector

Life and livelihoods in rural Nepal are heavily dependent on the natural resources available locally. The forest in particular provides leaf litter for compost, vegetation for animal feed, medicinal plants for health care, timber for homes, thatch for roofs, firewood for cooking and numerous other resources from large leaves for *Saal* plates to stinging nettle to make a fibre used for clothing. In Makawanpur the Chepang people rely heavily on the *Churia* tree for its oil and other products. The second natural resource of great importance is water. Being on the slopes of the Himalayas, Nepal has water in abundance but often it is in excess or short supply. The monsoon can bring floods and landslides while the long dry winter can see droughts, crops withering and women forced to walk for hours in search of drinking water. The third highly valued resource is the rangeland or grazing lands. Livestock are an important part of most rural livelihoods and having access to grazing is precious. Throughout Nepal these three natural resources are often not only the most valued but are also the most contested. In Nepal all three are subject to different forms of communal management by civil society.

7.1 Forest Resources

Forest is one of the most vital resources for the majority of Nepal's population. Over 90% of the population are subsistence farmers who are dependent on forest products for their livelihoods. Over the past one hundred years Nepal's forest policies have undergone numerous "changes, reformulations and permutations" (Harper, Tarnowski 2000). The Community Forestry Programme in particular reveals "the rise (and plateau) of environmentalist concerns, shifts in development theory" and the role of donor agencies in shaping the forest policies. Over time forest policies have become the means to introduce institutional change far beyond the realm of natural resource management and forests have become both the "sites of and for development".

Prior to the 1950s Nepal was ruled by feudal Kings and the Rana Prime Ministers who often gave forest land as *birta* (Regmi 1978) and extracted revenue for the state from timber sales. From the 1920s to the 1950s the Ranas guided by the British India Forest Service encouraged the "indiscriminate clearing of forests for both timber and

agriculture” (Bajracharya as cited in Messerschmidt 1995). From the opening of Nepal in the 1950s to the early 70s there was a protection bias in forest policy. The primary focus of this concern was on the “protection” of the Terai forests and their immense commercial value. To this day the bias persists against the “handing over” of the Terai forests. In 1957 the government introduced the Private Forests Nationalisation Act (Messerschmidt 1995, Paudyal 2003) in response to the perceived decline in the condition of the nation’s forest and under strong donor pressure. Over the next fifteen years Nepal lost much of its midhill forest cover and there were dire predictions that the country was sliding to desertification and that all forests would be gone by the year 2000. The World Bank estimated that in 1964 the forest covered 45.5 per cent of the country. By 1971 this had declined to 34 per cent and by 1980 to 29 per cent (Messerschmidt 1995). Slowly the focus shifted to regulations but often these were selectively enforced with the weaker sections of society being under their purview while powerful individuals escaped through influence and manipulation (Mahat 1986 as cited in Harper, Tarnowski 2000).

By the 1970s the focus was shifting to forestry for community development. This shift to community forestry emerged not out of forestry but rather it had its root in rural development (Harper, Tarnowski 2000). The scarcity of useable land and the deterioration of land resources especially forests meant more conservation oriented land use patterns were promoted. As part of this renewed efforts were made to crack down on deforestation due to ‘illegal’ product collection and conversion to agriculture. Donors contributed funding with emphasis on reforestation programmes usually linked to soil conservation and watershed management (Messerschmidt 1995). This particularly effected communities that relied on the forest and practised slash and burn agriculture like the Chepangs in Makawanpur. The National Forestry Plan prepared in 1976 for the first time introduced the rhetoric of involving the rural populace in forest management. The new forestry plan was to be more flexible and allow for different management systems based on geographic differences and social priorities rather than using the traditional blanket approach. This was to be achieved through people’s participation. In 1978 amendments to the new legislation allowed for the “handing over” of government forest land to the village *panchayats* – essentially local government under the one party system.

Despite the rhetoric the management and control was still very similar to earlier models and was not yet people oriented. Although the necessity of involving local people in forest management was recognised the bias for “protection, production and proper utilisation” persisted (Harper, Tarnowski 2000). Rather than increasing villages involvement it imposed greater restrictions and made “unauthorised collection of products a criminal offence”. Villagers still lacked the authority to make decisions.

By the 1980s changes in development thinking were driving a push for local level empowerment and decentralisation. The Decentralization Act 1982 finally recognised “the legal rights of villagers to control the management of forests”. This change in thinking gradually gained momentum and culminated in the preparation of a new Forestry Master Plan in 1989. The central focus shifted to the forest resource being managed “through the active participation of individuals and communities to meet *their* needs” (Harper, Tarnowski 2000).

The process of “handing over” forests starts with the formation and recognition of a Community Forest User Group at the local level. An “operational plan” is then drawn up and once approved formal handover occurs. By the 1990s donors started to place an increased focus on ensuring that disadvantaged groups be included and benefit from community forestry. Now over 13,000 CFUGs, with more than 1.4 million member households conserve and sustain their forests covering more than one million hectares of land (Kathmandu Post 10/9/2003, Paudyal 15/8/2003). With the adoption of community forestry villagers began protecting their forests and stall feeding their livestock. By the year 2000 the midhills of Nepal actually had more forest cover than in 1950 (B Paudyal 15/8/2003). This despite the population of Nepal, having grown from 11.5 million in 1971 to 23.1 million today (ICIMOD 2003). In Makawanpur District 47.19% of households are members of Forest User Groups (ICIMOD 2003). Over the years there has been a growing realisation that simply handing forest management to the community will not address issues of poverty or social exclusion (Pokharel, Nurse 2003, Lachapelle et al. 2004)). Increasingly the focus is shifting to addressing issues of governance, equitable access and participation in decision-making and increasing the technical capacity of groups to undertake more sophisticated management.

7.1.1. Survey Results – Forest Resource Related Civil Society Groups

The survey identified two of the main natural resources being managed by civil society groups in the study VDCs. Community Forest User groups were found to be active managing forest resources in all four VDCs. Only one Leasehold Forestry Group was identified in Sarikhet VDC. Water resources were being managed by civil society groups in three of the four VDCs for three purposes. The first priority was for drinking water, the second for irrigation and the third for flood and erosion control. Some groups activities had multiple benefits such as providing both drinking water and water for irrigation. No groups were identified that managed “rangeland”. The four VDCs in the study have limited rangeland. In Makwanpurghadhi and Ambhanjyang there is little public land for grazing animals. Despite this women¹⁸ in this area have explained how they have deliberately “accidentally cut” the young tree seedlings that they have planted under the community forestry programme so as to maintain some open space for free range grazing of livestock. In the other two study VDCs Manahari and Sarikhet the situation is different. These VDCs border Chitwan National Park. Sarikhet is steep hill country with good forest cover. Cleared slopes are very prone to landslides and so rangelands for grazing are not a feature. Manahari has large floodplains along the river. Much is within community forestry areas or Chitwan National Park and Buffer Zone. While grazing and grass collection takes place no formal groups specifically managing this resource were identified.

7.1.2 Community Forest User Groups (CFUGs)

From within the four study VDCs the following Community Forest User Groups were identified and surveyed.

Table 7.1 Community Forest User Groups

VDC	Community Forest User Groups	Forest Area in Hectares	Number of Households
Sarikhet	Pancha Bhayia CFUG		
Sarikhet	Siddhartha Hariyali Ban CFUG		
Sarikhet	Bankali CFUG		
Sarikhet	Mendoling Forestry CFUG (Ward #8 Jamari Sauraha)		
Sarikhet	Mendoling Forestry CFUG (Ward #9 Mungrikot)	411	220
Manahari	Simpani Devkot Saunkta CFUG		
Manahari	Loyar CFUG	67.36	149
Manahari	Jyamirey Kalika CFUG	535	310

¹⁸ Personal communication women’s savings and credit group members 1998.

Manahari	Hariyali CFUG	343	94
Ambhangjung	Bandhchour Mahila CFUG (Bungal)	58.8	72
Ambhangjung	Thakal Danda CFUG (Deurali)	63.46	104
Ambhangjung	Namuna CFUG	74.24	229
Ambhangjung	Katus Ghari CFUG	63.61	96
MakwanpurGhadhi	Shuseli CFUG	36.4	300 (209)
MakwanpurGhadhi	Hemkarna Mahila CFUG		128
MakwanpurGhadhi	Kalika CFUG		136
MakwanpurGhadhi	Manjushree CFUG		135
MakwanpurGhadhi	Manakamana CFUG	133.77	291 (200)
MakwanpurGhadhi	Shree Bag Bhairab CFUG	165.76	201

Sources¹⁹

In addition to these CFUGs two groups actively managing forested land were identified:

- ♦ *Mahila Hariyali Ban Samiti* – Leasehold Forestry group in Sarikhet
- ♦ *Manahari Khayerghari Men's User Committee* Chitwan National Park Buffer Zone

The District Forest Office lists the following CFUGs in its Annual Report 2058 (2001).

Table 7.2 Study VDC – Community Forest User groups – Membership and Area

Village Development Committee (VDC)	Number of CUGs DFO Data	Number surveyed	Total Members	Total Forest Area HA	Number of Households in VDC
Ambhanjyang	6	4	1500	302	1519
Makwanpurghadhi	5	6	853	526	2320
Manahari	4	4	865	1222	2620
Sarikhet	1	5	220	411	1358

The survey identified and surveyed more CFUGs in two of the VDCs than are officially listed in the District Forest Office reports. Some may be sub-groups or still be in the process of gaining recognition. In one VDC the CFUG has two subgroups while in MakwanpurGhadhi the community describes one group as a CFUG but it has described its role as protecting the historic palace site through forestry and conservation work and this may fall under a special separate category or different legal status. This ancient palace is an archaeological site and its' management is supported by different government ministry.

Formation and Membership

In Sarikhet VDC all the CFUGs have been formed over the last ten years. Only one of the earlier CFUGs was formed at the initiation of the District Forest Office. The others were all formed on the initiation of the community and were then recognised by the

¹⁹ The groups data and the data from the District Forest Office do not agree – groups report more households as members and more CFUGs – the DFO data is two years old published data may be incomplete.

government. According to the members the membership includes all the different ethnic groups. Several groups mentioned how difficult it was to build trust in the beginning. One reported that only the poor and middle income families belong while the wealthy families don't bother as they have their own trees on their private land and can use other sources of fuel.

In Manahari VDC the oldest CFUGs were formed 12 years ago and have gained many benefits but also face different problems. In their case a better managed forest then attracts timber smugglers and is of greater value making concerns about poor harvesting practices or accidental fire greater issues. Ambhanjyang's oldest CFUG was established 11 years ago. This VDC has a large population but limited forest. In one group they felt that the poorest families in the community were not involved. In Makwanpurghadhi VDC the groups ranged from 14 years old to just recently formed.

Meeting Community Expectations

In all the VDCs the CFUGs identified their activities as protecting the forest and planting denuded and poorly forested areas, protecting from landslides and producing timber, firewood and fodder as being the main objective. The activities all contributed to protection or replanting of forest. These included managing forest guards, managing nurseries, doing replanting, managing harvesting, educating users about different aspects, holding community meetings as well as managing income through loans to group members and sharing profits.

The degree to which groups were successful in meeting the communities needs largely related to the length of time that they had been active and the area of forest relative to the size of the community. For example six of the more established CFUGs in Sarikhet, Manahari and Makwanpurghadhi were able to provide financial support from the CFUG income to support the local public schools, the drinking water systems and in one case road construction. In Ambhanjyang the CFUG provides school scholarships for *Dalit* children to attend school. The more equitable distribution of resources and easier access to timber for construction, fuelwood, fodder and other forest resources such as medicinal plants are seen as the main benefits. Several groups reported improved water supplies as an added benefit they had gained as the result of

the forest improving water retention. Protection from landslides and river erosion were other important benefits mentioned. Also mentioned were resources for livelihoods and access to credit and in some CFUGs access to loans. In Ambhanjyung where forest is less and many families are engaged in commercial diarying a greater emphasis was placed on the management of fodder grass and its benefits. Several groups mentioned helping the most disadvantaged families, the sick and 'welfare' but it was not clear whether this was done through special access to the forest resources or other financial help or through work opportunities. In one community the CFUG had built a community building. One group particularly mentioned that the CFUG could make "it's own decisions" and valued the autonomy conferred by CFUG status.

Relative to their emphasis on the benefits few groups focus on the problems they face. These problems fall within two categories.

1/. Internal problems. While in many places groups face internal disputes over resources no groups mentioned this. Instead they focused on the "lack of awareness" of some members. As it wasn't possible to conduct the follow-up focus groups as planned it is difficult to know what forms this "lack of awareness takes. It could be poor harvesting or it could be deliberate destruction of less preferred species or harvesting out of season. Often this type of resistance to majority imposed regulation is not acknowledged by the committee members such as were responding to the survey. Instead it is attributed to a lack of awareness. Other groups focused on the quality of the participation and how it is not equal. Many groups mentioned the initial challenge of motivating people to participate. Another mentions the difficulties controlling cattle when seedlings are planted.

2/. External problems – One group focused on corrupt individuals involved in timber theft and believes that the District Forest Office deliberately ignores the problem and does not actively help them address the issue. Timber smuggling and theft was particularly identified in the community nearest the main highway and with the greatest timber area of high value species. Others mentioned the lack of resources from the government side to support the CFUGs and one mentioned that they lacked sufficient training to manage the forest well.

Relationship with Government, Commercial or NGOs

The CFUG groups were closely connected with the District Forest Office and generally felt well supported by the District Forest Office. In Ambhanjyang VDC the District Forest Office Range Post was seen as being particularly supportive. Most groups felt that they were getting technical help, seedlings and other nursery supplies, training and help with legal aspects. There was a noticeable lack of reported interaction of the CFUG groups with any other government agencies or local governance bodies.

Of all the groups surveyed just one mentioned being linked and a member of the district and national level organisation the Federation of Community Forest Users, Nepal (FECOFUN). This organisation is active in the district and links groups and supports them to advocate on forest policy issues at the district and national levels. When it comes to influencing policy few groups felt they were able to do so. Only a few, that were amongst the oldest and most well established, felt they had some influence at the VDC level or with the District Forest Office. One CFUG from Makwanpurghadhi expressed concern that the timber contractors had greater power and influence at the District Forest Office and so their views and concerns received a greater priority.

7.1.3 Leasehold Forest

Under the Leasehold Forestry Programme small areas of poorly managed land are provided to manage and to use for income generation related activities. These small parcels are then planted in tree or fodder species by the groups. A priority is usually given to poor women from disadvantaged communities. In the survey just one group *Mahila Hariyali Ban Samiti* was identified in Sarikhet. This group was recently formed in 2060(2003) by the District Forest Office and just 10 families are involved. The group has also started savings and credit and hopes to do livestock and bee-keeping as well as benefiting directly from the fuelwood, thinning and fodder produced.

7.1.4 Civil Society and Forest Resource Management

The formation of Community Forest User Groups was mostly initiated by the community themselves. Only the very first CFUG in one VDC was at the initiation of the District Forest Office. While the community has been the main driving force behind forming a group nearly all the groups have had the help and support of the

District Forest Office to complete the process. After the groups have been formed they have been able to access ongoing support. The staff of the District Forest Office claim that they demand has been steady over the years with most groups being initiated by the community. Last year the number of groups wanting help to register exceeded their expectations. Only in a few of the most remote VDCs such as Kankada are there no CFUGs formed. They attribute this partly to a lack of awareness, easy access to forest resources but also they claim that vested interests that benefit from the lack of community control, discourage the community from forming CFUGs. While other NGOs, INGOs and others may have encouraged the formation of CFUGs only one group, a women's CFUG, credited an NGO with encouraging or assisting.

The survey results show that community forestry is very much a community driven priority and that communities feel the need to take responsibility for its management. The majority of the groups in the study area were initiated by the community themselves. In this environment it is not surprising that the demands from users exceeds the capacity of the District Forest office to even register groups let alone provide all of them with the technical help they desire. Horie (1999) in her study of Common Property Resource Institutions asserts that these Community Forest User Groups in Nepal are evidence of a strong civil society. They may not be evidence of *strong* organisations so much as *active* organisations. She identifies the advantages of such communal management as being able to supplement government efforts and compensate for it's failure to manage natural resources, reduce the policy implementers workload and achieve financial self-reliance and member commitment.

Membership in CFUGs is of great importance to the households in the community. Across the VDCs surveyed the committee members that participated in the survey claimed that everyone in the community is involved but this could not be independently verified. The original study design included holding focus group discussions with non-participating households to determine why they were not involved. As Lachapelle²⁰ discovered when conducting research on forest user groups in Kavre that self reported inclusiveness (Lachapelle, Smith, McCool 2004) can be deceptive. In his study of otherwise successful CFUGs he found that the small community of *Dalit* blacksmiths

²⁰ Presentation United States Educational Foundation Kathmandu 2002

had been deliberately excluded from both adjacent forests CFUGs. The blacksmiths had been forced to walk to the Shivapuri hills in the neighbouring Kathmandu district to obtain the wood they needed for charcoal. With increasing community control they were now being excluded from these more distant forests too and their livelihoods are in jeopardy. This despite the vastly improved resources generated by the community forest. Only a deep knowledge of the communities and who is involved and who isn't will expose such hidden discrimination and exclusion.

The goals, vision and activities undertaken by the group are largely focused on forestry, the protection and management. When addressing the benefits respondents perceived these are being far greater than just related to the natural resource or its products. The community forests generate valuable resources which communities have control over. The funds generated from the sale of produce from community forests are the most significant unattached funding or cash in many of the communities studied. It is interesting that education, the support of teachers, school buildings, materials and scholarships for *Dalits* were all identified as important benefits. Other community priorities to which communities allocated resources were to maintain water supplies, roads and for "welfare" work. Some communities in other districts have shared the income earned from community forests while others have made similar investments in community assets even including micro-hydro electricity systems in some places (Paudyal 2003).

The communities surveyed perceived few problems with the management of forests. They identified the internal issues as mainly being the result of a lack of awareness. This may or may not be the case and it is highly likely that some of the ignorance is in fact a subtle form of resistance to the decisions reached in the large community meetings or at the committee level. Foresters often express concern over the poor productivity of community managed forests. Individual farmers often bemoan the lack of fodder species and express concern over the bias towards trees that produce a cash income rather than livestock feed. In the survey though little concern was expressed by the respondents on the technical aspects. The CFUGs close to the main highway had the added problem of theft of timber. This is also a problem in the more accessible forests and in forests with high value timber in other parts of the country.

All the CFUGs mentioned working with the District Forest Offices or the Range Posts. Just one mentioned working with the local VDC office. In light of the multiplicity of social and development activities that the CFUGs are involved with in terms of their ability and willingness to generate financial and in kind support it is surprising they have so little interaction with other local government or line agencies. It is often not apparent to the formal government system just how much is done or contributed to support health, education, utilities or other development at the village level from the community itself. It is this inability to perceive the local contributions and ability to contribute that often leaves bureaucrats blind to the local level inequities. In particular the community forestry system is a lottery. Some communities with a sizeable area and a smaller local population and good management are able to benefit greatly while other communities are barely able to support marginal livelihoods.

The ability to influence policy is not perceived by most of the groups as being within their abilities. Only six CFUGs felt they could influence policy at the VDC or at the district level through the District Forest Office. However nationally the CFUGs that are federated under FECOFUN have recently demonstrated their power to effect policy change. With the escalating civil war and deteriorating economy in Nepal the government is keen to increase revenues to support the war economy. In the last budget the current non-elected government decided to take forty percent of CFUGs income as tax (Paudyal 2003). The CFUGs organised protests, rallied donors and civil society and filed a case in the Supreme Court until the government backed down (Kathmandu Post 10/9/2003). The government is now hinting that in the next budget it will try to reimpose the tax but at five per cent. In many ways the CFUGs are to become victims of their own success. In the 1970s when the country was portrayed on the verge of environmental devastation, poor villagers were blamed for their ignorant destruction. Now when Nepal's forest cover has improved and expanded and forests are in better shape and generating income thanks to the sacrifices and efforts of those same poor villagers they are portrayed as greedy and uncooperative. The lack of mention of membership in FECOFUN suggests that there is little perceived need from the CFUG members to be part of a more organised district or national body to address common needs and concerns related to community forestry.

In a recent study of community forests (Nurse, Pokharel 2003) supported by the Nepal-Swiss Community Forest Project in three hill districts in East Nepal highlight a number of concerns about the operation and sharing of benefits in such a system. One issue is the priority given to the sale of timber (policies say the timber cannot be resold which would benefit poor households) which instead favours the rich who can afford to purchase for their own consumption. While the income may be supporting the local schools, health care system or water supply (in this study 40% of income was going to these community priorities), for some families it may in fact be timber for a new home or fuelwood the poor need most for their very survival. They also question the use of the accumulated cash reserves. In their study they found 39 per cent sitting banks, other cash held interest free as “float” by the treasurer and that the bulk of the loans went to the well off “creditworthy” households not the poorest. Their studies also found that poorest are also forgotten during training sessions as they are illiterate and, thus undervalued. The minority *Dalit* groups in particular were under-represented in these trainings. If the poor do get to participate they hardly speak and if they do they are rarely heard or taken any notice of. Worse in many communities in both this study and in LaChappelle’s study in Kavre showed that certain communities were deliberately excluded as this recent study put it “using lame excuses”. Pokharel states that despite the achievements of community forestry it is unlikely to lift the poorest out of poverty due to their reduced access and the negative impact this has had on their livelihood. It was interesting to note that in the Makawanpur study that in comparison to other civil society organisations the CFUG respondents focused on themselves as a committee rather than the number of households they represented. Issues of equity remain a serious concern. Across Nepal studies are showing great improvements in forest cover, the quality of the forest and increased amounts of timber, fuelwood, fodder and non-timber forest products being produced. The role of the District Forest Office staff is also changing from that of policing the forests to being advisors and facilitators (Nurse, Pokharel 2003). Greater effort now needs to go into building the technical capacity of groups, and to address governance and inclusion issues. While the survey information in Makawanpur suggests good involvement of all ethnic groups and women a much more detailed study would be needed to determine the true extent of inclusion, the way benefits are shared within the CFUGs.

With regard to policy the individual CFUGs claimed little power to influence policies. Yet this past year there has been clear evidence that those groups that are networked are capable of doing so even in a situation where there is no elected government. Most in fact are able to make their own policies at the local level due to the absence of any other government control. Looking at the ways in which environmental and resource policies are formed or influenced by civil society (Holmes and Sconnes, 2000) “Deliberate Inclusionary Processes (DIPs)” create opportunities ‘from above’. These attempt to be more inclusive and participatory forms of policy deliberation. In this area there was little evidence of any policy inputs being sought from the community in relation to resource management issues or indeed many opportunities for the community to have an input. The fact that so much policy is made at the local level by powerful local “elites” who chose to either adhere to national policies because it is to their advantage or to ignore those policies and make their own. When the representation is so often not truly representative processes of deliberation are, as Holmes and Sconnes (2000) conclude, inevitably bound up in power relations. Ideal forms of communication are rarely realised, especially if issues are contested and the stakes are high. Much of the discussion of participatory policy processes focuses on the achievement of a consensus, while issues of how to deal with dissent, dispute and conflict are less fully examined (Sharma K. 1998).

7.2 Water Resources

Water and access to water have been inextricably linked to daily life in Nepal since ancient times. Water and having enough in the right place is a never-ending battle for communities across Nepal. The lives and health of communities rest on their ability to manage water. Women spend hours of each day collecting and carrying water for family and animals. The availability of water for irrigation greatly effects a family’s ability to survive or produce a surplus from their land. The late arrival of monsoon, a poor monsoon or too much rain causing flooding or landslides are all perennial problems. Water also plays an extremely important role in the local religious traditions. Rivers are the sites of ritual bathing and water is seen as a way of achieving ritual purity (Sharma 2001). Hindu tradition regards menstruating women, people of low caste, anyone who has just given birth, the recently bereaved and the corpse to be

sources of pollution. Anyone who comes in physical contact with these sources is regarded as polluted. For this reason over the centuries traditions grew up which limit the access of the *Dalit* community to water. For generations communities across Nepal have supported traditional irrigation management systems (Messerschmidt 1995) some these in Gorkha to the north of Makawanpur are more than one hundred years old (Dhakal 1993). With growing population pressure and modernisation water management increasingly addresses the demands for domestic supply as well.

In the eighteenth and nineteenth centuries Nepal's Kings were influenced by the Hindu scriptures (Sharma S, 2001). These scriptures suggested all water belongs to the king and users should pay for the use of water for irrigation. Fees were set depending on whether water was through an irrigation system, rainfed or transported manually. There was little concern in ancient texts over domestic water. The first formal legal control over water was in the Mulki Ain in 1854 which gave legal sanction to caste norms. This created the "water line" determining which castes could accept water from which others. It separated the castes from whom water could not be accepted by the 'higher' castes without then needing ritual purification. These provisions were law until a new Mulki Ain was promulgated in 1963. This revised act prohibited discriminatory behaviour in public places or preventing anyone from consuming items in public places. In effect it formally withdrew support from the caste system.

While Nepal was modernising water legislation in relation to the caste system other new laws were making equally significant changes. Other legislation such as the Canal Act 1961 and the Canal, Electricity and Related Water Resources Act of 1967 gradually claimed ownership and control over water resources to the state. These and subsequent acts by 1992 prioritised water uses for the first time with drinking water and domestic use first, then irrigation, then agricultural uses such as animal husbandry and fisheries and last cottage industries, industry, mining, navigation and recreational uses (Sharma 2001). The Water Resources Act of 1992 for the first time makes provision for consumers associations, use of water resources, dispute resolution, service charges and other aspects related to the management of the resource. In 1998 the National Water Supply Sector Policy took this one step further and spelled out its goal to provide convenient safe and adequate drinking water to all people and set out to achieve three

principal objectives: (1) to ensure safe, convenient and adequate drinking water facilities to all Nepalis generally and to disadvantaged groups particularly with sanitation as an adequate component; (2) to reduce incidence of waterborne disease extensively prevalent in Nepal; and (3) to lessen the drudgery of women and children traditionally involved in collecting water and use their time saved in productive activities (Sharma 2001). In the hill districts of Nepal a variety of water sources are used: *dhunge dhara* (carved water spout from a spring source), *kuwa* and *padhero* (spring sources collected in a tank or pond), *inar* (man-made well) and piped water – are used for drinking, while rivers, streams, as well as tanks and ponds are used for other purposes. In his studies of hill communities Sharma (2001) found that each person in a rural family needs an average of 31.5 litres of water a day. In comparison he found villagers in the Terai used an average of 54.5 litres per day and attributed this to the more readily available water supply. Additional water is needed for vegetable or crop production. In a few of the plains VDCs of Makawanpur tubewells and handpumps are used as well.

Over the decades after Nepal enlisted development aid a great many changes took place in the supply of water. These coincided with a rapidly growing population needing to share the water resources. In summing up the characteristics of the water supply sector in the 1990 Sharma (2001) he asserts that there was a “consensus of problematisation” that needed to be addressed, there was increasing competition between central government, local government and NGOs to assume responsibility for water supplies, there was an increasing use of technology, an emphasis on sanitation, multiple institutions involved but each heavily dependent on a single donor, and increasing community participation and a growing focus on civil society. Sharma attributes this change in focus to the political changes of 1990 and states that “various programmes and projects in the domestic water sector had begun to view their role in the sector as an effort to strengthen civil society”.

Makawanpur district is typical of many hill districts with two of the VDCs within the study area suffering serious problems, Sarikhet with landslides and Manahari with floods while certain communities experience problems with drinking water. Manahari is also home to a large number of squatter families made homeless by landslides in

Kankada, Raksirang and Sarikhet VDCs. The VDCs have been the site of numerous development interventions to improve water supplies and to “strengthen civil society” to take responsibility for their water supplies.

7.2.1 Survey Results - Water Resources Related Civil Society Groups

Formation and Membership

Most of the community groups identified an outside agency either an NGO or program associated with the government with assisting in the formation of the group. Water is obviously a high priority in many of these communities and the fact that unlike for community forestry the community do not identify themselves as having started the groups may be a reflection on the need for external technical help and resources to address the more difficult water supply needs.

In Sarikhet VDC the oldest civil society organisation identified was the *Juilkini Kani Pani Samiti* which credits UNICEF and the Small Farmers Development Project with supporting them to organise to address the water supply problem in 2046 – 14 years ago. One group, *Mahila Batitunge Pradhik* was formed in 2058 at the initiation of the Fundboard project which is supported by World Bank. The group is involved in a range of activities but the construction and maintenance of a water supply system was a central activity. Three other groups gave drinking water as their main focus in the same VDC which were formed with the help of SAPPROS and again it integrates another element in the program in this case savings and credit. One other group assisted by SAPPROS identified savings and credit as their main activity but mentioned management of drinking water among their actual work. The most recent formed was the *Minataar Kani Pani Samiti* that was supported by the DDC under the Participatory District Development Program.

In Manahari VDC just one group a Forest User group mentioned managing and supporting water supplies. In Ambhangjung VDC a River Control Committee was recently formed by the local community, no groups related to drinking water were identified. In Makwanpurghadhi a large drinking water users committee *Brihat Kani Pani Yojana* was set up 8 years ago on the initiation of the local community and now

serves 516 of the total 600 households they eventually hope to cover. In addition the community identified innumerable small informal groups managing local irrigation canals in the VDC that were beyond the capacity of the team to survey. One large of the larger irrigation groups is the *Kurle Damar Irrigation Committee* which was formed with the help of the District Irrigation Office. The system serves 106 households and is linked with a microfinance element and is focused on increasing productivity of agricultural land. Another group the *Baspani Fedi Samari Khola Control Committee* has 140 households as members and was formed by the community to address the problems caused by the river.

Most of the Drinking Water groups or Water User groups have a representative committee from the different communities served most with male and female representation. One group in Sarikhet has an exclusively female committee.

Activities and Vision

Some of the groups focus exclusively on constructing the water supply, managing the distribution system and supporting the maintenance. The majority of the groups requires some form of “savings”. These savings are then revolved within the community with the interest being used to cover maintenance and replacement costs. Some groups have either added work addressing water supplies to groups focused on more varied concerns or the activities of the water user group have expanded to include other priorities such as microfinance, agroforestry, sanitation issues, smokeless *chulos*²¹ etc. The largest group identified had had help from the Drinking Water Office, the District Development Committee and the VDC to construct a main tank, 7 sub-tanks and a distribution system. This group is in Ghadhi and reaches 516 households out of the 600 current members it hopes to reach. Its vision is to one day provide the whole VDC with clean drinking water. There are 2320 households in this VDC. The main issues it identifies is the lack of awareness of users (they do not explain why this is a problem but in many communities taps are left running or they system is damaged by carelessness or deliberate cutting of pipes in convenient spots for individuals). The group in Ambhanjyang taking on river control work is new and is lacks the resources it needs to do the work. They also find it hard to do the work on time. They also feel the

²¹ Local improved stove which reduces firewood used and reduces smoke for improved health.

need for greater clarity about what they can do to address the problem. Sarikhet has the most visible groups involved in water management. They identify the improved water supply as one benefit but often mention the access to credit, access to training for vegetable or other activities and improved sanitation. One group put it that they were very thirsty in the beginning but now they have water. They said that everyone wants water, it's a real NEED so they have no problems. Other mention the time saved by having water at their door. As a challenge one group mentioned the poor utilisation of the water supply and how they don't know how to benefit more from the irrigation they now have for which they would need some new skills. Most of the groups mentioned that being able to sustain and expand their systems was their long term vision and priority.

Working with Government

The civil society groups involved in managing water resources mainly link to the District Drinking Water Office. Most groups felt supported and encouraged by the staff of these offices. Some groups had been able to link with and get support from the VDC or District Development Committee. One of the larger groups felt it was difficult to work with the government because they did not release the budget on time, and because policies change frequently, and their policies and technical aspects are not compatible. Other complained of the delays and complicated process. Only a minority of the groups felt that they could influence policy and then this was limited to the Drinking Water Office and to the VDC level.

7.2.2 Community Management of Water Resources

The representation of groups involved in the management of water is much more difficult to identify. Many identified in the initial community mapping were not surveyed in detail due to the large number of small groups caring for wells, springs, and irrigation systems. The Local Self-Governance Act of 1998 envisages a direct role for VDCs in the provision and management of water supplies. In reality on the ground there was little perception of the VDCs having a role or being able to assist or have policy influencing power. This may be because the VDCs had done little in this regard before they were dissolved in 2002. It was clear though that the community groups have interacted more with the District Drinking Water Office and NGOs to address

water supplies. Sharma (2001) questions the commitment of government players to decentralisation and concluded that decision-making about water supply schemes remained very centralised. He also raises concerns about the NGOs who are seen as an alternative “Support Organizations” along with commercial providers. In this area there was little evidence of commercial companies (such as the well or tubewell companies) being active players. His research suggests that some NGOs may be equally unable or unwilling to make a long term commitment to sustained systems in the communities and suggests that it is really only VDCs that can do this. In light of the more recent collapse of local government even this must be questioned. People have always found water and found ways of reaching compromises over its management. It seems that there is an array of civil society groups engaged in water resource management in this district ranging from large well organised groups with a sophisticated distribution network to small informal groups caring for springs and irrigation canal networks.

The management of water resources is less consistently and formally organised compared to community forestry. Sharma (2001) in his detailed study on water supply and the development industry raises the question as to whether the donors have in fact created an artificial demand for “safe water”. In fact in many communities the piped water is the same water source as was traditionally used. The big differences are in the ease of access and the time saved particularly for women. The large involvement in community management of water supplies in two VDCs is in sharp contrast to the lack of attention given in the remaining two. It could be that the survey failed to turn up the many smaller groups, that the systems are cared for by local government or don’t rely on much community management. These are usually free flowing diversion type systems. The large number of households currently served by the group identified in MakwanpurGhadhi with 500 households or a quarter of the residents in the VDC suggests that they play an important role in the management of water in this area.

7.3 Rangelands and Other Resource Managed by Civil Society

In many other districts communal management of rangelands or grazing lands is an important role undertaken by civil society. In the study area however there is virtually no communal grazing except in floodplain areas and the area within the Royal Chitwan National Park and its immediate Buffer Zone. Only one group was identified that had grazing issues within its scope. This is a group set up for users of the National Park Buffer Zone. The group was a men's user group formed 4 years ago by the Department of National Parks and Wildlife Conservation. The group's main activities are to utilise microfinance, raise awareness and promote livelihoods. The government financially supports this with a share of National Park's income. The group though mentions finding that it is difficult to work with the government as it finds the process very long and slow. They feel they are most able to influence policy at the VDC level.

7.3.1 Environment Focused NGOs

Within the VDCs in the study one new NGO was identified, *Astitto Nepal*. This is a newly formed group of youth wanting to do work protecting the environment. So far they have not been able to do anything towards that goal. However the desire and interest to do so has prompted them to organise and formally register as an NGO.

7.3.2 Historic Site Preservation Group

One other initiative of interest is the formation of the *Hemkarna Mahila Community Forestry Group*. This is another newly formed group initiated by the local women. It has stated that its main objective is to protect the ancient palace site and protect its environment and develop it as a tourist site. This is an archaeological site that for many years was "protected" from looting and vandalism by a police contingent stationed within the palace compound. As the economy improved and the road access was improved a trickle of tourists visited the site. As the security situation deteriorated the tourists ceased to visit and the security has been reduced. The response of the community has been to assert and expand their efforts to protect this long term tourism resource and religious site. They have copied their successful experiences with community forestry and have undertaken reforestation of the eroding slopes. They have also sought the help of a local NGO and Plan to achieve their objective.

7.3.3 Farmers Groups

Farmers Groups called Krissi and Krishak Samuhas were identified in the study area. These groups are usually promoted by either the District Livestock Office or the District Agriculture Offices of the Department of Agriculture and Co-operatives. According to the District Livestock Office they have promoted 65 Livestock groups in the district with 1008 members. The District Agriculture Office reports having formed 162 groups with 2,664 members.

Figure 7.3 Agriculture Related CSOs

VDC	Groups reported by Livestock Office	Groups reported by District Agriculture Office	Groups Identified in the Survey
SarikhethPalase	0	0	2 + 1
Manahari	2	11	0
Ambhanjyung	10	13	(10 - Federated) + 1
Makwanpurghadhi	0	3	6

In Sarikhet two livestock groups had been set up by of the Livestock Development Programme. These groups were mainly perceived as a conduit for training, providing veterinary care for livestock and to introduce improved livestock breeds and fodder grasses. The group established by the District Agriculture Office also focused on training, accessing new technologies and seed. In addition they were doing microfinance and used the group as a focal point for developing income-generating activities. Just 31 farmers were identified as being involved in the three groups that formed three years old. In Manahari the government reports suggest the Agriculture Department has set up groups with 121 members but these were not noticed in the survey. It may be that these groups are not seen as civil society organisations locally but are seen more as education groups. In these communities many groups come together for education and disband and so it may be that these groups are very small and invisible or that they are inactive. In Ambhanjyang the ten livestock groups identified by the Livestock Office had federated and formed one joint network. They were engaged in holding livestock exhibitions, controlling disease, providing vaccinations, farmers exchange visits and access to low interest loans. They felt they had had a great deal of support from the Livestock Office and were able to provide policy level input. The District Agriculture Office two years ago formed the Integrated Vegetable Group and its' main focus was on training and access to seed and new

methods. This group felt they had influence at the local level. In MakwanpurGhadhi six farmers groups (2 women's and 4 men's groups) were identified. Three of the groups mentioned that the groups were formed by the Agriculture (2) or Livestock (1) offices. Three claimed to be formed at their own initiative. Four of the six groups mentioned doing savings and credit. They focused on similar agriculture extension, training, veterinary services as neighbouring Ambhanjyang farmers. None felt they had any ability to influence policy.

7.3.4 Farmer and Environmental Groups Roles in Managing Resources

Farmers groups are probably the most significant of the groups other than CFUGs or water related groups engaged in natural resource management. However in this area they seem to play a very minor role. The numbers of farmers involved in these groups is small relative to farming households. The groups most identifiable are those that are federated or have a savings and credit component. The activities they mention undertaking as a group are generally quite limited. The introduction of fodder grass and stall feeding of animals in this area has been a necessity as there is limited communal grazing lands. In light of the large numbers of livestock farmers involved in the Milk Co-operatives in the VDCs with dairying it is unlikely that forming additional groups has much support from farmers except to access training and services. It is also apparent from the government data that these groups are concentrated in the VDCs closest to the road and district headquarters in Hetauda while the poorest most remote VDCs have not been involved.

Management of resources then is given a high priority by civil society organisations in the study area. The management of these resources is seen as critical to the communities' very survival and to the quality of life. These resources are the natural base that sustains and affect livelihoods. Livelihood success or failure is also affected by the financial and marketing systems. It is civil society that is engaged in these roles that are the second most visible and engage large numbers of households.

Chapter Eight

Fulfilling commercial roles

Civil society theory places great importance on the role of the merchant and the interaction between the commercial sector the state and society at large. Historically Nepal was a feudal society until very recent times. Rural peasants were essentially tenant farmers with few rights. For centuries, more than fifty percent of the grain crop, was taken by the landlords and the state. In many areas landlords took milk, meat and other produce as well. Political intrigues and wars prevented the development of a large merchant class. In the capital and some of the hill bazaar towns merchants and artisans emerged but rural poverty was so entrenched that these commercial centres had little interaction with the subsistence farmer except to extract “taxes”. This situation continued until the end of the Rana era in 1950. Though Nepal now had open borders democracy was quickly replaced with a one party system. This Panchayat system prevented the development of a free market and the state set up many corporations that had a total monopoly. In the villages of Makawanpur most farming families remained impoverished and had little surplus to sell. What little surplus they had was bartered locally for tools or other needs. A tradition of male migration to India or urban areas of Nepal evolved to earn cash income to buy the other goods needed by a family.

In the remote VDCs of Nepal then, there were few shops or businesses. Market towns gradually developed at critical roadheads and trail junctions to supply the farming community but within village communities few traders or businessmen operated. With a surplus of labour and being cash poor, people preferred to go to town and transport their own goods rather than pay higher prices to have goods locally. In this situation the businessmen saw little profit or advantage in providing services in the villages.

There was however one exception – the moneylender. Farmers had been tenants for centuries in Nepal and had been extorted and exploited throughout the ages. After the fall of the Rana regime in the 1950s land reform was initiated based on the new constitution and new legislation such as the 1957 and 1964 Land Acts (Regmi 1977). This land reform process gave the farmer rights over the land. Despite this the poor productivity and a rising population meant that in many households survival was a

delicate balance each year. Where landlords, tax collectors and the state had been the main exploiters in the past, after ‘democracy’ the “elites” in the community gradually emerged as moneylenders charging exorbitant interest. Across most of the hills of Nepal it was common through the 1990s (and still is in some districts) to find moneylenders charging sixty percent interest per annum. Often these moneylenders were able to use their power and control over credit and the excessive interest earned to gain political power under the one party Panchayat system.

As the population grew and Nepal became a more modern state many changes occurred. Malaria was wiped out in the Terai and that combined with improved vaccination, caused rapid population growth. Increasing poverty and new mobility hastened urbanisation and donors started to take a greater interest in assisting with development. Two of the most significant civil society groups in the study VDCs emerged as a result of these forces. Dairy co-operatives and savings and credit groups have emerged as the strongest organisations assuming responsibility for commercial activities for wider benefit within the community. A third and much less common civil society organisation found within the study area was providing insurance services.

8.1 Dairy Co-operatives and their Evolution

For many years Makawanpur farmers had little incentive to produce surplus milk. Nearly everyone in the community was engaged in farming and had their own livestock. With no major towns nearby only the most durable product, a dried cheese called *chirpee*, could be produced from the surplus milk for sale. In 1952 the Dairy Development Corporation was established and has gradually been setting up milk processing units across the country. In 1978 a factory was established in Hetauda (Mathema/Joshi 2000) and a collection system was set up and over the years expanded. This was designed to organise farmers into small village groups that would pool their small quantities of milk and then porter them to a central collection point and from there to the factory.

8.1.1 Dairy Related Civil Society Groups Within the Study Area

The number of dairy groups in any given VDC is probably closely related to the land available, access to all-season roads and the number of years since access to a chilling station was available. In the study area the following groups were identified.

Table 8.1 Dairy Related Civil Society Groups

Village Development Committee (VDC)	Number of Groups	# Male Members	# Female Members	Total Members	Number of Households in VDC
Ambhanjyang	16	122	1106	1247	1519
Makwanpurghadhi	5	358	77	435	2320
Manahari	1	230	223	453	2620
Sarikhhet	0				1358

In Ambhanjyang where commercial dairying has been established for more than 12 years and where the conditions are most favourable for dairying, 82% of the households are co-operative members. In Makwanpurghadhi where the collection system is more recent in many parts of the VDC and the topography is more scattered and difficult to access, just 18.75%, far fewer households are dairy co-operative members. Manahari VDC to the west, while accessible, is more recently part of the collection system and currently has 17% of the households as members. Sarikhhet is more hilly and remote with very difficult access and is not part of the collection system yet. Sarikhhet then while being one of the poorer VDCs of the district and despite the efforts to construct a green road lacks opportunities to market surplus milk.

Of the 44 VDCs in Makawanpur 14 are currently connected to the dairy factory in Hetauda. Some producers in the northeast of the district take their milk to Kathmandu collection centres. The VDCs currently able to reach milk collection centres are those along the East-West Highway corridor, those close to Hetauda and those along the corridor to Bhimpedi. The VDCs to the east near the Bagmati River and the hilly area to the north of Manahari remain hard to access.

The Dairy Co-operatives formed in the late 80s were promoted and supported by the Dairy Development Corporation. Those co-operatives formed more recently, were initiated by the farmers, themselves. Some have had the support of the District Milk Producer's Union during the formation stage. The expansion of coverage has been

gradual with the oldest group formed 18 years ago with a few new groups added each year. The membership of women in the study area was high relative to the dairy union in which just 15% of the members are women. It could be that women dominated groups are less inclined to join the district level federation. It is mainly the poorer families without livestock especially *dalit* families in Ambhanjyang that do not participate. Also some Tamang families that do not keep livestock are not members.

Helping Members Produce and Sell Milk

The milk producer co-operatives all give their priority to buying and selling the milk for the group. Some groups also do bulk purchase of agricultural supplies, many have savings and credit activities and act as financial intermediaries for the banks to provide farmers with access to credit for the purchase of livestock. The farmers unanimously agreed that the dairy co-operatives benefited farmers through the sale of milk. Some groups had obviously had access to training, veterinary services and access to low interest loans. It was not clear from this rapid survey though how evenly different members benefited from these other opportunities. The co-operatives generally felt that it was easy to do the work and that they could see the community continuing the co-operatives into the future. Several expressed the hope of eventually benefiting the whole community, increase member's incomes and being successful co-operatives.

The main constraints and challenges the co-operatives identified were;

- ◆ transportation to get milk to the chilling centres and supplies to their homes/farms
- ◆ “milk holidays” when the factory will not accept the milk for processing
- ◆ some identified the lack of community awareness, weak financial condition, lack of resources and training as obstacles.
- ◆ one co-operative had problems with members that do not support the co-operative and have “differing opinions”
- ◆ one co-operative had problems with overdue loan repayments owed to the Nepal Bank

Relationship with Government and other Commercial Organisations

The dairy co-operatives are forced to work closely with the District Co-operatives Office to maintain their legal status they need to provide audited accounts each year. In

general the farmers seemed to feel that the relationship was a good one and that the office was helpful and easy to work with. A few mentioned problems working with the commercial banks. Very few dairy co-operatives felt they were able to influence policy and the few that felt they had some influence felt it was limited to policies related to the dairy sector.

Common Interests and Emergence of A District Level Union

In Makawanpur there are 61 Milk *Samuha's* in 14 of the districts 44 VDCs/Municipality. The more remote VDCs and those closer to Kathmandu are not linked to the Hetauda factory. In the southern part of the District there are 61 groups with more than 5,305 farmers 4495 males and 810 females in a Union. More than 7000 households market their milk through the Union. Usually from a household one person can be the member. The number of farmers marketing locally or taking milk to chilling stations in neighbouring districts or making dried cheeses means the total number of households engaged in dairying would be much higher. For many years the state corporation monopolised the sector and aside from a small number of farmers close to the town of Hetauda no alternative marketing option was available. With the growth in dairying locally the co-operatives grew in strength and became legally registered co-operatives. To be a legal entity 25 members with citizenship are required. The farmers are almost totally dependent on the Dairy Development Corporation to purchase their milk. Over the years there were disputes with the Dairy Development Corporation staff who were responsible for measuring the milk. Often disputes arose as to the correct fat content, which determines price, and over milk rejected as spoiled. More recently there has been increased conflict over "milk holidays" when the factory refuses to accept milk due to low demand. The rising number of producers linked to factories and economic decline have resulted in there being many more days when factories don't accept milk. This severely impacts the farmers and drastically cuts their income. On average farmers earn Rs.900 per month with about US \$1million earned each year.

In 1991 the farmers of the different dairy co-operatives established a district level federation, the District Milk Producer's Co-operative Union. According to Mr. Narayan Devkota the President of the union the lack of trust over milk measurement

was one of the major motivations to form a more powerful district level organisation. The union initially had 12 groups as members when it was started and was initiated by the farmers themselves. It now has a large membership and represents 61 of the 70 groups in the area. Over ten years they have gradually assumed responsibility for the management of all the co-operatives accounts, they address quality issues, training, set up alternative marketing to cope better with milk holidays, and do all measurement of fat. The Union now owns one chilling centres and is purchasing its own truck. It plans to expand and open an additional chilling centre when demand for milk increases.

The Union has had the support and co-operation of different government offices and donors at times. On their own initiative they developed a 5-year plan for promoting dairying and members interests. The District Livestock Office, the District Development Committee and the Swiss Development Corporation in collaboration with the National Dairy Board supported this effort. The government line agency they most interact with is the District Livestock Office. Members of the Union feel that this office is co-operative and does support their members to improve their livestock. They often work together for training. However Union members had no idea how large the budget for the Livestock Office was or how it was spent locally.

Members of the District Union feel they do have the power to influence government. They shared examples such as changes they brought about over the commission rates paid to agents and over the rates paid for different fat content. They feel that they can make their concerns and priorities known to the Dairy Development Corporation but question whether the Dairy Development Corporation itself is able to change anything. Union members identified the following concerns they have over the Dairy Development Corporation:

- ◆ overstaffing
- ◆ staff get salary regardless of performance
- ◆ less effective marketing than new competing private dairies
- ◆ staff feel they are “poorly paid” and so look for other ways to make money often including corruption.

The Union members say the solution to these problems is to privatise these factories and hand them over to co-operatives or district unions.

8.1.2 The Promotion, Formation and Roles of Dairy Co-operatives

Initially dairy groups were set up by the Dairy Development Corporation. Little effort was needed, as farmers were ready and willing to meet whatever requirements were set to earn extra cash income. The criteria used to decide where to form groups, was based on there being a sufficient volume of milk and access to a chilling centre. Over time the Dairy Development Corporation stopped initiating groups and now new groups have to be initiated by the farmers themselves. Over the years many different types of groups have been set up by that government that have been of little interest in the community. These have often withered, died and disappeared without a trace. Dairy co-operatives on the other hand have thrived and grown. Dairy co-operatives face many challenges and at times suffer disputes over who is responsible for bad milk which results in all the milk of the group being spoiled, problems over the accounts, records and the sharing of income, and the other day-to-day issues that emerge with any collaborative work. Despite these problems dairy co-operatives have been extremely successful in Makawanpur. Farmers are keen to generate a cash income in addition to crops and produce for home consumption. Most families only own a few animals, which produce little milk. On average a cow produces 2 litres, a buffalo 5 litres and a crossbreed five to six litres of milk each day in this area.

Women take the major responsibility for caring for dairy animals in rural Nepal. They feed, clean the stalls, take for grazing, collect fodder and milk the animals. Across Nepal there is much debate in feminist circles over the high male membership in the dairy co-operatives and their control over the income earned. Makawanpur figures and those in the study area suggest women are poorly represented in many of the co-operatives. Just 15% of the membership in the groups in the District Milk Producer's Union are women. At the Union level there have been few women on the board. It is interesting that in contrast in India, SEWA Bank and others have organised the women in states like Bihar into powerful women owned and controlled co-operatives. In Makawanpur in the Union there is just one co-operative with a sizeable female membership.

In their study of Ghusel village in Lalitpur district, to the north of Makawanpur, Koirala (Koirala et. al 1997) concluded that the shift to commercial dairying had

changed gender roles and relations within households across class and ethnic lines. The care and feeding requires a rigorous daily routine. They found that the increased overall workload for both girls and women's had "restricted their mobility, lessened or erased their leisure time, and resulted in girls dropping out of school." There is also reduced home consumption of dairy products which is believed to most effect women and children. While women recognise the economic benefits for the family they cite little or no personal gains. Men regarded the purchase of dairy animals as an investment and were not concerned about the details of their management. Despite the fact that women were the primary caregivers they were found to have little control over the income earned. The men controlled the cash earned and increased drinking, gambling and disputes between husbands and wives had resulted.

In contrast to overall participation in Makawanpur district the data suggests high levels of women's participation in commercial dairying in three of the study VDCs. Participation of women as members is highest in Ambhanjyang VDC at 89%. This too, in a VDC in which the dominant population is Brahmins who are generally perceived as being more conservative and involving women less. In Manahari VDC in which the groups are newer and where the population is much more mixed only about half the members are women. These high levels of female participation are encouraging but at the policy level on the district Union most representatives are male. This probably results from a number of factors. The poor mobility of women and their poorer educational status is likely to impact their ability to perform the roles at this level. However it is also likely that the dominance of men at the higher levels of the District Milk Producer's Co-operative Union results from them seeking to protect their investments in the dairy business and reap the benefits and prestige of being on the district union.

Historically most *Dalit* families were engaged in caste specific occupations such as blacksmith, carpenter or tailor, that did not require land. Most had very minimal holdings for a kitchen garden and a few poultry. Even those with more land did not keep dairy animals for milk sales, as no high caste person would accept milk from these perceived lower castes. This has been a major cause of dispute in some districts when high castes have tried to prevent the low caste farmers putting their milk into the same

collection points. It is therefore not surprising that they were identified being the main groups not involved in the dairy co-operatives in many communities.

All the activities being undertaken by the groups relate to agriculture and the farming livelihood. The savings and credit activities support more than just livestock, dairying or agricultural needs. Many loans are used for life cycle or life style loans such as for birth, death or marriage, house construction or for rituals. Assuming the role of financial intermediary was seen as a positive role by many groups as it enables farmers to access formal bank credit at low interest rates on the recommendation of the co-operative. In some of these schemes the co-operative actually guarantees its capital against the loan amount. In other schemes the farmer's land documents are required. This usually means women cannot access the loans as the land is rarely in their name. One group though did see this as a problematic role.

The dairy co-operatives generally have kept focused on their core activity, which is the daily collection and portering or transportation of milk, to the nearest collection or chilling centre. They also deal with the payments to group members for the milk sales. This daily effort is an important priority for the members as it represents for many households their main access to cash income on a regular basis. It could be argued that this necessity for collaborative work forces the community to work together. It is the success of the existing co-operatives and the obvious financial gain that encourages others to start new co-operatives wherever they can access a chilling station. Thomas Fisher (2002) suggests that "organising poor people around a concrete activity like financial intermediation enables them to build social capital". It is clear from the Makawanpur groups that they have been formed and have been able to survive despite very difficult times overcoming practical as well as social problems. The motivation for forming dairy co-operatives comes not from the push of an external agent but the desire to benefit economic and the necessity of working together to do so. They have succeeded in building social capital as well as improving the economic security of the members. The question arises though that if a simpler system that did not require collaborative work were available would the farmers of Makawanpur still support dairy co-operatives.

With a saturated market the challenges identified by the groups related mostly to maintaining their current activities rather than looking to expansion issues. Those issues might include increasing fodder, pasture or improving breeds. It is at the district level or the federated Union level that the greatest efforts are underway to solve transport, chilling and marketing issues. The Dairy Development Corporation factory in Hetauda is also concerned with the need to resolve marketing problems.

The groups had very limited contact with the State or the commercial sectors except those most directly related to dairying. Their main interactions were with the Livestock Office, the Dairy Development Corporation, the District Co-operatives Office and the commercial banks. The commercial banks have funds that were set up by government that are "on-lent" to the dairy co-operatives. Problems with the bureaucracy, inefficiency and the difficulties of repaying loans are obviously problematic for some groups.

Few of the dairy co-operatives felt that they could have much direct influence on policy. Any influence they had was only in relation to the dairy sector and only at the very local level. Their combined strength through the district union has been able to give them new power and control. Not only have they managed to change policies but they now control crucial stages of the collection process. Eventually they aspire to take over the whole system from the state. They are also now engaging with the private commercial sector and challenging it to replace the monopolistic State corporation.

8.2 Savings, Credit and other Financial Services

The role of credit varies across cultures. This is especially the case in countries like Nepal where there has traditionally been both a cash, and non-cash economy, co-existing for centuries. In fact Nepal maintained a non-cash economy until much more recently than many other countries. An old Nepali proverb sums up the historical role of cash “Only strangers need coin, people who know each other can do without” (Rhodes 1989 as cited in Muhlich 2001). Coinage was used in Nepal from early times but was mainly to facilitate trade and for ritual payments. Property entitlements and products were also considered payments. Nepal had many highly developed traditional ways of providing credit based on solidarity and long-standing personal relationships. In many cases these were comparable with more modern rotating savings and credit associations. It was the changing relations of power and the emergence of absentee landlords that contributed substantially to the decline of the social embeddedness of the economy (Muhlich 2001).

Theory suggests that credit relations can be thought of as “being embedded in differing attitudes towards exchange, patterns of dominance, and debt and property relations, as reflected in a people’s world-view” (Muhlich 2001). The nature and perception of credit relations then differs greatly and is said to be “relatively independent” of money, as informal practices involving the exchange of goods, services, in kind and labour are common. For this reason researchers usually treat attitudes to money and credit separately. Today mediums of exchange are accepted as being to facilitate the exchange of goods and services. However in more traditional societies like Nepal’s rural communities these modern methods co-exist with more traditional means of exchange. Much of the current discussion and research is less about history and is more concerned with the power relations behind money. Muhlich (2001) suggests that in traditional societies it is still important to reassess cultural embeddedness and symbolical value such as “the significance of ritual debt relations in which questions of credit and means of payment are often vital”. Muhlich (2001) sums up the function of money and credit in traditional societies with ritual exchange: “In those societies where the ritual sphere of exchange is based on social integration through “reciprocity” (Polanyi 1957), the distinction between gift exchange and economic exchange,

including barter and credit, may be thought to be less significant than the distinction between inner community relations and outer community ones.” Only when the supply and demand for money becomes the standard value above all other valuables will access to cash be more highly valued than reliance on long-standing social relations or a person’s place in the overall hierarchy of society (Muhlich 2001).

In the Makawanpur there was a remarkable lack of traditional credit systems identified but more modern savings and credit groups were present throughout the study area.

8.2.1 Survey Results

Formation and Membership of Economic groups

The formation of groups that undertake savings and credit activities was done by different organisations with different objectives. In Sarikhet VDC the groups were formed by the following government organisations:

- 1/. Livestock and Agriculture Offices (to support hybrid goat farming)
- 2/. Women’s Development Office (to support women’s development)
- 3/. Local Governance Programme of UNDP and the District Development Committee (to support income generation and promote participation in decentralised planning)
- 4/. Drinking Water Corporation (to sustain a drinking water programme)
- 5/. UNICEF and the Small Farmers Development Programme²² (to support a drinking water programme)

The rest were formed by NGOs including Samadiyak Mahila Bikas Kendra, ABC/Nepal, SAPPROS, Nepal Red Cross Society. In addition to the groups specifically doing savings and credit activities many more members of the community have access to limited savings and credit through their Forest or Water User groups. Some groups provide emergency loans but not savings for example. Many of the groups were formed to help the disadvantaged Chepang community or disadvantaged women and to combat girl trafficking.

In Manahari VDC the groups were formed by the following government organisations:

- 1/. Local Governance Programme of UNDP and the District Development Committee
- 2/. Chitwan national Park Buffer Zone project

The other groups were formed by the NGOs, Samadiyak Mahila Bikas Kendra, ABC/Nepal and SAPPROS. In addition to the groups specifically doing savings and credit activities one Forest User Group was mentioned as having savings and credit activities. In both Manahari and Sarikhet VDCs many groups were formed to improve the economic status of families as a way to reduce the illegal trafficking of girls and women for commercial sex work.

In Ambhanjyang VDC much of the savings and credit activity is related to the multi-purpose co-operatives that were set up primarily to support dairy farmers to collect and market milk. Groups that have microfinance type activities were mainly initiated by farmers interested in the dairying aspect. They were supported by the District Co-operatives Office. In addition there is one very large (900 members) women's co-operative set up with support from Plan International.

In MakwanpurGhadhi VDC there are many small groups. Many of these groups are interested in being in a federated structure but this needs technical support and the local NGO Grameen Mahila Swabalumnum Kendra, has not been able to find anyone to support this. A sample of 7 groups was surveyed both large and small and one of which was a mixed group while the other six were women's groups. Groups in this VDC were formed by Grameen Mahila Shakari Sansthan (women's co-operative of the NGO), Women's Development Office, the Agriculture Office and Plan International to support water supply systems. All the different caste groups were represented in the groups identified but a more detailed survey would be needed to determine the relative percentage representation from within different ethnic communities.

Table 8.2 Microfinance Groups Surveyed

Village Development Committee (VDC)	Number of Groups	# Male Members	# Female Members	Total Members ²³	Number of Households in VDC
Ambhanjyang	6	324	946	1131	1519
Makwanpurghadhi	8	-	707	707	2320
Manahari	19	31	504	561	2620
Sarikhet	35	158	406	577 ²⁴	1358

²² Despite of the community members identifying this project as being involved in the formation of one group this could not be confirmed and seems improbable

²³ The total number of members includes some members whose gender is not specified – based on survey information does not represent total participation as more groups were identified in community mapping

When asked to identify who in the community does not participate, in most communities all the households were said to be represented. In a few cases specific “toles” (neighbourhoods or hamlets) that were remote were not involved and other groups mentioned those that do not understand the importance. No group identified certain castes and only one group in Sarikhet mentioned the poor economic status of one community as a reason for being unable to save and therefore belong to the group.

The majority of the groups formed by NGOs were focused on women. The groups formed by the government were more often male or mixed groups. NGOs with a women’s empowerment focus were exclusively female while those formed by organisations like Nepal Red Cross and SAPPROS had groups with one literate male member as treasurer to assist with the account keeping.

History of Microfinance Groups

Repeated questioning of older members of the Tamang community failed to identify any old traditional savings and credit mechanisms, traditional *guthi* or reciprocal systems such as are found in other parts of Nepal. The groups identified were mainly formed after the revolution of 1989 and the introduction of multi-party democracy. Only the groups engaged in milk production pre-date the revolution. Sixty percent of the groups were formed within the last five years.

The groups engaged in savings and credit activities have been formed with different motivations and have different priorities. Nearly all the groups identify supporting livelihood activities as a major goal and activity. Other groups mention protecting members from the money-lender as being most important. The major benefits mentioned by the groups all included aspects related to microfinance such as making savings a habit; being protected from the moneylender; being able to access low interest loans; being able to access timely loans; having access to emergency loans; and being able to improve livelihoods or manage family problems. Some specifically used the development language “to address poverty”. Beyond these aspects many groups mentioned other development priorities linked to the formation of these groups, such as

the construction and maintenance of water supplies or green roads; the use of health and family planning services; the opportunity to become literate; supporting the local schools and early childhood education; construction of green roads; or community forestry or fodder production. For these groups the ability to mobilise voluntary labour was identified as a major advantage of the group. Many other aspects more related to social capital were identified by the groups. The raised status of women, greater community unity, the resolution of conflict and friendship. In Sarikhet where Christian missionaries have been active religious participation was mentioned by one group. Interestingly despite many of the groups having been formed under the Local Governance Program not one group mentioned contributing to the local planning process or governance aspects.

In most of the groups being able to sustain the group and become stronger was seen as the most important challenge for the future. Some groups mentioned the wish to be more active, to develop and progress and for one to become a co-operative. Many groups felt confident they could achieve their vision of sustaining their groups. Others mentioned problems with migration of members, loan repayments and problems with transportation for those engaged in milk collection. Many groups mentioned how hard it was in the beginning to organise and motivate people. In one case the need to convince the Maoists not to interfere with the group was mentioned as a major challenge. In one community where there had been a group that had failed in the past it had been difficult to rebuild trust. Another mentioned how in the beginning they had lacked leaders. The challenge of members migrating and the impact of this on groups through loss of skills was mentioned as one of the most serious threat to sustainability.

Interaction with Government and other Commercial Organisations

The relationship with both local government and line agencies was extremely limited. Groups formed by government offices or the DDC mentioned some access to training and support. This however seemed to be limited to the formation stages with little ongoing support mentioned. Also it was usually limited to just the government line agency involved in the groups formation. Those in the Local Governance Programme had accessed government revolving funds, which few other groups had managed. While they did not get materials support most felt that the government was supportive

of their efforts and encouraged and appreciated their efforts. Very few of the groups felt that they were in any way able to influence policy. A few though did mention being able to influence policies and programs at the VDC level.

8.2.2 Civil Society Groups Engaged in Microfinance

Of the groups identified and surveyed (18 Manahari, 7 Ambhanjung, 35 Sarikhet and 8 Makwanpurghadhi) most had been formed with external help. These are VDCs in which adult literacy levels have been low, especially for women, and where there is no history of traditional credit groups. Just two of these surveyed groups stated that they had initiated the group themselves. However many have sought external help to form a group. So while the group may say that the local NGO or government programme “formed the group” the first initial desire to form a group may have come from the community.

There are obviously multiple motivations at play for the formation of groups. Many external government or non-government organisations form groups either solely to undertake microfinance activities and the incorporation of a microfinance element into other groups such as Water User groups, Early Childhood Education groups (Bal Bikas Kendra), Dairy Co-operatives, Farmer Groups and Forest User Groups. Within the study area groups that were doing microfinance and were formed by government offices were:

- 1/. Women’s Development Office (to improve economic status of women and income generation)
- 2/. District Development Committee – Local Governance Programme (UNDP supported) – to raise economic status of the poor and involve community in decentralised planning process
- 3/. Dairy Development Corporation (to enable farmers to invest in dairying and milking animals)
- 4/. District Co-operatives Office – promote co-operatives for farmers
- 5/. Livestock and Agriculture Offices (to support hybrid goat raising and farming)
- 6/. Drinking Water Corporation (to sustain a drinking water programme)
- 7/. UNICEF and the Small Farmers Development Programme²⁵ (to support a drinking water programme)

²⁵ Despite of the community members identifying this project as being involved in the formation of one group this could not be confirmed and seems improbable

8/. Chitwan National Park Buffer Zone project (to help provide economic help and share benefits with communities affected by the National Park and in particular from wildlife impacts).

9/. District Forest Office (microfinance is not a direct priority for Forest User Groups but often a part of their system to manage finances and is promoted for the Leasehold Forest Groups one of which was identified in Manahari).

The other groups with microfinance activities were formed by NGOs - Samadiyak Mahila Bikas Kendra, ABC/Nepal, SAPPROS, Nepal Red Cross, Grameen Mahila Swabalumnum Kendra and the INGO, Plan International. These groups were formed to help the disadvantaged Chepang community or disadvantaged women, to combat girl trafficking, support water supply systems, sanitation programs, income generation, protect poor from indebtedness, and early childhood education.

Many organisations, both government and non-government have used microfinance in this area as a strategy to generate social capital and cohesion to support their other development objectives. It is also mentioned in their documentation as a major strategy for achieving sustainability. For example in the water supply programs the interest from loans is used to pay for the maintenance of the system.

Makawanpur is typical of many hill and Terai districts in seeing the emergence of savings and credit groups as some of the most visible civil society groups. In the 1970's and 80's there were several efforts by the government with donor support to establish savings and credit co-operatives. These were generally failures for a number of reasons. Initially they focused on male farmers and tried to entice them to participate with access to low interest credit. The farmers tended to regard this money as "free government money" and therefore felt no pressure to repay. Loan repayment rates were abysmal and as a result most programs and groups collapsed.

In the late 1980s and early 1990s the NGO movement and INGOs became interested in microfinance. They shifted to a savings led model where there was intense community pressure to save and repay loans on time. Women became the primary focus despite that fact that historically they had little control over cash income. The NGOs/INGOs also worked hard to build community commitment and the capacity of the groups to be

self-sustaining. These groups were highly successful and independent of government. The government schemes continue and do have special low interest loans available. They are however much more limited in their impact usually being limited to a few VDCs close the district headquarters or roads. The locally owned and managed groups have built a strong reputation across Nepal. Most have needed a lot of training and support to get established. Over time though they have managed to build up their capital and ability to manage loans.

Squeezing Out the Moneylenders

From across the VDCs surveyed the different groups (regardless of caste, ethnicity, economic status or the motivations of the supporting organisations) identified being protected from the money lender and being able to access low interest loans as being their major motivation for having the group and the greatest benefit. This too despite the fact that many groups charge what in most countries would be regarded as very high interest rates ranging from 12 to 36 per cent per annum.

Hitchcock in 1966 provides the earliest documentation of the increasing role of moneylenders and their control of the most valuable asset 'land'. He writes:

"With increasing pressures on the land due to growth in population, the emergent money economy, and intensification of trade, have come new patterns in the concentration of wealth ... The disappearance of vacant, cultivable land, combined with increased population has pushed more and more farms below the level of marginal productivity. In Banyan Hill, land partition among sons has made an increasing number of farms too small to meet subsistence needs. The most common reason for borrowing is simply to meet the need for food. Given such a situation, great advantage lies with the person who has the means and ability to lend money. Land and money both flow in his direction."

(Hitchcock 1996 as quoted in Fricke 1994)

The rising standards of living and expectations and greater reliance on cash income have also strained the traditional subsistence systems ability to provide thus encouraging the use of cash income or loans. Moneylenders emergence in Nepal as a widespread phenomena has had a number of devastating results. In the far Western Terai it has brought about the evolution of a system of bonded slavery under the "kamaiya" system until it was recently abolished by government. In the hills it has resulted in the concentration of land in the hands of local "elites" and a process through which families are forced to become landless migrants. Over the last fifty years these moneylenders have exerted far more control in the community than their loans and land

acquired would suggest. In addition to exorbitant interest they have often required forced “voluntary” or free labour. Communities were fearful of refusing as in their next crisis they may be in need of that help. Over time some moneylenders not only used their position to amass greater wealth they also leveraged this wealth to gain political power and control in the community. In the elections in 1998 a local moneylender in MakwanpurGhadhi area stood as a candidate. He then intimidated men in the community with threats that should he win he would prevent development activities in those VDCs where women had savings and credit groups. The women resisted and campaigned against his election, which to the surprise of many, he lost.

When savings and credit groups first start they tend to give very small loans for short periods of time. As they grow the size and duration of loans increases. In districts such as Kavre where there is a large outreach in the community by these groups they have over the last decade succeeded in undermining the power and role of the moneylenders in the community. In most districts with a strong microfinance network they have forced down moneylenders interest rates. The moneylenders despite being undermined have not been completely replaced by microfinance groups. The fact remains that the savings and credit groups resources are still limited. Very few groups have access to external bank credit. During this research it emerged that the moneylenders have evolved and adapted to the new situation and opportunities. With a declining rural economy, a rapidly expanding workforce with high unemployment and a civil war there are enormous pressures on young men to migrate for work. Migration to India has traditionally been the safety valve for poor Nepali workers. Over the last ten years new opportunities have opened up for work in other countries, especially the Middle East and Malaysia. Local moneylenders have formed partnerships with labour brokers and “help” desperate young men go abroad to work. They make all the arrangements, secure the passport and job, set up a bank account and receive all the money. Locals share that these young people have become debt bonded with high interest rates and complete liens on their wages. In some other districts women’s groups are rising to this challenge and loaning the money for labour migration themselves where they feel it is an investment in their families future.

History and a Lack of Traditional Credit Systems

The groups engaged in microfinance activities that were identified were all relatively young with most post-dating multi-party democracy in 1990. While this is the case in many districts of Nepal often these ‘modern’ groups build on more traditional *dhukuti*, *guthi* or reciprocal systems of credit. It is difficult to pinpoint exactly why these credit systems never evolved here in Makawanpur. The reasons for this probably lie in the geographic significance and history of this district. For years Makwanpurghadhi was the seat of power for the Sen kings. The area lay on the important trade route from Kathmandu to India. For centuries the land was given to soldiers in return for their services as *jagir* or *Birta* by different feudal kings. The majority Tamang community remained poor tenant farmers. Denied the right to fight and control property they were restricted to their role supporting different feudal kings through their farm labour. This feudal system seems to have been very strong here in the past preventing the evolution of strong *guthi* or credit systems that evolved elsewhere in Nepal. The area over the centuries has had the long-term residents from the Tamang, Chepang and Chettri community. Others have migrated into the community as a result of pressures elsewhere and as a result of wars. More recently the clearing of jungle and the new access brought by highways has resulted in the migration of many different ethnic groups to VDCs like Manahari. With so much change and the lack of power of the long-term residents this seems to have played a major role in tradition credit systems not evolving.

Challenges CSOs Face in Providing Microfinance Services

The groups are obviously most concerned about their ability to “sustain”. These concerns centre around the ability to pull the community together for this, their ability to cope with accounting, their ability to cope with extreme circumstances such as a natural disaster, a large number of defaulting loans, political interference or a lack of leadership. Group members seem well aware of the kinds of challenges they face but express determination to continue because of the benefits they derive.

Another problem groups mentioned was “dropouts” and migration of members. The group’s existence relies on social capital and the accumulated savings of members, the financial capital. Rapid change of membership undermines the group. In the current

situation where there is civil war the groups are faced with many more problems. Many families have migrated due to the deteriorating economy or safety concerns. In some communities this is impacting the groups.

The Myth of Participatory Planning and Local Governance

By the mid-90s the donor community and the government began to recognise the achievements of these groups. The government, with the support of donors (or possibly at their insistence) then initiated a major effort to co-opt this movement to achieve decentralised planning under the Participatory District Development and Local Governance Programmes. This has mainly been supported by UNDP. Ironically in its initial stages it fell into the same traps as earlier government programs, a focus on men, a focus on cheap credit and a centralised design. It also insisted on more than 80% of the households in each community being included. This undermined many existing groups that had spent years building trust and expanding their membership.

While there is an urgent need to expand the reach of microfinance, forcing groups to rapidly expand and include diverse members weakened many of these groups. Linking microfinance to decentralised governance is also of questionable validity. It must be asked whether it is right for any government to make access to microfinance dependent on ones willingness to participate in highly manipulative participatory planning processes. It must also question how and whether, when only one member per household can participate in microfinance, this affects the inputs given to the planning process. Participation in microfinance is often biased towards older married women. Intergenerational competition within homes means young newly married daughters-in-law have low status and heavy workloads. Most groups refuse to have multiple membership from households both because groups become large and unwieldy but also because family disputes over loans start coming into the groups bringing disharmony and as different family members try to take loans at the same time. Multiple loans to one household are often seen as a risk for groups as it stretches household ability to repay and results in the concentration of resources/loans in larger households. The use of microfinance groups as a base for participation in decentralised planning while including women results in marginalising those that are forced to migrate for work and poorer males in particular. While this may be seen as a way of ensuring women are

heard, in many districts women complain that they are forced to participate in a process that is a sham. One in which they are required to give generously of their precious time and share their opinions and priorities. These are then generally ignored and they express scepticism that there was ever any intention of taking their views into consideration. As Heeks (1999) suggests, this is when participatory development becomes “tyranny”.

Despite the widespread coverage of microfinance groups and their large membership their links to government and their ability to influence policy remains limited. The dissolution of local government and escalation of the civil war has probably had a major impact on this. A few years ago these same groups would claim that they had the ability to influence the VDC and local government system. Many women’s savings and credit groups pushed hard to have money allocated at the local level for their priorities. Now that there are no longer elected representatives, with many VDC offices bombed, secretaries sheltering in the district centres and a general fear of offending the Maoist rebels this local participation in governance has largely disappeared.

8.3 Other Financial Services – Livestock Insurance

There is a need for a variety of financial services in rural Nepal. In India a study showed when looking at SEWA Bank’s clients that the main economic stress events are Illness (48%), Rituals (17%), Marriage (13%), Other Stresses (8%), Repairs (5%) Addictions (4%), Deaths (3%) Births (2%) and negligible for natural calamities (Fisher et. al 2002). A similar study has not been done in Nepal but for rural farmers the death of a large animal for which they’ve taken a loan or crop failure would be added to this list. In assessing where people take loans and the size of the loans Muhlich (2001) found that for Sherpas in Solukhumbu most loans were for life cycle events like marriage, funeral rites and the largest for house construction. Smaller numbers took loans for trade, grain including fodder or in kind loans of grain for consumption purposes. In Palpa district to the west Newars took the most loans and loans for the marriage of a son were most common, a few had taken large loans for the dowry of a daughter, and a few for house construction, funeral rights or business. High caste

Bahun in rural communities near Kathmandu took the most loans for the marriages of sons, for daughter's dowry, with far fewer for house construction, marriage, illness or funeral rites. Here indebtedness was more associated with land disputes and land purchases.

In rural communities where rearing large livestock is profitable many farmers borrow heavily to purchase a milking animal. A good milking animal can cost as much as Rs.10,000²⁶. If the animal survives and delivers a female calf the first season the family stands to gain enormously. A male calf is worth considerably less and the death of the animal leaves the farmer with no income, a debt to repay and interest mounting.

In the past banks attempted to include compulsory livestock insurance with bank loans (Mathema/Joshi 2000). These bank loans were limited to better off farmers with clear land ownership and documents. Despite this there have been many problems with livestock insurance and fraudulent claims of animals dying that had in fact been sold, or were still alive. Others deliberately neglected animals they weren't satisfied with to collect insurance or claimed for more valuable animals than those that died. With the expansion of small savings and credit groups more farmers were taking loans without access to livestock insurance. With poor farmers having small group funds the loss of a large loan through default can be catastrophic. Community managed livestock insurance schemes are a fairly new innovation in Nepal. These insurance schemes are run by the community who know each others animals well. Fraud is hard to get away with, and the community apply enormous social pressure to ensure that an insured animal is well taken care of and is treated at the first sign of illness.

The *Ambhanjyang Livestock Insurance Committee* was formed in 2056 B.S. (1999) with the support of the District Livestock Office. It sets out to secure livestock loans, encourage the raising of hybrid animals and help increase farmers' incomes from livestock. It provides livestock insurance, veterinary services and vaccination for animals. Farmers benefit from compensation and free livestock services for certain target groups. Eventually it hopes to provide services to whole community. Its main constraints are its technical skills and financial resources. It gets technical support

²⁶ About \$250 NZ for a milking cow or buffalo

from the District Livestock Office and an initial fund of Rs.10,000 was provided by the office. The Committee is making suggestions on livestock insurance policies at the district level.

The Aambhanjyang Livestock Insurance Committee is another example of the community undertaking commercial financial services, that in many other countries would be done for commercial motives by the business community. The evolution of livestock insurance to a community managed system is in response to the prior monopoly of this by government with limited impact and the lack of interest by commercial companies to provide coverage for poor farmers. While it is fairly recent and has only been operating for four years it is likely that services such as these will continue and will gradually be expanded to cover other risks.

In most of the groups identified in this area there were very limited financial services. Most offer compulsory savings (which cannot be withdrawn) and access to loans. Only a few are able to offer voluntary savings (i.e. savings of any amount that can be withdrawn at any time). In India the SEWA Bank and other microfinance organisations now offer basic health and life insurance to poor members and their families. This is now being introduced in Nepal in a small way but was not found in the study area. It is highly likely that in the short term more community managed financial services will dominate in remote rural Nepal. Over time though it is likely that commercial providers will assume these roles in the more accessible and affluent communities.

The community then, have formed a variety of civil society organisations, that contribute directly to supporting rural livelihoods. These organisations address the management of the physical resources and the commercial roles such as financial services and marketing of milk. While some might argue that these CSOs address “survival needs” this does not negate the fact that communities have united to form and maintain these organisations.

Chapter Nine

Conclusions

The greatest challenge when discussing civil society is that different people use the term in so many different ways. In this study of rural communities in Nepal and their perceptions of what constituted “Nagarik Awaaj” a number of things became clear. Every community has civil society organisations present and active, undertaking a number of roles. The most significant organisations were those that contributed directly to sustaining and supporting rural livelihoods such as dairy co-operatives, savings and credit groups, forest and water user groups. The sectors such as education and health that have been tightly managed and controlled by the government have less vibrant community participation and weaker organisations. Religious organisations are emerging, but neither they, nor youth groups, yet play much of a role. NGOs tend to be either small and locally owned, or they are from outside the community, either at the district or national level. NGOs are significant in the range of activities they engaged in but are not large membership organisations. In this area business and professional organisations, consumer groups and producer associations were not identified.

Determining Mission and Priorities

If we use Richard Holloway’s typology to classify the organisations identified they can be roughly typed as in Table 10.1. It is clear that trying to fit the civil society groups identified into any classification system is difficult. Firstly many organisations were formed for one purpose by an external agent be it government or NGO. Many were “ascriptive” and were formed to meet external requirements as in Community Forest User Groups. Over time though communities have taken over ownership of the agenda and often what the community says it does and its’ objectives do not match those of the original promoting organisation. For instance Mothers Groups formed to support health now have much broader agendas and activities. Groups formed to participate in local governance have either lost sight of that, don’t regard it as a priority or possibly feel it is not a viable goal in the current political environment. It is clear that communities adopt and reject the agendas of those organising them and reset those agendas over time. While district level organisations, especially government, identify these organisations as being sponsored by them, many communities believe they made the decision and then got help from the line agency. Another problem is that many

organisations fall into several categories or don't clearly fit into any such as the "communications" groups.

The survey suggests there is also two way process at play. In many cases the initial formation of groups has been led by external agents but over time the community has identified the types of organisations it most wants and then these have spread more widely and have been sustained by the community. For example the Community Forest User Groups, savings and credit groups and dairy co-operatives were all initially promoted by outsiders but over time the concept has been adopted by the community and they have been more responsible for the replication and expansion of groups. This has not meant that they have been able to do it alone but that they have sought help and prioritised forming such groups.

Table 10.1 Civil Society Organisations – Makawanpur Study VDCs	
A. Membership (help their members)	
1. <i>Indigenous Community Groups</i>	
◆ Jayrung Khyar Pariwar – a Tamang ethnicity based group	
◆ Youth groups	
◆ Communication groups	
◆ Pa Pi Pe – men's group for development	
2. <i>Induced Community Groups</i>	
◆ Forest User Groups	
◆ Savings and credit groups	
◆ Local Governance programme groups	
◆ Buffer zone groups	
◆ Water user groups	
◆ School management Committees and Parent Teacher Associations	
◆ Health Management Committees	
◆ Mothers Groups	
◆ Ghadhi Bikas Samiti	
3. <i>Mass Organizations</i>	
◆ Nepal Red Cross Society	
4. <i>Co-operatives</i>	
◆ Savings and credit co-operatives	
◆ Multi-purpose Co-operative	
◆ Dairy Milk Producers Co-operatives	
◆ Livestock Insurance Co-operative	
5. <i>Religious Societies</i>	
◆ Hindu groups – Ambhanjyang	
◆ Buddhist - Gornpa Committees	
◆ Christian community groups	
6. <i>Trade Organisations</i>	
◆ Dairy Milk Producers Union	

<p>7. <i>Professional Organizations</i></p> <ul style="list-style-type: none"> ◆ FECOFUN – federation of Forest User Groups
<p>B. Non-Membership (help others)</p> <p>8. <i>Local Philanthropic Institutions</i></p> <p>9. <i>NGOs – i.e. Private Voluntary Welfare and Development Organizations</i></p> <ul style="list-style-type: none"> ◆ Samadiyak Mahila Bikas Kendra – district based ◆ Grameen Mahila Swabalumnun Kendra VDC based ◆ Plan Subcommittees – local management levels for project purposes ◆ NGOs/INGOs from outside the area that support development etc – SAPPROS, ABC Nepal, Made Nepal, SEACOW <p><i>Area-based Benevolent Societies</i></p> <p>10. <i>Service Clubs</i></p> <p>11. <i>Non-profit Companies –</i></p>
<p>C. Spurious (not helping)</p> <p>12. <i>NGOs for personal profit</i></p> <p>13. <i>Government-organized “NGOs”</i></p> <p>14. <i>Donor-based “NGOs”</i></p> <p>15. <i>Business-organized “NGOs”</i></p>

Voluntary or Induced Civil Society Organisations

Many of the CSOs that have emerged in recent years in the study area have been promoted by NGOs and the government to cope with increased pressure on resources from an increased population and growing demands for an improved standard of living. Through forming these groups they often have very specific outcomes or objectives they hope to achieve. For example clean water for improved hygiene and health, water for irrigation, microfinance to support livelihoods or women’s empower, Parent Teacher Associations to achieve decentralisation in the school system, Community Forest Groups to reverse deforestation and to produce timber, fuelwood and fodder.

Richard Holloway describes one category of civil society organisations as “induced groups” that are required to form by regulation or external pressure. In this area many groups have been “induced”. The findings though suggest that once people are organised into groups or around issues they eventually form their own agendas and may over time fail to resemble the original vision of the planners.

In the study area the groups have been formed to address different priorities. The roles that civil society organisation assume responsibility for at the community level are significant. Within each of these priorities the roles undertaken and the ways in which groups operate vary greatly.

- ♦ Management of resources and community utilities - There was extensive involvement in the management of community forests and water resources (for drinking water, irrigation and flood control) with large numbers of households involved in all the VDCs. In other parts of Nepal communities are managing micro-hydroelectricity and public transport but this was not found in this area.
- ♦ Support poverty alleviation and improved livelihoods - The involvement in microfinance activities to support livelihoods was widespread with large numbers of households having access. Many fewer households were in groups specifically formed to access technical help or training or for marketing. The groups involved in the dairy sector were widespread in three of the four VDCs with large numbers involved.
- ♦ Decentralised governance - Three different types of groups were identified that were formed with the expectation that they would contribute to or participate in decentralised governance. The education sectors efforts in this direction are fairly new but there is evidence that the communities have at times been very engaged in contributing to the management and in mobilising manpower and resources. In the health sector the communities' role in decentralised governance involves a few elected officials and 'selected' individuals. Efforts to create groups that contribute to the local planning process through the Participatory District Development Programme specifically stated that they felt they had no ability to impact policy.
- ♦ Address social problems and issues - There are a number of CSOs that actively engage in addressing social issues such as girl trafficking, the empowerment of women, alcoholism, safe motherhood, awareness and caste discrimination. While their impact would be hard to gauge it is likely that they are able to localise and advocate on issues that a distant government bureaucracy can only do through radio in this area.

CSOs have also assumed commercial roles to enhance the economic status of the community such as through dairy co-ops, micro-finance and micro-insurance. It seems that access to savings and credit or networks to market milk are powerful motivating factors both to form groups and to keep groups together. Groups formed to manage health services involve far fewer members of the community, and there are fewer perceived benefits from being engaged in this sector.

Many of these civil society organisations seem to have had initial support to get established and then minimal support afterwards. Great emphasis is placed on 'sustainability' by both the promoting organisations and the CSOs themselves. It is evident that there is very little willingness, particularly of government line agencies, to work with existing groups. Each programme wants to form "its' own" groups. As more and more groups are formed the formation of new groups can serve to weaken existing ones risking the very sustainability of groups that they claim to want to achieve. It is also evident when asked what kind of support they receive and about the relationship between the groups and the government that most groups receive very little ongoing technical support. It is evident that after initial training they are expected to cope with minimal help. Considering the range of roles and complexity of issues being addressed from management of forests, schools, health services to providing financial services and marketing agricultural products it would seem greater benefits might be achieved by building the technical capacity of these CSOs.

Inclusion and Exclusion

The groups report that everyone is included or that everyone except certain remote *toles* or communities that lack "*chetana*" (awareness) are involved. While it may be true that these groups are inclusive, evidence from other districts and more detailed studies suggests that self-reported inclusiveness needs to be verified. One common feature of the reported data shows the token representation of women on many of the "induced" groups committees in a high percentage there are one or two women with the majority male.

Inclusiveness is of great importance. The current conflict in Nepal has been exacerbated by the exclusion and neglect, of certain ethnic minorities, and the *Dalit* community in particular. Exclusion may be deliberate or it may result from ignorance. For example the poorest families may suffer as a result of every group in the community requiring a financial contribution through microfinance schemes forcing them to selectively belong to the most important groups. At times it may be the choice of language used, the timing of meetings or the need for literacy skills. By examining any one sector it is not possible to determine what is happening in a community and

why. To understand issues of inclusion and exclusion a more holistic overview of a community and who participates and who doesn't is needed.

The Role of Religious or Ethnic Groups

Religious organisations emerged very recently despite a long presence of Buddhism and to a lesser degree Hinduism. In comparison Newars in Kathmandu for example have had religious groups for centuries. The majority of these groups were formed only after the revolution in 1989 when a more liberal atmosphere for such groups existed. Only one ethnicity based organisation was present in the area and in this area there is not a significant presence or roles played by ethnic groups.

The Role of NGOs

In the area NGOs do play a significant role in mobilising and assisting communities with development priorities. The NGOs however do not involve large numbers of members in membership type NGO organisations. NGOs were mentioned in the surveys as having assisted with a range of technical aspects including establishing microfinance, providing adult literacy and out-of-school programmes, improved cooking stoves, sanitation, water supplies, green roads, livestock training and health services.

Within the Theoretical Framework

Civil society theory places great importance on the relationship of the *Citizen* to the *Prince* and to the *Merchant*. In the study area there has been a long history of neglect and deliberate suppression of civil society by the state. The sheer inaccessibility, poverty and policies of the past have also worked against the emergence of a strong merchant class and commercial sector. In this situation the civil society groups have taken on a large responsibility for what could be seen as commercial roles in their management of the dairy sector, management of financial services and their management of commercial aspects of forestry.

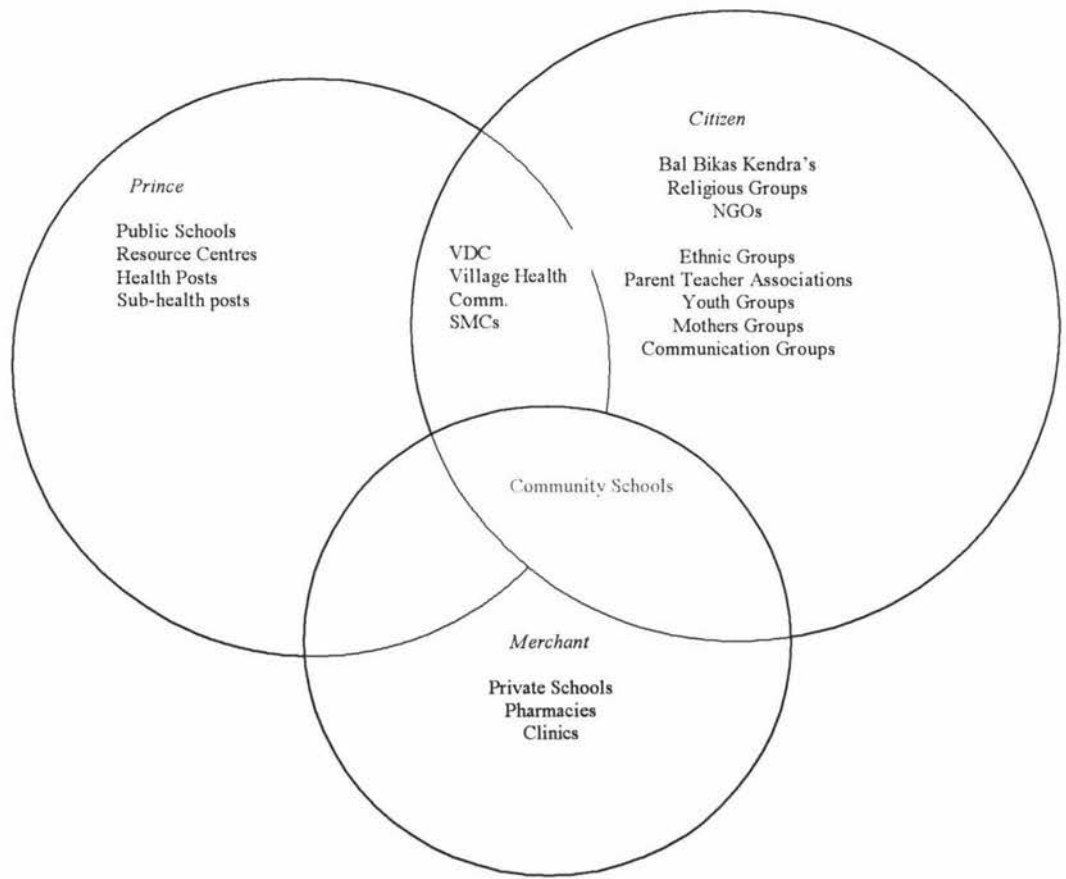
Based on the roles being addressed by the community based civil society organisations we can break them up into two broad groups. It is difficult though to separate health or

education from the other activities within a livelihood approach. If we consider them within a Livelihoods Framework :

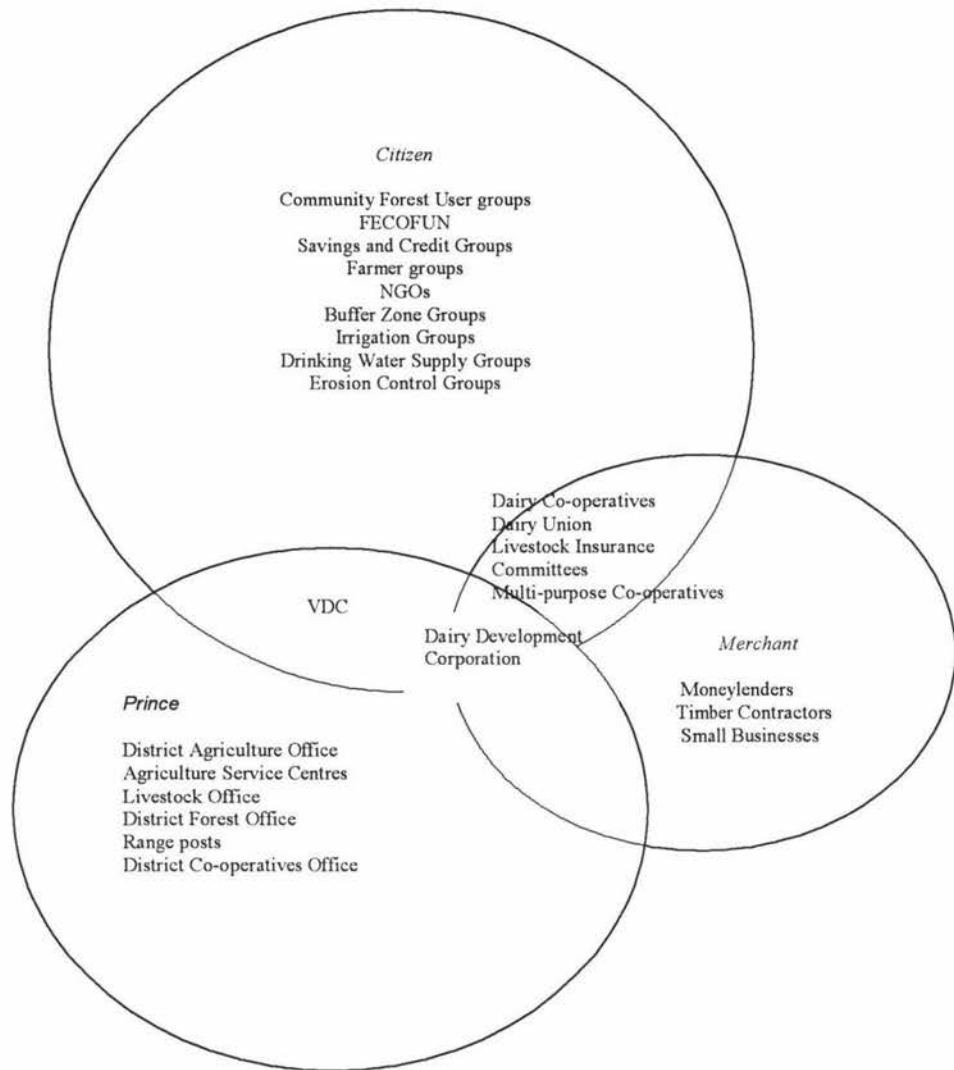
- 1/. Addresses the human and physical capital The Health, Education and Welfare Sectors
- 2/. Addresses the natural, social and financial capital – commercial and financial roles, management of natural resources

Using this division and based on the information collected directly from the community and secondary information from the district the organisation would fit into the *Citizen/Prince/Merchant* model as in Figures 10.1 and 10.2.

**Figure 10.1 Organisations Within Civil Society Framework
Health, Education and Welfare Sectors**



**Figure 10.2. Organisations Within Civil Society Framework
Addressing Natural, Social and Financial Capital**



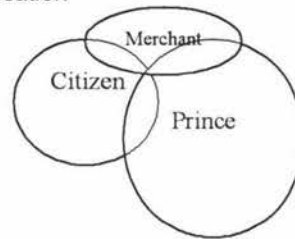
Those voluntary organisations exclusively run and managed by civil society clearly fit within the *Citizen* circle. However the groups that are “induced” and “manage” or nominally manage government facilities or resources are far less clearly citizen and could fall into the overlapping zone with the state. It can equally be argued though that some of these groups such as Community Forest User Groups exercise so much autonomy that in fact they more rightly belong within the citizen zone. For assessing these organisations as to where they fit I have gauged them by the degree of autonomy and control over resources they exercise. So while Community Forest User Groups have been placed within the purely *Citizen* sphere the School Management Committees and Village Health Committees that have far less autonomy, independence or

democratic community participation have been placed in the overlapping sphere. Official registered NGOs represent a small section of civil society at the local level but NGOs have been engaged in development activities that involve and bring benefits to large numbers of local households.

Achieving Balance

We can also look at individual sectors such as education. In this area we would end up with an unbalanced framework diagram (Figure 10.3). In this case the State has long been the largest and most dominant player. It has suppressed civil society participation and the commercial sector remains small. The School Management Committees still lie very much within the overlapping zone while the nascent Parent Teacher Associations and the community managed open schools, school lunch programmes and Bal Bikas Kendras make significant civil society managed contributions.

Figure 10.3 Model Relative Presence in Education



The notion that these must be in balance raises the question as to what “balance” would look like. If you examine civil society in any specific sector you need to be able to determine when the power and control is kept in balance. In the case of education, both the delivery and management of education, and the policies, are determined by the State and its advisors with little local input and management. This is in theory about to change if decentralisation can be achieved.

As VanRooy suggests it is unlikely that this perfect balance is ever achieved. It also raises the question as to how you would equate or measure relative management or policy type control. For example in the forestry sector regulations may be made at the central level that might suggest a high degree of control by the state when at the district level actual Community Forest User Groups may resist and subvert such policies without appearing to do so. The illusion of power may equally exist within Community

Forest User Group where individuals “steal” resources to resist the dominant majorities decisions.

The Relationship with the State

Some local communities identified local government, Ward Committees and the Village Development Committee as Civil Society Organisations. This seems to be because these groups “represent” the communities’ interests to the “state” and try to wrest the resources and control from the state.

Having an Influence on Policy and Changing Power Relations

Some commentators believe that civil society groups have to be more than just service delivery organisations. They must be able to influence policy or be trying to. Many of the groups identified in the study don’t feel they have any input into policy or ability to influence policy even at the local level. Many of these same organisations though, by their very existence, can be seen as a form of resistance particularly in an environment such as Makawanpur’s where historically the community was prevented from organising or having its own institutions.

The organisations not only represent resistance to the state the participation in these organisation or the reluctance to participate is also another form of resistance to state power or the power of the local ‘elites’ that dominate these organisations. When organisations mention those that do not participate because of their lack of awareness it may well be that these groups dislike being forced into being members of these organisations where they may feel they would not have much power or benefit anyway. A broad survey will not elicit the detailed information needed to determine the power relations within a community. The dynamics of decision-making within these community-based organisations is complex. If CSOs are to contribute to good governance then it is also important to understand how democratic and transparent these groups and ensure that new groups being promoted don’t replicate existing power structures or create new ones.

Rather than being established to challenge centralised political power structures most the CSOs are addressing priority needs and issues at the local level and have little

influence beyond the VDC or at most the district level. The communities have used CBOs to challenge traditional power structures such as the control of moneylenders with considerable success.

Civil Society as A Space for Action

Van Rooy and other commentators often describe one feature of civil society as being a “space for action”. This seems to be borne out by the study. Until the 1980s there was little scope in Nepal for civil society to organise and take action or to influence anything. When donor demands for greater community participation forced the government to give communities a greater role in forest management they were quick to take on that challenge. When the revolution of 1989 ushered in multi-party democracy, and a more liberal environment, NGOs, CBOs and religious groups rapidly expanded.

Collective action has taken off for some sectors and activities and not others. The first CSOs to emerge were formed by the community to address the need for education. Earlier this had been an opportunity denied by both the state and the lack of resources. Other communities in Nepal societies had “school-like” environments these had been prohibited under the Rana regime. As space emerged this community responded. Despite this it took 15 years before the first schools were established after the fall of the Rana regime.

The introduction of the multi-party democracy in 1990 and the demands of donors combined to create new space for communities to expand their roles and organisations. In this area was a period of rapidly expanding community participation in development and governance. With the escalation of the civil war and the deteriorating political environment these organisations have been remarkably tenacious. When mentioning the challenges few mentioned the civil war as being a major challenge they face. In fact many seemed to see the CSOs as being a necessity to keep things functioning in their communities. The lack of mention could though be that communities felt to frightened to address such a sensitive topic or assume that everyone understands the difficult environment.

Civil Society as a Historical Moment

Any look at civil society will only present a snapshot of the society and the organisation and power relations that define it at that particular moment. In this case the communities surveyed have survived centuries of changing control by local kings and princes and later control by a central state. In more recent times they have been affected by the dismantling of local government and growing interference from Maoist militants. The situation in this district is different to that of the Kathmandu Valley for example where the Newar community was able to insulate its organisations from the political changes and have sustained them for centuries. The distinct lack of old established social associations in the study area is probably a result primarily of the historical importance of this area and the position of the local community in relation to the centres of power. The kings that ruled this area saw it as an important strategic site and its primary value lay in having control. This was often achieved by giving the land to soldiers and bureaucrats in return for services. The indigenous populations of Tamangs and Chepangs were excluded from this system and were expected for centuries to farm the land and provide “taxes” in the form of produce while lacking any political voice or control. In the last five hundred years large

Makawanpur was the site of many historical swings in power and control. The control over the land was often given as rewards for soldiers. The majority Tamang were prevented from soldiering and kept tied to the land as tenant farmers to support the state’s armies but had little power and control locally and so few organisations or associations emerged.

The Complexity of Developing an Understanding Of Any Specific Community

If civil society is not to be a “vapid phrase” with “too many meanings rather than too few” then it needs to be examined within a specific community and context. This study has set out to do this. Chapters Two and Three outlines the key theories in relation to civil society and the role of civil society in decentralisation, public sector reform and improved governance. Chapter Four explores the context of the Makawanpur community in which the study was carried out. Chapter Five introduces the key civil society actors involved in the education and health sectors. In Chapter Six the roles and contributions of religious groups, ethnic based organisations, youth groups and

NGOs is explored. Chapter Seven examines the involvement of the community in the management of natural resources. Chapter Eight explores the engagement of the community in commercial and livelihood related activities such as dairy marketing, microfinance and insurance.

It is apparent from the study that communities of any size become exceedingly complex and any real appreciation of civil society participation requires an overview which looks at participation of different groups within different sectors. Sheer numbers on reports tell us little as the array of overlapping memberships hides the true levels of participation and the inclusiveness or exclusiveness of civil society groups. As development professionals seek to strengthen civil society they need to develop ways of gaining an overview so that in their efforts they do not undermine the existing organisations that communities have struggled to build nor that they reinforce harmful power relationships and the domination of elites.

The beautifully balanced Venn Diagrams of the *Prince*, *Merchant* and *Citizen* bear little relationship to the neglected communities of remote villages in Nepal. Here the presence of the *Merchant* or the *Prince* is minimal while their influence is great. Communities are increasingly being expected to undertake more complex roles and responsibilities in the name of civil society participation. Communities rightly worry that the *Citizen* is being asked to carry an unfair burden without the technical support and resources of the State of which he or she is a taxpayer. While civil society can more effectively undertake many roles this study suggests that communities are doing so with little support or ability to influence policy. If these groups are to fully achieve their potential they will need to be better understood and better supported by the development industry.

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MAPS

Administrative Map of Nepal

LEGEND

- International Boundary
- District Boundary



Base Map: Topographical Zonal Map (1:250,000),
Department of Survey, 1988



Scale 1:3,500,000

0 15 30 60 90 120
Kilometers



CBS/HMGN



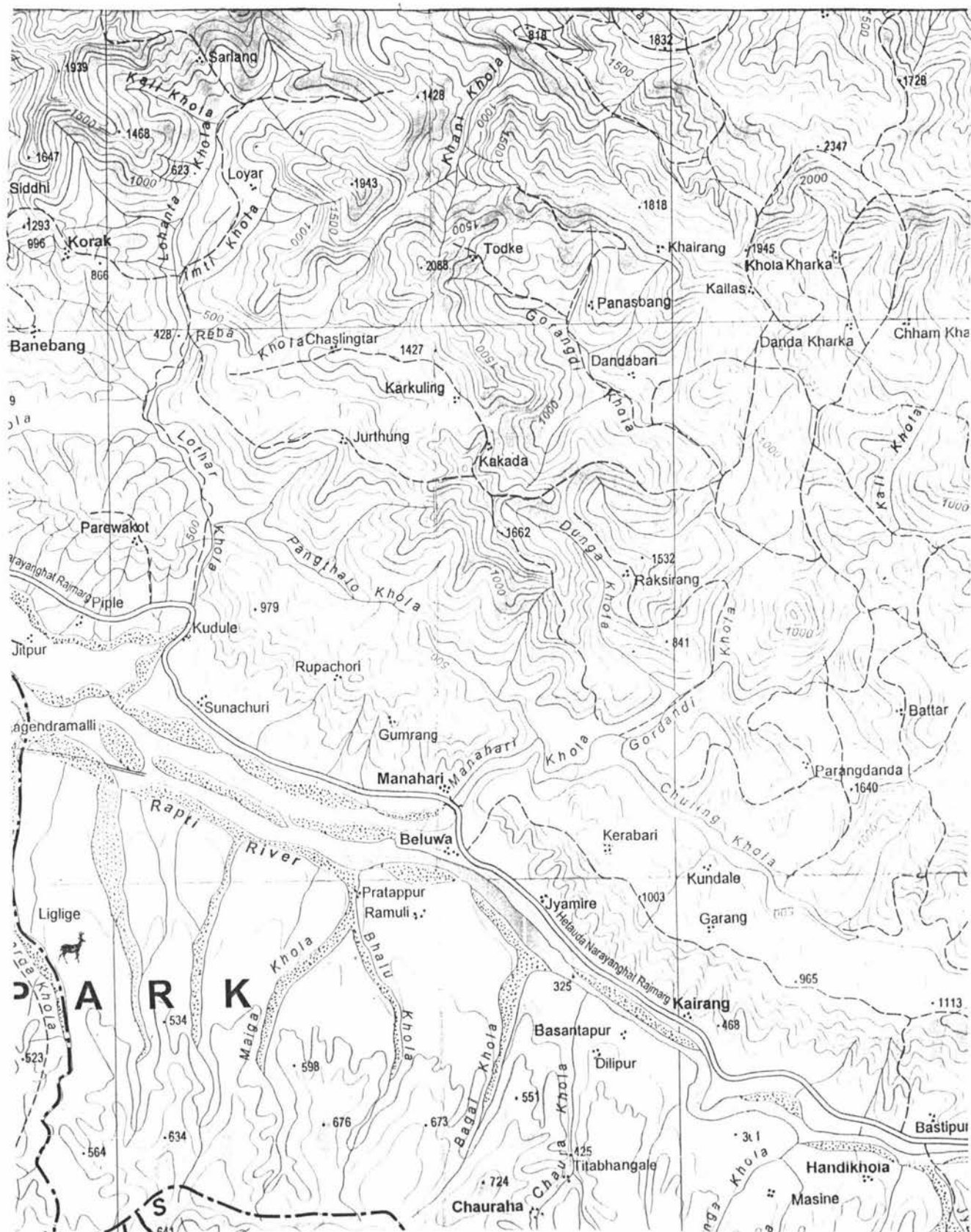
Makawanpur District



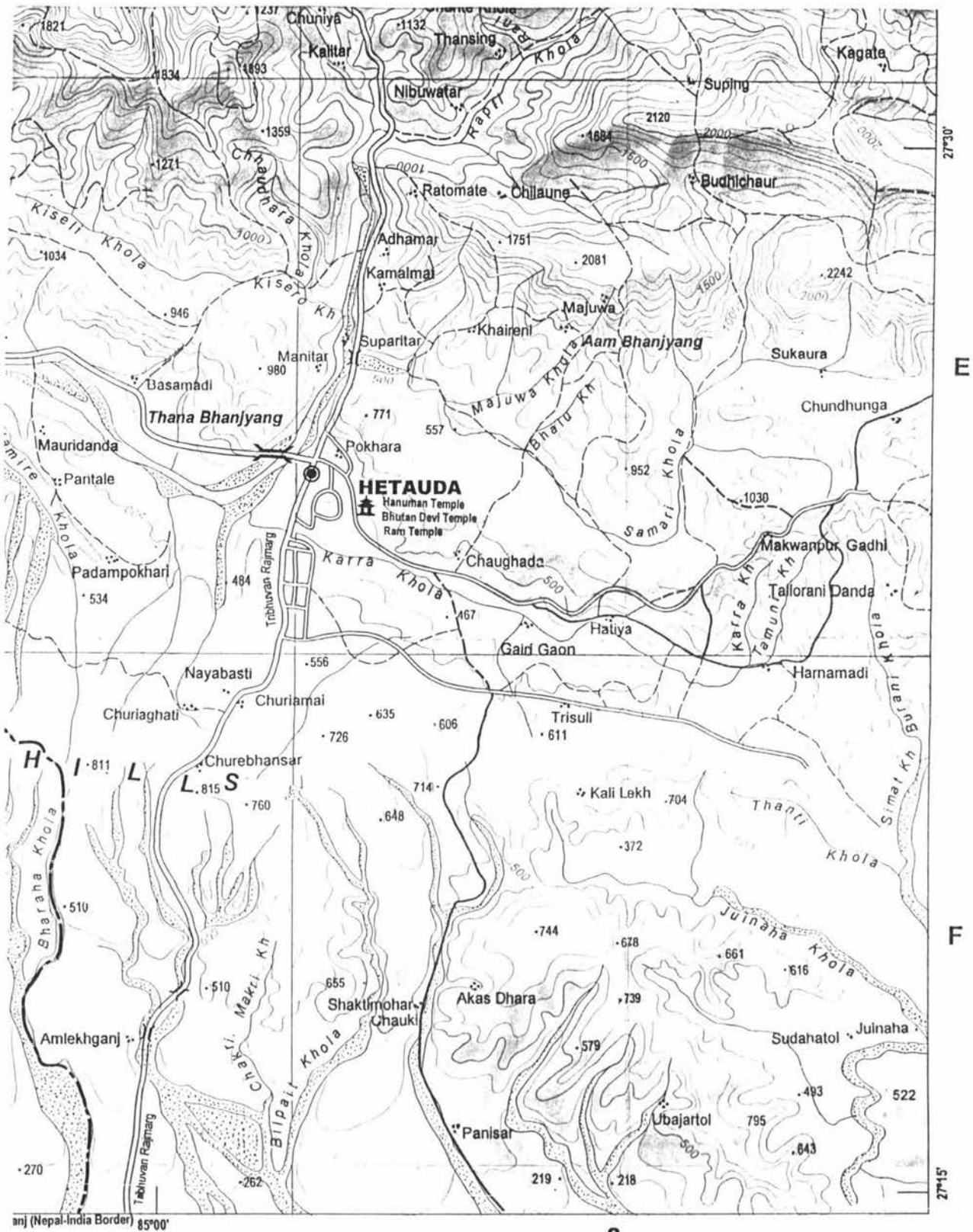
Map 2 – Village Development Committees of Makawanpur

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Map 4 - Topographic Map – Manahari and Sarikhetpalase VDCs



Map 5 - Topographic Map Ambhanjyang and MakwanpurGhadhi VDCs



ANNEXES

ANNEX I

Civil Society Organisations Survey

VDC:

Ward:

Organization Name:

Date Formed:

- 1/. Who formed the organization and why ?
- 2/. What is the purpose or goal of the organization ?
- 3/. What activities or work do you do ?
- 4/. What benefits does the organization bring
 - members ?
 - the wider community ?
- 5/. What would you like to see your organization do in the future ?
- 6/. What would be the obstacles you would need to overcome to do this work ?
- 7/. How many members are there ?
- 8/. Who are they ?

Male –	Socio-economic status
Female –	Well-off
Ethnicity –	Middle
	Poor
	Mixed
- 9/. Who does not belong and why ?
- 10/. If you work with the VDC or other government offices, which ones and how ?
- 11/. Do they support your work and how ?
or do they make your work more difficult and how ?
- 12/. Do you think government expects too much of your organization or underestimates what you do ?
- 13/. Do you think your organization can influence policies that interest your members
 - at the Ward level ?
 - - at the VDC level ?
 - - at the District level ?
 - at the National level ?
- 14/. Who responded to this survey from the organization ?

Annex II

The District Development Committee, Government District Offices, the Dairy Development Corporation and Plan International were approached for information. Staff were interviewed and written reports obtained. Similar information with minor variations was collected from each – the information collected was based on the following core format with additional follow-up questions. The Focus Groups and Key Informant Interviews were started then abandoned due to the security situation.

Makawanpur District Level Organisation Information Collection Format

- 1/. What groups or organisations have you formed at the community level ? can you provide information by VDC – number of members, male, female ethnicity, how long ago were they formed etc ? and any other information they have on distribution etc. For what purpose do you form groups ?
- 2/. What criteria does this office use to select VDCs or participants for programme expansion. ?
- 3/. Do you make use of existing groups or form new groups ?
- 4/. What activities do they undertake ?? Do they do Savings and Credit ? If so do they get access to external sources of credit ?? what sort of support does it provide to the groups ??
- 5/. Do groups make their own rules and operating procedures or are these determined at a district or central level ?
- 6/. Planning questions
 - ◆ Does the office/organisation have a long or short term work plan for its activities in the district ?
 - ◆ Is it available on request to members of the public ?
 - ◆ Are the public invited through the media to contribute or review the plan ?
 - ◆ Is it developed in consultation with the DDC ?
 - ◆ Are other civil society organisations like farmer associations, co-ops or NGOs involved in making the workplan ?
 - ◆ Are any special priorities given to reaching women, ethnic minority groups or remote areas ?
 - ◆ Is an annual report of achievements expenditures etc to the public ?

VDC level – Key Informants – Leaders of CBOs/NGOs

Semi-structured interviews with individual leaders of community based organisations, elected officials and staff of development/government institutions based in the VDCs.

1/. In this VDC what groups are there that the community participate in that manage natural resources like forest grasslands, water supplies, schools, health services or address other concerns in the community ??

2/. How did they come to be set up and when ??

3/. Who provided the motivation to start the groups ? the community ?? a government official ? local leaders ?? a committed individual ?? other ??

4/. How many of the households participate in these groups ?

5/. Within the nine wards of the VDC are some better covered than others ?? why ??

6/. Within the groups which households belong (i.e. which ethnic groups, family occupation, structure of household, age, socio-economic condition, etc??)
Why do you think these people belong ??

7/. Within the groups which households don't belong (i.e. which ethnic groups, family occupation, structure of household, age, socio-economic condition, etc??)

Why do you think they don't belong ??

Were they invited to participate when the groups were formed ?

Have they asked to join since and been refused ?

Could they join now if they wanted to ??

8/. Does the CBO elect its leaders ?? are they periodically changed ?? who holds the leadership roles ?

9/. What activities does the group undertake in the community ?? Is this widely accepted by the community ?? the government ??

10/. What other roles do you feel they could undertake beyond what they are doing now ?? why don't they ??

Annex III

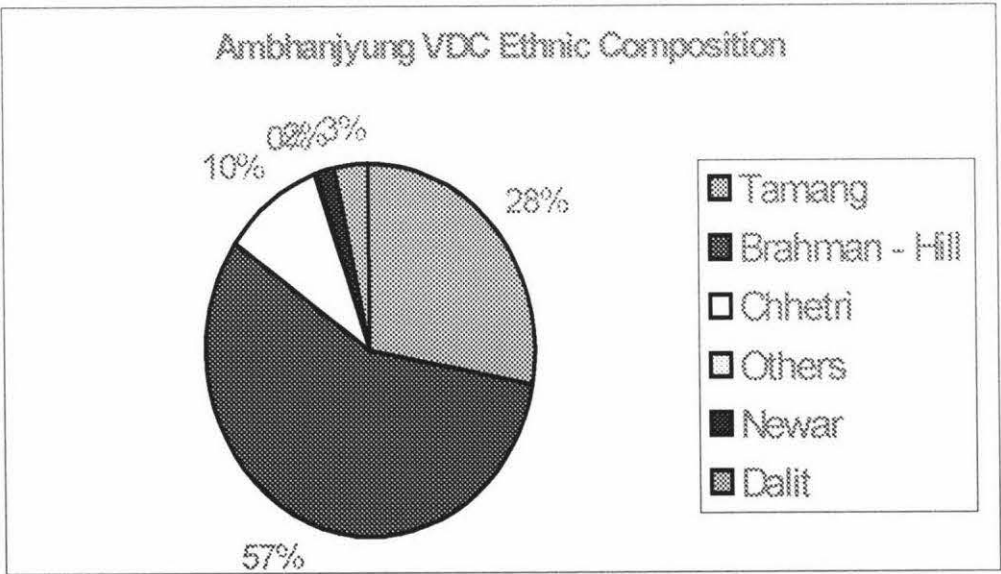
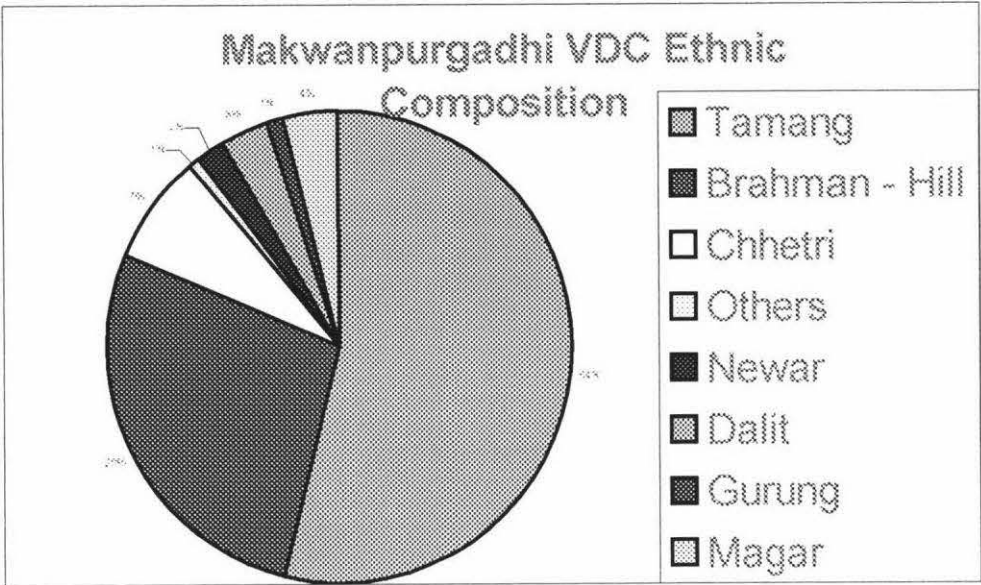
Historical Timeline – Makawanpur

Pre 900	<i>Baise Rajas</i> (Twenty-two Kingdoms) and <i>Chaubaise Rajya</i> (Twenty-four Kingdoms) – many small kingdoms in the west of Nepal.
900 – 1300	Malla kings of Jumla west Nepal create first sizeable state – rule parts of Western Tibet, southern Kumaun and the whole of Nepal from Pokhara and south to Dullu.
1300	Bahun and Rajputs migrate into West Nepal.
1300s –	Western Malla Kingdom collapses. 30 petty states restored to former independence. Sen Dynasty rises to importance – MakwanpurGhadhi becomes capital.
1400 –1450	Sen dynasty at its peak – capital relocates to Palpa.
1450-1480	Malla kings regain control of Kingdom to the west of Makawanpur.
1482	Yaksha Malla dies and Malla Kingdom to the west and north – control passes to local nobles.
1484 -	Kathmandu grows in importance - splits into three independent and rival kingdoms that results in great art and architecture, beautiful public buildings, schemes to deliver safe drinking water, a rich agricultural economy and a modest but important trade with Tibet.
1553	Mukunda Sen parcels out the Sen kingdom among four sons, a grandson and a nephew thus weakening it. Harihar Sen further divides the kingdom between one son and a grandson.
1633-1700	Rise of the <i>Chaubaise Rajas</i> (24 Kings) – most restless mini-state Gorkha as one of the poorest sandwiched between Kathmandu and the <i>Chaubaise Rajas</i> territory.
1700	Introduction of maize.
1742	Prithvi Narayan Shah becomes King of Gorkha. Prithvi Narayan Shah marries daughter of Sen King – later relationship sours when saluted with shoes on. Divorces wife (dates unknown).
1744-1750	Begins military campaigns and in six years conquers east Nepal as far as the Arun River.
1762	Gorkhalis overrun Digbandan Sen's capital in Makawanpur in August – (1819 BS ²⁷) – Mir Kasim – <i>nawab</i> of Bengal tries to reclaim territory and gold of Digbandan Sen – defeated by Gorkhalis – Gorkhalis acquire muskets from defeated troops - who then use control of Makawanpur for economic blockade of Kathmandu.
1766	Jaya Prakash Malla requests British of East India Company for military assistance – Kinloch leads troops that are badly defeated in Sindhuli to east of Makawanpur - Of 2400 British soldiers only 800 survived.
1768	Prithvi Narayan Shah takes Kathmandu and then Patan and a year later Bhadgoan (Bhaktapur).
1774	February - 400-500 Makawanis die in battles with Prithvi Narayan Shah's troops.
1775	Prithvi Narayan Shah dies.
1788 - 1792	Nepal and Tibet go to war over exchange rate for coins.

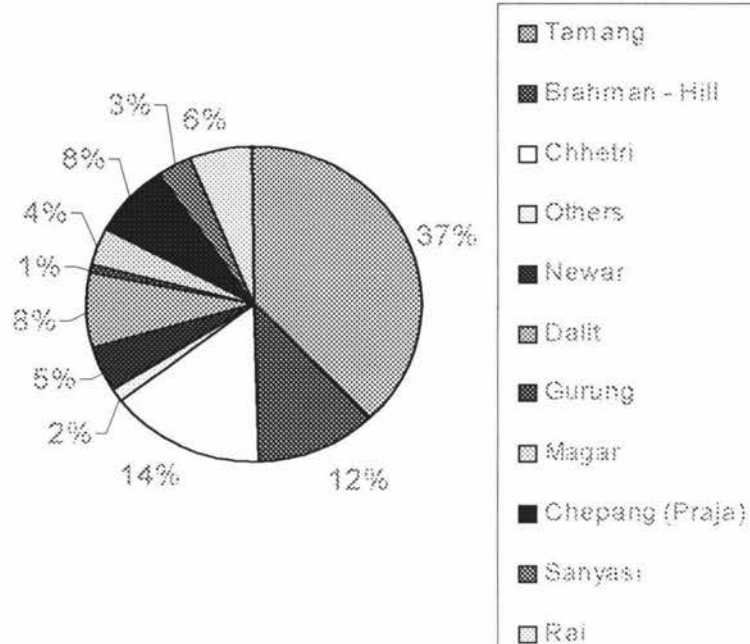
²⁷ BS – Birkram Shah – Nepali Calendar

- 1793 Bhadhur Shah changes tax system – tries to counter British reform in India and retain labourers in Terai.
- 1794 King Rana Bahadur reaches majority – Bahadur Shah removed as regent is imprisoned and later dies in 1797.
- 1799 King Rana Bahadur abdicates the throne.
- 1800 early – Land granted as *Jagir* creates a de facto absentee landlord system as Stiller states – “if ever there was a system open to abuse this was it.” (Stiller 1993) At this time half of Makawanpur district was given over to *Jagirs*
- 1801 To keep former-King Rana Bhadur in Banaras – Treaty of Friendship signed with East India Company – first British Resident in Kathmandu.
- 1804 Rana Bhadur returns to Nepal – Bhim Sen Thapa becomes new advisor – more land taken under control of crown and increased share of the crops to landlords.
- 1806 Rana Bhadur assassinated and Bhim Sen Thapa becomes Chief Minister.
- 1801 Gorkhalis still making *zamindari* payments on Makawapur Tarai lands – British change policy made official in 1810.
- 1812 Tenants continue to pay rent but also contribute compulsory labour.
- 1814 -16 Anglo-Nepal War - February 27 1816 – British advance to five hundred feet from Makawanpur fort – Nepal accepts peace treaty.
- 1846 Jung Bhadur Rana takes over effective power as Prime Minister - establishes system of hereditary Rana Prime Ministers.
- 1951 Rana Prime Ministers overthrown and Shah king returned to power.
- 1959 First democratic multi-party elections held.
- 1960 King dissolves parliament imprisons elected leaders.
- 1961 New constitution establishes one-party-Panchayat system.
- 1980 Referendum held in response to student movement supports status quo but widely believed to have been manipulated.
- 1989 Jana Andolan revolution overthrows Panchayat system.
- 1990 Multi-party democracy reintroduced.
- 1996 Maoists declare People’s War.
- 2001 Massacre of royal family.
- 2002 October 4th King Gyanendra seizes control and appoints Prime Ministers, Ministers, District administrators and other senior officials.

Annex IV - Ethnic composition



Manahari VDC Ethnic Composition



Sarikhelpalase VDC Ethnic Composition

