

CHAPTER-1

INTRODUCTION

1.1 Background:

Bongartz and Dahal states, "The sixties unfolded the concepts of economic nationalism for developing countries, which, in essence meant an economy geared towards self-reliant, inward-oriented, socially redistribute and import-substituting industrialization. In the First development decade—the 1960s—and in the beginning of the second Development decade—the 1970s—more and more critical voices over the suitability of development programs and projects currently being undertaken were raised during discussions. The discussions concerned with the theory and practice of development. Those programs were based on the belief in an evolutionary process of development with the developing countries having to pass through fixed stages of economic growth until they reached “take off” phase. In the Third UN development decade of 1980s, development did not show positive signs. The decade is also described as the lost decade owing to a greater misery of the people in developing countries despite a number of development programs. Development thinkers quickly realized the importance of socially and geographically balanced development of human and physical resources as vital to economic development" (Bogartz and Dahal, 1992, p.2)

Sharma states, “Nepal as a nation state has a history of more than 3000 years. It ranks seventeenth among the old states in the world” (Sharma, 2004, p.141). Nepal is an independent country situated on the southern slopes of the mid Himalayas. According to the census of 2001 the population of Nepal is 23 million in the area 147181 square km stretching over a length of 885 km (east-west), and a width of 145 to 241 km (north-south). Gunanidhi Sharma is quoted as saying:

“...It is split into three zones; namely, hill, mountain, and terai. The altitude of the Himalayan range (includes 35 percent of the land area where 7.3 percent of the population lives) varies between 4677-8848 meters. This range includes the top mountains like Mt Everest and Kanchanjanga which are, respectively, the first and third highest in the world. The range covers many such beautiful mountains, which

have been the perpetual source of river flows, spring water and snowfalls. The economic viability of this zone is explicitly demonstrated when attraction is provided to tourists and wildlife, and impetus for growth is given to; agriculture and healthy manpower supply. The hilly region covers 42 percent land area where 46 percent of population resides. Its height ranges between 610-4877 meters. This range includes many valleys, green forests and fertile lands because of which the population density of this zone is high. It is a land scarce region, and, hence intensive farming practice prevails here. This region is rich in vegetation and cultural diversities and is suitable for cultivation, trekking and tourism. The terai region is conceded as the most viable region for cultivation and, therefore, is a granary for the country. It is also rich in biodiversity and cultural heritage. Lumbini, the birthplace of lord Buddha, is a renowned place for tourism. There are a number of national parks in this range. Nepal's human resource position is adequate considering that Nepal gets remittances to the tune of almost one billion dollars (informally estimated)" (Sharma, 2004, p. 142). Despite the riches we have, the country still is underdeveloped.

Development is prime concern of three-fourth of world population and is more talked and less solved issue. Development is a multidimensional process involving social, cultural and economic change thus, enhancing gradual amelioration of mass population. Developing countries have experienced it for about 50 years. But in the lapse of time, the philosophy as well as agents of development, in the process of development have found in flux. Economic development alone used to govern the holistic concept of development in the initial period of development administration. But the experience of developing countries and the conclusions drawn by development economists showed insufficiency of economic development and shed light on the concept of all-round development; it includes economic, social, cultural and humanitarian concepts (Todaro, 2000, p.9)

Development theorists and practioners working with NGOs were concerned the dilemma about what to do with the widening gap between very few rich and majority of poor. They started to systematically discuss alternative development strategies, such as the integrated development approach, the basic need approach, community

participation, self-help approach and self-reliance for improving the living conditions of the poor.

Over the last few years, civil society forces, particularly the NGOs, the UN development agencies, co-operatives, consumer associations, and the western agencies have started to implement and later to support development projects based on these concepts. As changes in the world economy was felt due to rise in oil prices and the weakening of Breton-woods system, new classical theories began to dominate the development debate in 1970s. Consequently developing countries were transformed into market economies.

Criticizing the past development approach Coombs writes, “The mistaken assumption that underlies many top-down programs is that villagers, because they are illiterate, are unintelligent and must be treated like children. Hence the message devised from experts at higher echelons often tends to talk down to the rural people, telling them what is good for them (without really explaining why) and urging them to abandon various traditional practices in favor of innovative ones the experts consider better. But in reality most rural people, far from being stupid, have acquired considerable wisdom through years of struggling for survival.”(Coombs, 1980, p.78)

It is, indeed, believed that way of development developing countries should follow is to be based on more decentralization and more equity. People’s participation in social, economic, political and cultural affairs is a means by which people directly legislate plans in these area and apply their energy to accomplish intended development goals. Participatory development effort calls for communities, interest groups and pressure groups and internalizes their effort in development scheme.

Midgley says, "participation strengthens the capacities of individuals and communities to mobilize and help themselves. In this way, dependence on the state is minimized and ordinary people rediscover their potential for co-operation and mutual endeavor"(Midgley, 1986,p.67)

1.2 Poverty Reduction: the Overreaching Development Goal

Poverty is an unacceptable human condition. It is not immutable; public policy and action can, and must, eliminate poverty. This is what development is all about. Close to 900 million of the world's poor (i.e. those who survive on less than \$1 a day) live in the Asian and Pacific region. Nearly one in three Asian is poor. Although the proportion of people below the poverty line had been declining, the trends in poverty reduction have recently worsened. Population growth is also adding to the absolute number of poor. Many people in the central Asian republics have slipped into poverty with the economic disruptions of transition. South Asia, one of the poorest sub-regions in the world, now has more than a billion poor people, of whom 450 million are in India. The People's Republic of China has 225 million poor (ADB, 1998, P.8)

Data (see World Bank, 2003; NPC, 2003) reveals that the Status of poverty in Nepal is miserable; 44 percent of population is below the poverty line in rural, 23 percent in urban and in an average 42 percent of population is under national poverty line. Population below 1\$ per day is 38 percent, below \$2 per day is 83 percent, Gini coefficient is 36.7 percent, income or consumption of lowest 10 percent is about 3.2 percent and highest 10 percent consume 29.8 percent. The situation redress to the poor, and majority of them reside in village or remote area so village development program seeks its scope in the line of equitable development. Village development program is based on the premise that development contains the participation of mass, organization thereof, and income and saving enhancement. Principal objective is to eradicate poverty, particularly rural poverty.

After the initiation of Structural Adjustment Program in 1980s, Nepalese economy transformed into liberal economy. Accordingly, the government felt the need to be free from tension of ruling over everywhere and began to draw back its intervention approach, wherefrom private sector started to play dominant role in the economy. With the initiation of structural Adjustment Program (SAP), NGO/INGO led development approach replaced the state-led development approach partly. Village development Program is one of INGO-led development approach to uplift the poor and bring them into social mainstream. This strategy employs the concept of

development to indicate the activities that lead to the empowerment of the rural communities to control and mobilize the resources that they have according to their own aspiration and goals. This kind of development may be achieved only through people's participation. People's participation, mobilization, empowerment etc. provide the scope for the role of NGOs-this is where the NGOs and INGOs can play a catalytic role (Acharya, 1997, p.70-71) .The basic purpose of NGO led strategy of development is to serve as a catalyst in formation of groups of the rural masses, increasing participation and empowering them so that rural people can control and mobilize the resources for their own betterment an improvement in their standard of living. This kind of development should integrate the interest of all social strata and should be consistent with the evolving culture of the people.

Though there is not necessary for the government to take part in every activities directly, but it can facilitate the activities providing transparent guidelines or legislation .The enactment of Local Self Governance Act (LSGA)- 1999 has a good foundation for the implementation of Village Development Program (VDP)through Social Mobilization program . The recent approach of poverty alleviation and rural development hence provides the scope for village development program. The coverage of the program is key to the effective approach of poverty alleviation in sustainable way.Village Development Program same model as Social Mobilization program Implemented by DDC supported SNV /Nepal .

1.3 Social mobilization Program

Decentralised Local Governance Support Program is a major program supporting decentralization, capacity building and social mobilization. DLGSP/Local Government and Community Development Program LGCDP with its reach spread in 75 districts and over 1500 VDCs of the country has played an extremely important role in supporting the goal of poverty reduction strategy adopted by its two main components of capacity building and social mobilization

Village Development Program was initiated in 1992 as a model of people centered development approach to improve livelihoods at household level. It focuses on

people-centered development for poverty reduction by mobilizing the communities into self-governing, broad-based and multipurpose community organization (COs). Its main thrust is on improving living condition of Household (HH) at the settlement level through an effective use of concepts and principles of social mobilization. COs enhance their capacities to effectively plan and manage participatory development to boost up their income.

1.3.1. Main Activities of SMP:

- a. **Human resource Development:** Skill enhancement for improvement in delivery of services, production level and participatory development planning are encouraged.
- b. **Productive physical infrastructure:** There is provision of one time investment in organization. It is in the form of small grant, this grant is provided to community organizations (COs) for developing physical infrastructures based on productivity, equity and sustainability.
- c. **Enterprise development:** The program has been encouraging COs members to scale up their current enterprises or taken up a new enterprise to raise income.
- d. **Linkage development:** The program activities are implemented in collaboration with various government, non-government and line agencies of Panchthar districts.

1.3.2 Program Strategy:

The SMP is based on the three principles of social mobilization, i.e. organizing, Saving and skill. These are called "three Mulmantra" of SMP. On the basis of these principles people organize into COs, save regularly on the basis of month or week, receive training and ultimately involve in decision making process actively. The program aims at improving:

- Service delivery in the community.
- Socio-economic status of the households.

- Participatory development planning.

1.4 Objectives of Social Mobilization Program:

The program seeks to empower people at the settlement and village level to take increasingly greater control over their own development and to enhance their capacities to mobilize and channel resources for poverty reduction. It works simultaneously at three levels:

At micro level: the program supports improvement of governance system and social empowerment process at village development committee and settlement levels through the creation of self-governing and self-sustaining community organizations for an impact on poverty alleviation. It helps to strengthen VDC institutional capacities and strengthening the interfacing with DDCs, civil society organizations, NGO/INGOs, and line agencies through Village Development Programme.

At meso level: the program provides support for the strengthening of development programming and management capabilities of DDCs through Capacity Development Programme.

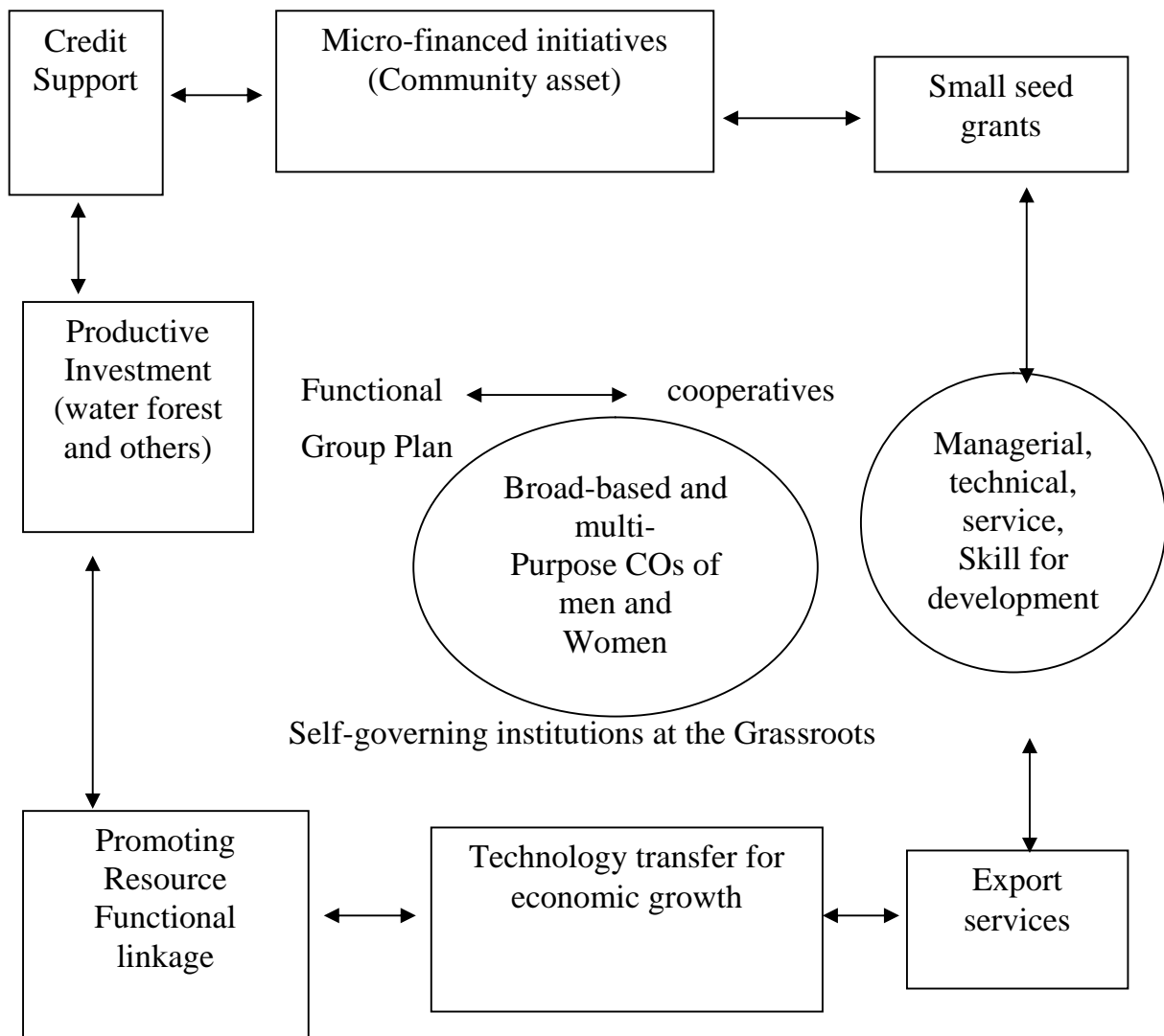
At macro level: the program supports Ministry of Local Development (MLD) and National Planning Commission to formulate macro-policies that reflect and support local development initiatives.

The government's Tenth plan incorporates Local Development Fund (LDF) as an institutional mechanism under DDCs to gradually implement social mobilization and transformation process for poverty alleviation in all the villages. This has been possible through the success achieved at grassroots by Socila Mobilizatiuon Program and through policy inputs at the central level. The government continuity this program three years interim plan .

1.4.1 VDC/VDP Through Social Mobilization:

Linking organized communities of both men and women to the local development process through enhanced local self-governance system for poverty alleviation initiatives is the main motto of SMP.

Fig. 1. Social Mobilization (Village Development Program



Source: LGP-PDDP and SNV/SMP unified Report

1.5 Rationale of UNDP-financed Project

The program has been known as one of the most successful program to alleviate rural poverty by raising socio-economic status of local people. However, it is highly desirable for the project management to know whether outputs have been delivered in time, and effects and impacts have been produced as anticipated. Thus, the timely flow of information helps the program management to detect upcoming problems so that correction could be made in time. For the program management to be efficient, it is compulsory to have strong database and reporting procedures at different levels of program. Likewise SNV Finance project the model of UNDP/PDDP applied panchtar .Two major objectives of this thesis are:

- (a.) To assess the socio-economic impact of the program at local people.
- (b.) To recommend and suggest about monitoring and Evaluation. The program must contribute to establish benchmark indicators as well.

1.6 Program Execution

MLD executes the program. COs have access to seed grant for increasing productivity, improving infrastructure and enhancing COs resource management capacity. The seed grant is matched with cost-sharing contributions from DDCs, VDC, and COs. DDCs, and VDCs Through Partner NGOs provide fund for prioritized small-scale projects.

1.6.1 Amelioration of National Policy Framework: way to decentralization

Nepal has experimented with different forms of decentralization ranging from delegation to devolution of authority. The exercise of forming commission about decentralization hasn't been yet succeeded to formulate appropriate policy conclusions. But the constitution of the kingdom of Nepal 1990 envisages decentralization as the cardinal plank of democratic constitutional framework. The directive principles and policies of the state underlies that the chief responsibility of the state shall be to maintain conditions suitable to the enjoyment of the fruits of democracy through wider participation of the people in the governance of the country and by way of decentralization (constitution of kingdom of Nepal, 1990). The overreaching goals of decentralized governance in Nepal are to strengthen pluralist democracy and poverty reduction. Local self Governance Act, recommended on 1996 by Decentralization Co-ordination Committee, provides VDCs, Municipalities and DDCs greater political and financial powers to lead, facilitate and manage local self-governance and participatory development. LGSA-1999 is based on a number of important lessons and experiences. These include the participatory planning, information and database system including the increased use of local information and village based development experts. The concept, methods of application of program, and processes are supporting capacity building of local bodies. The enactment of LSGA -1999 is the cornerstone for the progress of SMP, but amendment of the very act now has become urgent from the theoretical as well as behavioral point of view.

1.7 Statement of the Problem

Despite the completion of five decade of development planning we could not reduce poverty. Poverty in Nepal is widespread; segments of the poor are hard-core and large area of the country lack the most basic infrastructure. Moreover, because of the various Political Parties Movement the presence of the government is hardly felt in remote area.

After the restoration of democracy in 1990, the successive government emphasized on liberal economy by leaps and bounce; but poverty could not be

alleviated. Growth rate increased substantially at the initial period but could not sustain for long, liberalization influenced the city people and alleviate the poverty to some extent in urban area but the problem remained as it was, in the villages. Inequality became intense, unemployment increased and poverty remained a daunting problem.

According to survey data, over 80 percent of the poor live in rural area. When ecological zones are compared, poverty in both Terai and central Hills is close to the national average. But poverty in the mountain region is much higher-50 percent (NPC, 2009, p.43)

HDI for urban areas (0.616) far outstrips that for rural areas (0.446), thus in average 0.49. Gender-based disparities as well cover some variables that can explain poverty, not only this but caste/ethnicity differentiation severely influences the poor (NPC, 2009, p.43)

The poverty in Nepal has remained severe mainly due to low productivity of land owned by small farmers and lack of alternative employment for them. The poorer households in rural economy are severely handicapped than others, because the median landholding of the bottom 25 percent of households is only 0.51ha, within that, the position of ploughed land suitable for growing rice is only about 37 percent, moreover year round irrigation facility covers only about 11 percent of the land. The poor people often use traditional inputs and get victim of local landlord and sahu when they need credit. The low literacy rate, tradition-bound culture and lack of information or institutional help, the poverty simply remains acute in rural area. The growth of agriculture is stagnant for last 10 years (NPC, 2009, P.38)

Sharma states," government policy is India-centric due to Nepal's 1950 treaty with India, so every macroeconomic policy- monetary, fiscal, trade, labor, investment, exchange rate, price etc. is to be viewed on policy chosen by India, together with feudal legacy on all fronts. Nepal has failed to achieve the planned objectives of poverty reduction, higher growth rate, satisfactory level of employment, favorable balance of payment. Nepal's chronic problems at this juncture are poverty (31 percent of the population is below poverty line), under-employment (50 percent of the labor

force) and unemployment (14 percent of the labor force growing by 300 thousand a year"(Sharma, 2004, p.144)

Suvang VDC also reflects the condition of the country. Moreover, the economic status is highly skewed in favor of handful of people. Lack of off-farm employment opportunity, bad traditions, illiteracy, ill health, small and marginal land holdings and low productivity are perpetuating poverty in Nepal and particularly in the area. To avoid the acute poverty, at least living standard should be improved, and to improve the living standard, economic activities must take a progressive course.

The going study is an effort to assess the socio-economic impact of Social Mobilization Program initiated by SNV/Nepal Through DDC and Partner NGO. Without a detail and sincere study of socio-economic impact we can't assess the sustainability, women empowerment, and group dynamism of the program. The study will confine to the following issues:

-) Are local people getting any economic benefits?
-) What is the social impact of the program?
-) What is the perception of the program to local people?
-) What is the management system of the program?
-) Does program seem sustainable?
-) What is about group dynamism of the program?

Therefore, the study will continue mainly on answering these above questions.

1.8 Objectives of the Study

General objectives of the study are to assess the overall performance of Social Mobilization Program by SNV/Nepal /DDC/VDC in Suvang VDC, Panchthar. However the specified objectives of the study are:

1. To examine the socio-economic impact of Social Mobilization Program.
2. To assess the sustainability of SNV/DDC/VDC program at the local level.
3. To draw conclusion about effective management of the program.

1.9 Scope and Limitation of the Program

1. Though the SMP has been launched in 14 VDC of Panchthar the Suvang VDC can't represent the socio-economic condition of the district truly.
2. Though there are various programs launched the study covers impact study only due to the SMP
3. The study has taken 11 months from Bhadra 067 BS to Jestha 068BS.

1.10 Organization of the Study

The study has been organized into six chapters, each devoted to some aspects of Social Mobilization Program in Suvang Village Development Committee. The titles of each of these chapters are as follows:

Chapter-one: Introduction

Chapter-two: Literature review

Chapter-three: Method of study

Chapter-four: Physical and socio-economic status of study area.

Chapter-five: Data presentation and Analysis

Chapter-six: Summary, conclusions and recommendations

The rationale behind this kind of organization is to follow a simple research methodology. The contents of each of the chapters of this study are briefly mentioned here.

Chapter-one contains the introductory part. As already mentioned this chapter describes the major issues to be investigated along with the research problems and objectives of the study. It includes the background information, Social Mobilization program, its initiation in Nepal, coverage, present status of the program, objectives, rationale of SNV-financed project, and observes the National policy framework: a way to decentralization.

Chapter-two is devoted to theoretical analysis and brief review of related and pertinent literature available. It includes the three kinds of studies—theoretical

rural/village development models, different kinds of rural development model implemented in Nepal since 1950s and micro credit directed to uplift the rural poor. Initially, it discusses briefly about Gateway model to rural development, Agropolitan model and Integrated Rural development program. Secondly, it includes, in brief, the program and projects launched from Tribhuvan Village Development Model –through Panchayat Rural Development Model, Decentralization Model, District Administration Plan, Small Area Development Program, The Integrated Rural Development Project, Small Farmers Development Program –to the program launched in the intrerriem plan for rural development. Thirdly, it includes about micro-credit directed to benefit the poor. It includes production credit for rural women, micro credit project for women, Intensive Banking program, and Grameen Bikas Bank etc. Lastly, it includes the study and research done by concerned institution and experts. It contains the CEDA’s publication, unpublished dissertation for masters and DLGSP reports. Hereby, I progress my research on the objectives stated in the introductory part.

Chapter–three describes the research methodology of the study. Conceptual framework follows the title. Basic impact indicators that are stated by Prof. Gunanidhi Sharma in *Economic Journal of Nepal*, 1992 to assess the socio-economic impact of planning in local level are stated here. This chapter deals with the description of nature and sources of data, sampling technique, statistical tools and techniques.

Chapter-four deals with presentation of physical and socio-economic status of Suvang VDC. It includes physical location, cultural and environmental status of the study area.

Chapter-five deals with presentation and analysis of data. At first, the analysis about the effective management of the program in Suvang VDC is described. It contains how properly manpower, money, material and information are utilized. It includes about the formation of group, leadership selection, group dynamism, optimum utilization of resources, and conflict management in community, government’s decentralization policy and its implementation. Secondly, it explains about the

difference between 2061 and 2067 in socio-economic status of the local people in terms of HH Indicators, Technological Diversification Indicator, Social Indicators, Target Group Indicators, Capacity Indicators, and women participation in HH Decision making. Thirdly, it states the factors that influence the sustainability of the program. Group Decision making includes collective identification of income generating activities, preparation of group investment plans, involvement in community development activities, mediating conflicts, mobilizing resources, repayment of loans, and acquiring services. Again, the extent of involvement is explained differentiating into less active, moderately active and quite active. Moreover the independent (selected) variables are explained and they include educational attainment, number of loan cycle received, size of loan received, labor contribution in community development activities, contribution in-group saving, trend in asset formation, outstanding and overdue of loans, loan purpose (utility), number of group meeting held, and frequency of contact with LDF staff.

Chapter-six states summary, conclusions and recommendation of the research study. This chapter presents the major findings, problems and prospects of the program. It also offers the several avenues for future research. The appendices and bibliography are incorporated at the end of the chapter.

CHAPTER-II

LITERATURE REVIEW

This chapter is based on the theories on rural development, poverty eradication, and rural-urban linkage and tries to explore them in short. I examine, in short, the programs and projects that were implemented for local development in Nepal. I observe every five-year plan to know their contribution to uplift the poor. More over, I try to go through the theses/dissertations about the impact study of Social Mobilization programs, thus creating rationale of present study. The source of study is based on available reports, manuals, workshops, proceedings, and research papers.

2.1 Review of literature on rural development theories

2.1.1 Integrated Rural Development Program

Past few decades have witnessed several strategies for integrated rural development. This kind of rural development strategy is expected to serve a broad set of economic and socio-political objectives such as direct attack on poverty by increasing the productivity of the poor, social control over rural resources allocation and mobilization, and so on.

In 1980s, several developing countries adopted the Integrated Rural Development Program (IRDP) as the strategy of rural regional development model. The integrated rural development requires services as health, education, marketing, transportation, and communication and other institutions in the area. In rural planning, where the problem is one of providing an efficient organization of economic and service functions for the community, these concepts are of great value.

This is the most common approach practiced in most of the developing countries. Though content and focus of IRDP varies from country to country, the main objective is to alleviate rural poverty by strengthening rural economy. However, evaluation studies carried out in those countries indicate that this approach also has appeared to have little impact on the improvement of living condition of mass rural people. As the Phenomenon of bringing balanced urban rural development is complex one, the concepts and strategies evolved and practiced so far in different countries are

neither adequate nor appropriate to some extent. So it is still desired to search for better strategies to alleviate rural poverty.

2.1.2 Rural Development Programs in Nepal

2.1.3 Tribhuvan Village Development Program

Following the political turmoil in 1951, rural development had appeared as an on-going concern in Nepal. Rural development has received considerable emphasis in all the long-term development plans of Nepal since last 50 years. "Tribhuvan Village Development program" was the first attempt at rural development and it was jointly financed by U.S.A. and India. Village Development Centers were established under the leadership of District officer (Block Development Officer) and was assisted by technical line officials and Village Development Workers. It was indeed a multi sectoral community development model for the village.

The first plan (1956-61) gave high priority to village development. In broad the program had three levels: (a) Nucleus Development: minimum program for improving the local infrastructure. (b) 'Dehat' Development: Middle level program to improve agriculture through improved technique and inputs. (c) Village Development: Intensive level program extending health, education, cottage industry and cooperatives.

The program however, suffered from lack of effective implementation, poor people participation, poorly trained personnel, non-cooperation from line ministries and multiple aid donors. However, the program had its massive impact in successive rural development program.

2.1.4 Decentralization for Development Program

The Panchayat system emphasized decentralization to develop the rural area. The Late King Mahendra in 1963 constituted a high level Administrative Decentralization Commission to suggest the ways and means of decentralizing government, powers and functions. The recommendations were following: (a) Abolish the post of "Bada Hakim"(b) Delegate decision making powers to local Panchayat for

collection of taxes, to make certain judicial decisions. (c) Implement decentralization phase wise in a systematic manner. The government prepared a 12-year program to implement the suggestions of this commission. After the suggestion made by Ghimire committee in 1965 the Decentralization for Development program was initiated. Consequently the government's power and functions were delegated to the newly elected village and District Panchayats. The new structure of local government was introduced under the chairmanship of CDO, who also served as secretary to District Panchayat. Line ministries had to devolve authority to district Panchayats. But the top-down nature of target settings and implementation along with reluctance of line ministries to devolve power to district Panchayats led to the failure and abandonment of the program in 1970s.

In 1968, the Administrative Reform Commission was set up which submitted a three-part report for bringing about administration reforms. They did not implement most of the suggestions effectively because of traditional concept of central level agency to rule by themselves. However, the third plan (1965-70) introduced the Panchayat sector in the planning process where district and Village Panchayat were required to mobilize local resources for development process. After the inception of Democracy in Nepal decentralization was emphasized by Administrative Reform Commission in 2048 B.S. Due to its internal conflict the first elected government could neither sustain itself nor implement the recommendation made by itself. Deuba committee in 2053 B.S. suggested a broad and paramount framework of decentralization in Nepal. The local self-governance Act 2055 and subsequent regulation accommodated most of the recommendation made by Deuba Committee for Decentralization. Now, by local government we mean VDC, Municipality and DDC. The Act provides basic right of local people to decide, implement monitor and evaluate the program in local area. They can exercise economic, social and some judiciary rights. But suggestions have been coming as to amend the act and embody it in constitution so as to safeguard it from any demagogue who may be elected from unfair election. It has become urgent to develop the capacity of local people to make effective utilization of the human resources.

2.1.5 Small Area Development Program (SADP)

This approach to development was conceived as a strategy of regional development in the fifth plan (1975-80). Ten small area development programs were planned under the aegis of local Development Department Board. The program failed due to lack of co-ordination among district where areas were identified under the small Area Development Program. Thapa Commission in 1976 was set up and the commission recommended that legal and procedural delays should be minimized; and planning cells of ministries should strengthen making administration development oriented. The recommendations, however, were partly implemented, especially those relating to decentralization.

2.1.6 The Integrated Panchayat Development Design

The design was implemented in 1978 with the objectives of creating inter-sectoral coordination mechanism among various ministries for integrated planning. The principal aim was to strengthen village and district panchayats as the vehicles for rural development. It also provided for the establishment of nine-multidisciplinary service centers in each district to deliver service at the village level (Agrawal, 1986.)

2.1.7 Integrated Rural Development Projects

The model of integrated rural development was adopted by Nepal in 1976 with the inception of World Bank aided Rasuwa-Nuwakot integrated rural development project. The development components integrated in these projects consisted of irrigation, agriculture, livestock, agricultural inputs, agricultural credit, co-operatives forests, soil and water conservation roads, postal services, education, health, and rural industries.

Thus the integrated Rural Development Program (IRDP) is one of such attempts at the local level, serving as the vehicle instrument for socio-economic transformations here (Sharma, 1992.). Further assessing the target of program Sharma

(1992) writes that the program was intended to achieve following specific goals which are consistent with overall national objectives such as: (a) rural development, (b) social diversification, (c) egalitarian distribution of income and assets (d) raising self-employment ratio (e) effective delivery of services (f) increase the productivity (efficiency of land, labor, and other productive assets like financial fund and technology).

However Integrated Development Projects suffered from a number of problems. There was the problem of coordination of development activities, feasibility studies of the projects have been prepared by outside professionals, the dominant role of multiple donors have had rural development projects on the quality of life of rural poor is yet to be assessed in Nepal.

2.1.8 Small Farmer Development Program

This program is regarded as a successful innovation for people-oriented development. Small farmers together with landless and tenant laborers are treated as targets for the purpose of development under this program (Bhatta, 1983.) A small farmer has been defined as a person having an income less than Rs.950 Per annum. The objectives were: (a) To organize small farmers into grass root groups of 12-15 members. (b) To make small farmers self-reliant by raising their income through agricultural and subsidiary activities and by initiation of various community development program. (c) To increase the capacity of small farmers for "planning from below" and to match their receiving mechanism with the delivery mechanism. (d) To improve the bargaining power of small farmers through "group personality".

Luitel (1990) observed that the SFDP is only partly successful to approach in its target group. As the participants are getting benefits from SFDP and ultimately their economic condition is improving, the educated trained and upper caste people could get more benefit than uneducated, untrained and lower caste people.

Sharma (1996) is of view that landless and poor sections of the small farmers were largely neglected by the SFDP, which was in fact designed to cater their needs. Only upper group of small farmers benefited due to emphasis on collateral. Garanal

(1997) also writes that there are very few targeted programs like SFDP and PCRW and they so far covered a negligible fraction of total poor families in the country, probably about 20 thousand poor families out of two million absolute poor families.

The seventh plan has observed that the development program implemented through the organization of small farmers have been found more effective in raising productivity and improving people's participation.

Problems like illiteracy, poverty, lack of technical support services, hostility by traditional landlords and too much dependence on Agricultural Development Bank for credit, etc, have emerged. Despite problems the program is an innovative and successful example of people-oriented development through organizations of the beneficiaries at the non-governmental level (Agrawal, 1986.)

2.1.9 Community Forestry Development Project

Deforestation has been a serious problem in Nepal. Moreover, forest products are vital for the survival of Nepal's rural population. Forest is the main source that provides fuel wood and animal fodder to local people. To control the deforestation government, at first, tried to nationalize all forest areas, but policy could not be brought into practice. Moreover deforestation imbued to corruption. To mobilize people's participation, the Community Forestry Development Project was initiated in 1978 with assistance from World Bank, UNDP and FAP (Bhatta, 1981)

Forestlands were handed over to the care of rural communities. The general objective of this innovative project was to reduce environmental degradation, to conserve soil and water resources and to promote self-reliance among will communities. The project emphasized to the felt need of the rural people. The local people remained on constant guard to ensure prevention of un-authorized destruction of forest resources. The program is successful example of innovative decentralization in forestry sector for accelerating rural development.

2.1.10 Poor and the Constitution of Kingdom of Nepal, 1990

The constitution of Kingdom of Nepal, 1990, has envisioned Nepal as a strong Nation State. Though it has been criticized on the ground that it has become paralyzed and can't lead Nepali citizen to the directions they desire, it contains some provision addressed to the poor. Some of them are as follows:

-) The state shall not discriminate citizens among citizens on grounds of religion race sex caste, tribe or ideological conviction or any of these. Provided that special provisions may be made by law for the protection and advancement for those who are physically or mentally in capable or those who belong to a class which is economically, socially or educationally backward. (Clause 11,3)
-) The social objective of the state shall be to establish and develop, on the foundation of justice and morality, a healthy social life, by eliminating all types of economic and social inequalities and by establishing harmony amongst the various castes, tribes, religions, languages races and communities. (Clause 20,

2.1.11 Development Budget for Rural Self-help

In 2048, Nepali Congress Party formed a government with its 110 MPS, and started to implement the development program. The aim was to uplift the living standard of poor people, develop the backward areas, create infrastructures and decentralize the power to the local level. For fulfilling the objective, 70 percent of the total annual budget was allocated to the rural areas for the local and central program. At initial stage, NRS 50,000 was provided to every Village Development Committee as subsidy (Kunwar, 2003). Lack of communication, ignorance and budget were the main causes of ineffectiveness. It would have been fruitful if the amount were increased gradually for implementing special program as national movement.

2.1.12 Build Your Village Yourself (BYVY)

Nepal Communist Party (United Marxist and Leninist-CPNUML) formed minority government in December 1994. The government initiated BYVY package for every VDC providing NRS. 300000 as subsidy.

The elected local bodies (VDCs and DDCS) were included in implementing process directly. Having no majority in the local bodies, the ruling party ignored the legal network and implemented the program by forming local consumer committees (Kunwar, 2000). People realized that program had provided opportunity for resource deficit rural areas for implementing local level small activities.

2.1.13 Village Development and Self-reliance Program

When the minority government decided to dissolve the parliament and recommended for midterm poll, opposition parties lodged write petition in Supreme Court against the dissolution claiming alternative government. The verdict of the court was in favor of the opposition party, and they formed the government. The government decided to launch a program "Village Development and Self-reliance Program" and discontinued the BYVY. The provision of setting a permanent fund for rural development with the assistance of government empowered the VDC to collect land revenue and use the income in human resource development of VDC itself. (Kunwar, 2003.)

2.1.14 Integrated Peace and Development Program (IPDP)

The program was initiated since 1998. A central level co-ordination committee was formed under the chairmanship of the vice chairman of the National Planning Commission to implement the special development program in 632 Village Development Committees of 25 backward districts. It was proposed for these districts, which were more affected by the internal conflict. Rating the districts as remote areas and far from the main stream of development, the following steps were set up: (1) minimize the present social and economic inequality between the dwellers of special districts and other districts, (2) phase-wise transform to the districts to make better-off by mobilizing the resources available in the special districts, (3) to alleviate poverty

and backwardness by mobilizing resources appropriately for such districts, (4) develop the community and institutional capability of the dwellers of these districts. (Kunwar, 2003) The IPDP had started to show the positive results but it could not get continuity and intensity.

Tenth Plan's Poverty Reduction strategy is built on four Pillars: (1) Broad based economic growth; (2) Social sector development including human development; (3) Targeted Programs including social inclusion, in order to bring the poor and marginalized groups into the mainstream of development, together with targeted programs for the ultra poor vulnerable and deprived groups (who may not adequately benefit from the first two pillars): and (4) Good governance. All of four pillars are essential for improving the lives of the poor, and for mainstreaming the very poor deprived groups, and thus for promoting inclusive development. In implementing the four pillar strategy, the plan also stresses strategic cross-cutting approaches with regard to: (a) redefining the role of the state, and limiting public intervention; (b) enlisting the private sector to play a padding role in employment and income generation and together with NGOs, INGOs and CBOs in complementing government efforts in service delivery functions in key areas, as well as in implementing key activities, (c) promoting community participation in all management of activities at the local levels, and (d) accelerating the decentralization process, which is also a key element under good governance. Thus Tenth Plan has emphasized on trickle-up approach of development. But the plan has vehemently protected the need and role of NGO/INGO and CBOs (NPC, 2003)

2.2 Studies on Social Mobilization Program

Assessing the Social Mobilization Program, Sharma (1997) observes that democratization and institutionalization of a political system requires a strong local governing body based on accountability to the people through various institutions of political participation. It is so because the local governance has a built-in, incentive for participation. The past experience shows that unless local institutions are empowered and strengthened to take initiatives in development process national

development is impossible. The recent approach 'self-reliance' followed by multi-party governments in Nepal is found populist but program without planning. The unmanaged NGOs and duplication of development activities should be avoided and channeled through local planning. Let the hungry bake the cakes! When the people of any locality, large or small, are able to manage their own domestic affairs they may be said to have achieved local government (Pandey, 1994.)

Mr. Kiran Nath Pyakurel conducted a research on "Impact of Rural Development Program" in 1978. The objective of research was to observe the impact of rural development efforts of the govt. and to analyze the effectiveness of rural development institutions such as ADB, Agriculture Inputs Corporation, Village Sajha Societies etc. The finding reveals that the development services in agriculture so far has not reached at the bottom due to inaccessibility by the small farmers. The big farmers control the organizations of the villagers. To avoid such phenomenon the special small farmers' organization be established. The institutions are also quite not successful in convincing the farmers to shift from low productive crops to high productive one (Pyakurel, 1978)

There are two very essential elements in making a rural development project successful. The first and foremost is the basic project design, which includes the project components and the working mechanism. The project components should contain the programs associated with the fulfillment of the basic needs and aspirations of the intended beneficiaries. This could be accomplished only when due consideration is given to bottom-up instead of top-down planning. People's participation, so greatly required for rural development, can only be fully achieved as needs are to be fulfilled. The experiments of the rural development in Nepal since 1956 have been quite a few but its impact to achieve objectives is debatable. Although it is difficult to isolate benefits accrued through rural development programs only, the role of local institutions in development have been quite marginal and ineffective. The local institutions have not been able to take initiative and generate resources. Therefore, it is natural that the rural development has shifted towards area development approach and institutional approach a mere slogan. (Pyakurel, 1980.)

A major concern relates to the ability to implement rural development program in a sustained manner. This would involve the formulation of short-term strategies with a longer-term perspective, particularly in achieving improvements in the productivity of land, labor, in promoting human resource and institutional development. A future strategy must, therefore contain three elements. These are: (1) the launching of economic activities to improve productivity and generate employment and incomes together with development of necessary infrastructure; the provision of social facilities and services, such as in education and health, in a long term perspective; and (2) the establishment of institutional infrastructure to permit the participation of local communities in the development effort and for the effective management and implementation of programs. (Jha, 1987.)

Ghimire has studied the impact of Rural Development Program in Madan Pokhara Village and found some of the problems of rural development (Ghimire, 2001)

The first problem for the rural development is unplanned settlement. Secondly, the division of land in small plots. Thirdly, the rural development has become problematic due to having nominal amounts of property and people have no choice. Fourthly, the illiteracy and unawareness are also the problems.

He recommends some key points like: the VDC should make village profile with problems and prospects. Opportunities for educated youths should be provided in local level so as to minimize migration, and compulsory primary education to all children should be provided. Lastly loan should be provided with correct judgment.

Shakya (2002) researched on the "Impact of VDP on the accessibility of the Dalits into social space". He found that there were many improvements in social status of villagers. But Dalits were partly ignored by the program, excluded from group formation and distinct to higher caste people. His conclusion goes like this: at least, there should have been proportionate participation in political and social sectors. Further he recommended that VDP should seek the participation in COs from all Dalits to induce them to take part in program. The VDC should declare the VDC as the caste-discrimination free VDC. Community organization (CO) is working, as a

saving cooperative and it should expand its program towards social and cultural field seeking participations from Dalits as well. (Shakya, 2002)

LGP, PDDP united report (2003) reports the impact of VDP/SMP since its implementation, VDP/SMP has helped introduce dramatic changes in the way people manage their governance. It has helped foster stronger community solidarity and cohesion. Households at the settlement level have been actively involved in self-governing COs. They share their problems and make collective effort at solving them. They collectively identify common priorities and find a common solution. Community members have increased interactions. By adhering to democratic norms, CO members have increased transparency and accountability in decision-making.

VDP /SMP has its impact upon socio-economic sphere of people. Each COs as organized group has concentration on common problems and solves them. The important aspect for the exercise is the realization on the part of community members of the strength of unity.

In absence of VDP/SMP, resources were virtually concentrated on local elite. But after the initiation of VDP/SMP households in the settlement area have equal opportunity-irrespective of their income, ethnicity and caste-to voice their views and influence decision-making. Women's participation in every matter has become essential now.

Women are participating in increasing numbers in VDC planning. They have benefited in terms of enhanced understanding of the problems faced by community. The number of women leaders and managers has increased. Many women have become village experts, contributing to enterprise and income generating activities including maternity nurse, tailoring, primary health care, veterinary, goat rising, bee-keeping etc. They have launched successful campaign against social scourges like alcohol abuse and gambling. Male now became responsive to women issues.

Health and sanitation status in the village has improved. There is greater awareness about communicable disease. Like diarrhea, dysentery and cholera. Almost all members have built permanent, if not, temporary toilets. They have been teaming

up to clean the streets school premises and public places. Families are using bio-gas and improved stoves, which improve indoor environment reducing health risk.

Communities are better organized to mass immunize their children. There is more water now to irrigate the vegetable farms, which has increased the production of fresh vegetables and grain. Investments in livestock and poultry have increased nutritional level. Public health training has enabled communities to build trained health manpower to respond to health emergence. Use of contraceptives has increased, improving health of women.

Significant impact has been in the area of education. Primary school enrolment rate of school age girls has increased. Some COs provides school fees for girls through internal saving. SMP have focused on women's development and female literacy. Adult literacy rates are rising as a result of adult literacy classes conducted by the program in collaboration with District Education Office. The rise in literacy and enrolment at school is caused by opportunities created by increasing income as a result of credit capital loan; enhanced political and opportunity awareness.

Financial institutions were beyond the reach of the poor because of the cumbersome loan processing system of the commercial banks. SMP has made access to credit easy to CO members, especially poor and underprivileged. They get small loans and credit at an interest rate fixed collectively by members themselves.

Easy access to productive credit has enabled many CO members to establish small shops, own business like factory and milk chilling canters, bee keeping, pig farming, poultry, goat keeping and high breed fruit sapling. Appropriate technology is installed either in drinking water or irrigation. These have been made possible because of LDF, which provides credit as well as training to establish micro-enterprises. The local interest rate of moneylenders has gone down. The credit capital investment and priority productive projects have helped boost average annual income for households. Seed grant fund is transparent because the resources are directly given to the community. Misuse of Fund, Commission in the purchase of material, profit-oriented contractor system and use of substandard construction materials are not possible in the system directly controlled by the community.

2.3 Reviews on Micro Credit:

Rural Credit Corporation was established for the first time in Rapti-valley of Chitwan to extend credit to resettles. Co-operation provided credit to members for undertaking income generating activities particularly in agriculture sector. Co-operation Bank was established for providing credit to Co-operation and farmers. The government initiated production credit for rural women and micro credit was disbursed by commercial and development banks. These two programs are exclusively for the women who live below the officially defined poverty level of Rs. 4400 per capita annual income (previously it was Rs. 2500). Agriculture Development Bank, Nepal (ADB/N) started a targeted credit program entitled Small Farmer's Development Program in 1975/76.

After the restoration of multiparty democracy in 1991, the government established Grameen Bikas Banks, which has been extended to five regions of the country. This program follows the 'Grammen' model of Bangladesh in financial credit to women.

The objectives of designing the rural credit system should aim at making it responsible to meet the needs of the rural people. Similarly, the effectiveness and sustainability objectives require expansion of rural credit coverage in effective manner.

It was realized that rural poor should be the main target group and development program should aim at uplifting the living standard of those poor people. This target-oriented program has become important in alleviating poverty in Nepal. After 1970 various help program based on target group were designed and incepted. They include small farmers development program (SFDP), production credit for Rural Women (PCRW), Intensive Banking program, Banking with the poor (BWP), the Food for work (FFW) etc. A brief sketch of these programs is as follows:

2.4.1 Production Credit for Rural Women (PCRW)

The women development division (WDD) was established under the ministry of local development (MLD) to improve the socio-economic condition of disadvantaged women through a package of development services. For the purpose of attaining the target WDD in 1982 under ministry of Panchayat and Local Development started the production credit for Rural Women (PCRW), the program was implemented in five districts with the help of UNICEF.

The main objectives of the program are:

- a) Improve economic and social status of rural women in the society. This would be done through a combination of credit for income generating activities, training and community development related activities;
- b) Establish self-reliant Women's group to enable them to initiate and undertake production activities;
- c) Integrate Women into the regular service delivery system for credit and technical support services; and
- d) To develop the capacities of WDD to ensure that Women's interest are duly reflected in the development policies of the country.

WDD motivates women to form group of a few members covering from low-income group and help them obtain credit from different banks to increase their income. Loans are strictly divided into production and services sectors.

Women members receive bank credit without any collateral upto Rs. 30 thousand; the rate of interest under the deprived sector loan program is very low. WDD also encourages women to save regularly. There is either optional or compulsory saving and the saving is mobilized into productive activities. The capacity building measures are instrumental in making credit more productive. So WDD provides different kinds of training assisted by bilateral and multilateral donors.

2.4.2 Micro-Credit Projects for Women (MCPW)

WCPW program was started in 1993 with the fund provided by Asian Development Bank. This program emerged following the success story of PCRW, and it has slight modification in implementation modality. The MCPW program targets the

poorest segments of households of below poverty level whose per capita income is below NRs 4400 per annum. In addition, special favor is provided to landless, female-headed households, destitute and disadvantages women. The rural as well as urban women can get the credit from it. The overall objectives of the program are to improve socio-economic status of women and promote their participation in nation building process. In order to fulfill this objective women are encouraged to increase income and employment opportunities.

The project is designed to provide financial as well as non-financial services. On the one hand, it provides non-financial service like organizing women in groups, providing skill training, and on the other, financial services such as credit and savings. The program is destined to motivate rural or urban women who belong to household having less than Rs. 4400 per capita income. The members are encouraged saving regularly and cultivating saving habits.

Group savings and deposits are lent to group members for production as well as consumption purpose. Bank loan is made available to women beneficiaries, initially the loan is provided for agriculture, small business and enterprises. The amount of loan ranges from Rs. 30 thousand to Rs. 250 thousands per borrower.

From mid July 1994 till mid July 1977 a total of 93 villages Development committees (VDCS) and 10 municipalities have been selected in 12 districts by WDS and partner NGOs to implement the program.

CHAPTER-III

METHOD OF STUDY

3.1 Conceptual Framework

Social Mobilization program through Village Development Program is a major component of program under Decentralised Local Governance Support Program and local Government and community development program LGCDP. It focuses on people-centered development for poverty reduction by mobilizing the communities into self-governing, broad-based and multipurpose Community Organizations (COs). Its main thrust is on improving livelihood of household at settlement level through an effective

use of concepts and principles of social mobilization. COs enhance their capacities to effectively plan and manage participatory development to boost up their income.

Households dispose of three powers-institutional, social and psychological. The social power gives access to household production, information, participation in social organizations and finance. The institutional power gives access to decision-making affecting the lives of the people. The psychological power boosts self-confidence of the people. Poverty defined in terms of social and institutional disempowerment means lack of access to the social base of power and productive wealth. Access to social power enhances access to institutional power, while increase in productive wealth leads to improved livelihood. Social mobilization in VDP has two key components: institutional development and social and economic development. The primary requirement for institutional development process is that people organize themselves into COs to create a collective approach in planning and implementing development activities. The community's continued social and economic interests are best served participation, without any restriction or discrimination, to move together in consensus and build social capital at the community level.

Social and economic development component provides COs with a mechanism to harness the full potentials of social and economic growth. In order to build up their economic capital, the group members are encouraged to save and contribute to the group saving account for starting up micro-enterprises on their self-initiation. COs also supplement their income by enhancing their skills to prop up economic growth. Skill development training activities are provided to create village experts and specialists relevant to economic growth.

COs have access to credit capital facility from LDF for establishing micro-enterprise and other income generating activities. They also have access to grant for increasing productivity, improving infrastructure and enhancing COs resource management capacity. The seed grant is matched with cost sharing contributions from DDCs, VDCs and COs. DDCs and VDCs also tap resources from the district line agencies and other sources for implementing prioritized small-scale projects.

LDF, formerly known as local trust fund, supports VDP with the joint efforts of VDC and DDC. The provision of credit capital through LDF helps CO members start micro-enterprises after they develop the required skills and capacity. The availability of such credit means villagers need not depend on local moneylenders who charge exorbitant interest and local commercial banks, which have cumbersome loan process. LDF supports institutional and economic development through credits targeting mainly the poor and needy.

LDF has been strengthened and institutionalized with staff orientation, training and equipment for effective management of its operations. All the 60 program districts have endorsed their LDF by laws for institutionalizing SMP through the proven concept and principles of social mobilization. LDF is now managed by local executive secretary while the program provides technical assistance in pro-poor and positive discrimination, improved monitoring, etc. (LCP/PDDP Unified Report 2003). Executive secretaries are fully trained in planning, managing and monitoring SMP.

3.2 Sampling Design

Population from which sample has been drawn included all suvang VDC wards. At first, it was decided to carry out purposive sampling of 42 percent of 43 groups, each two from a ward, totaling 18 groups. Again, each group from every ward includes a women group. The next step consisted of random sampling while selecting groups and respondent beneficiaries. The final stage comprised random selection of three household members from each 18 groups thereby making a total sample size of 54 beneficiaries focus to include pro-poor, Dalit, Janajati and women.

The study has largely based on primary data. Judicious use of secondary data constituted a part of the research process. Primary data was collected by means of structured questionnaire in interviewing the sample respondents. Observation has been carried as well. Key informant survey was also conducted to collect information in order to investigate the problems, prospects, and condition of success for future projects activities. Discussion and group interview were held with SMP staff,

community leaders, female-headed households, VDC representatives and concerned line agencies' officials.

3.4 Techniques of Data Analysis

As far as possible complete questionnaire during day was checked in the evening and if anything became urgent to be included, a separate paper was used to collect the information. The local unit reported by the respondent was converted into uniform and standardized units. The information thus obtained has been presented using simple mathematical tools such as ratio, percentage and average. Simply descriptive method has been used for analyzing data.

3.5 Impact Indicators

To assess the socio-economic impact of SMP on local people, some of the indicators stated by Prof. Dr. Gunanidhi Sharma in 'The Economic Journal of Nepal, 1992' are employed. Moreover, women participation in HH decision-making is observed. They are as follows (Sharma, 1992, PP: 9-10):

House Hold Indicators:

- Z An expense on medicine-decline indicates better health.
- Z An expense on education- increase is a good indication.
- Z Eradication of disease-a reflection of healthy environment and health awareness.
- Z Expenses on cattle and the number of cattle owned-increase indicates high propensity to save.
- Z An expense on dresses-increase is a manifestation of modernization.
- Z Change in food habit-other than cereals such as vegetables, fruits, meat, milks, etc, is an indication of economic transformation.
- Z Expenses on consumption-increase reflect better way of living.

Technological Diversification Indicators:

- Z Change in farming practice-application of modern but diversified culture.

- Z Increase in marketable surplus-indicates the conversion of subsistence farming into commercial farming.
- Z Increase in industrial, commercial and service units.
- Z Increase in livestock population of improved variety.

Social Indicators:

- Z Change in banking habit-deposit to currency ratio, the use of organized source of fund, and the number of financial organization.
- Z Change in population composition, fertility rate, and the employment pattern.
- Z Change in literacy rate.
- Z Change in the no. of technical hands.
- Z Availability of physical infrastructures like road, school, and health posts etc.

Target Group Indicators:

- Z Effect on target group in terms of (i) training and education-number of programs, types of training and education, expenses or budget for training and education, etc. (ii) asset formation-including the purchases of assets like livestock, firms, land, equipments, equities, bank deposits, bonds and debentures.

Capacity Indicators:

The measurement of the difference between targets and achievements gives an indication of absorptive capacity. Following indicators are noted as the enhancing factors of social absorption for modernization.

- Z Training and education-no. of trainees and educated people and amount spent in training.
- Z Institution building or local institutions for service delivery.
- Z Revenue generation at the local level.
- Z The size of matching fund-the local participation rate and
- Z Formation of durable social assets.

Apart from above mentioned indicators, women participation in HH decision-making is assessed.

CHAPTER-IV

PHYSICAL AND SOCIO-ECONOMIC SITUATION

4.1 Introduction

Panchthar district is divided into 41 VDCs. Out of them 41 VDCs are located in Hilli area, and Suvang VDC is situated in the very Hilli part. The geographical boundary of VDC is surrounded by Four neighboring VDCs, namely Bharapa in the north, Panchami in the east, Nagi in the south, and Ekteen in the west. From the point of view of political administrative division, it lies in the eastern development region, Mechi zone, Panchthar District; constituency no.- 2 and Illaka no. 11. It has tropical weather, and temperature being in the range of 30⁰ c max-12⁰c min. Average rainfall (annual) is 150mm and its altitude is 112-124 meter. The area the VDC covers is about 3321 hector.

4.2 Land Use

About 55 percent of land is cultivated, out of which 95 percent is irrigated. The remained 45 percent of land is built-up area.

Table-1, Land Use Pattern

S.N.	Type	Area (ha)	Percentage
1.	Total cultivated land	1825	55
	Irrigated land	1734	95
	Non-irrigated land	91	5
2.	Built up area (School, religious place, playground, forest, building, Hat bazaar)	1496	45
		3321	100

Source: suvang VDC profile, 2010

4.3 Land Ownership

Table- 2, presents that 17 percent HH cultivate their own land, 4 percent HH cultivate own by employing others, 5 percent HH land is cultivated by others only, 37

percent HH cultivate others land only, and remained 37 percent cultivate own as well as others. Table- 3 explains the wealth ranking. It exhibits that 15 percent families are from well to do, 26 percent medium and 59 percent are poor (based on the VD profile 2010). Table- 8 exhibits wealth ranking by landowner family. There are 30 percent landless people, 28 percent have their own house and house covered land, 25 percent have land below 1/3ha, 11 percent have below 2ha but above 1/3 ha; and 3 percent HH hold above 2 ha land.

Table- 2, HH Distribution by Land Ownership Pattern

S.N.	Land ownership	No. of HH	Percentage
1.	Cultivating own land only	125	17
2.	Cultivating own land by themselves employing others	32	4
3.	cultivating their land by other	39	5
4.	cultivating others land only	281	37
5.	cultivating own as well as others land	281	37
Total		758	100

Source: Suvang VDC profile, 2010

Table- 3, Total Status of Wealth ranking by Income Sources

S.N.	Type	Family no.	Percentage
1	Well to do	260	15
2	medium	450	16
3.	poor	1021	59
Total		1731	100

Source: suvang VDC Profile, 2010

Table- 4, Wealth Ranking by Land Ownership

S.N.	Type of Land Ownership	No. of family	Percentage
1.	Landless family	36	1
2.	Only house and house covered land	694	40
3.	Below 1/3 ha land owner	750	45
4.	Above 1/3 and below 2 ha	199	11
5.	> 2 ha	52	3

Source: Suvang VDC Profile, 2010

4.4 Population

Total population is 5316 and 51.53 percent are female and 48.97 percent are male (table- 5). While considered population by ethnic/caste group, 45 percent are Brahmin, 4 percent are Chetry, 40 percent limbu , 1.2 percent are Rai ,2 percent Shrepa,4.36 percent Tamang, abd 11 percent Dalit (Table- 6). Table- 7 shows the population composition. About 38.52 percent of population is of below 15 years 4.45 percent are of above 60 years and 58 percent are economically active population.

Table- 5, Population Distribution by Sex

S.N.	Sex	No.	Percentage
1.	Female	2714	51.53
2.	Male	2602	48.87
Total		5316	100

Table- 6, Population Distribution by Caste

S.N.	Caste	Population	Percentage	Remark
1.	Brahmin	1862	35.	
2.	Chetry	217	4	

3.	Limbu	2147	40	
4.	Rai	64	1.20	
5.	Shrepa	56	2	
6	Tamang	232	4.36	
7.	Newar	83	1.56	
8	DaLit	631	11	
9	Others	24	1	Majhi, Bharati
Total		5316	100	

Table- 7, Population Distribution by Age Group

Year	0-15	16-59	60 and above	total
Population	2084	2795	437	5316

Source: Jilla VDCwise tathynka and Maps

4.5 Migration (For 1-2 Years)

Some of people have gone outside the VDC either in course of service or to acquire education. About 47 no. of women and 167 male have gone outside the VDC.

4.6 Public Services and Facilities:

4.6.1 Health: there are one public health institutions. They are: **Sub-health post: One**

Apart from these institutions, there are at least 1 private clinics in the VDC. Most of the patients go to Disrrict hoospital . Phidim as they are ensured against health in Panchthar Hostipal

4.6.2 Veterinary Service

There is one private veterinary centre.In the VDC

4.6.3 Market facility

There are 1 weekly local markets

4.6.4 NGO/INGO/Clubs

There are three NGOs. They are actively involved in development activities

4.6.5 Electricity, Communication and road

Electricity is available in all wards of VDC except 10 percent area, but many HH could not afford for it. There are more than 30 telephone line and one post-office.

The road facility is quite good since there is a Suvang Khola river famous for

Table: 8, Road Facility

S.N.	Type of road	Length (km)
1.	Black topped	No
2.	Gravel	30
3.	Muddy	20
	Total	50

Source: Nepal jan uddarsang ,NGOs VDC Profile, 2010

4.7 Livestock

There are 77,345 no. of domestic animals people own. Out of them 4646 no. of animals are of improved type and remained 72,700 no. of animals are of local type.

4.8 Literacy and Education

There is altogether 54 percent of population literate. There are 10 schools, 67 teachers and 1000 students. Out of the total students 51 percent are girls and only 49 percent are boys.

CHAPTER-V

PRESENTATION AND ANALYSIS OF DATA

The purpose of this chapter is to carry out data analysis. At first, it attempts to analyze the **Organization and Management** of SMP. Secondly, **Socio-economic** impact study is carried out, and at last, the **Sustainability** of the program at local level is observed.

5. 1 Organization and Management

Organization is a consciously co-ordinated social unit, composed of two or more people that function on a relatively continuous basis to achieve a common goal. Social Mobilization Program is implemented through community organizations, and these COs are organized social units who work to achieve a common goal, i.e. development. LGP, MLD and NPC frame the management of the SMP, and MLD executes the program. So the program is executed by VDC in local level.

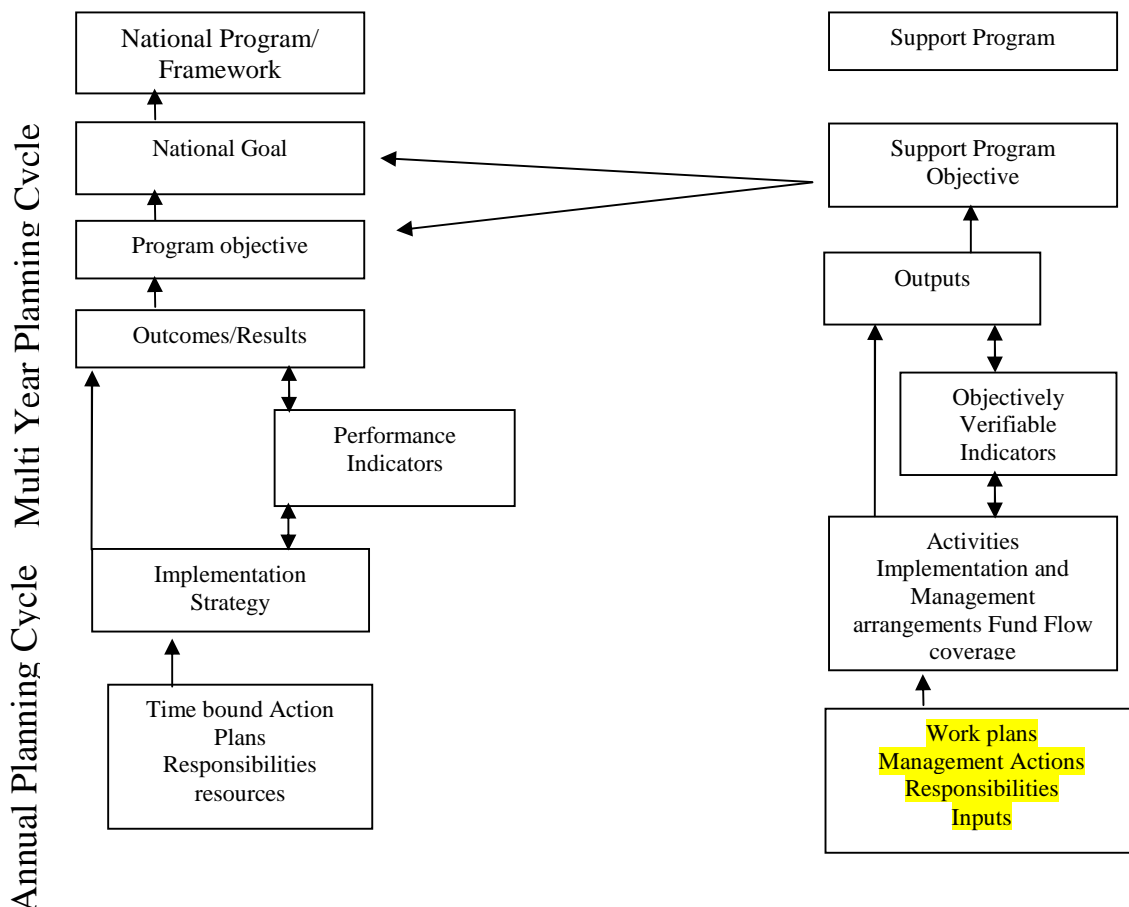
5.1.1 Linkage of National Program with Support Program

In 1990, Nepal promulgated a new constitution providing for multiparty democracy under a constitutional monarchy that stresses on the participation of local people in the process of governance. The parliament under the multiparty system of government passed laws of local governance; especially the DDC, municipality, and VDC Acts in 1992. The DDC, municipality, and VDC Acts provide an institutional structure to manage both local and urban development in Nepal. As outlined above, legislative provision has been made for the full involvement of people and their institutions in the development process. The current policy enhances the role and influence of local authorities, NGOs, the private sector and the community level institutions, encouraging the exploitation of their potentials. In all cases, there is an increasingly broad-based acceptance of the principle of ‘voice’ and ‘choice’ as operational norms. Here ‘voice’ refers to the right to criticize and give local guidance

to enhance socio-economic rationality to the decisions made by the government. The same is true and more intense for the locally elected bodies. This is aided by the stricture in each of the three Acts of local governance that all locally elected authorities keep their accounts and decisions completely transparent. ‘Choice’ refers to the liberalization of the development process. SMP is being launched to develop villagers so as to exercise trickle-up approach of development. LSGA- 1999 has further enhanced the scope of SMP. A conceptual relationship between national program and support program is depicted in fig.-3, which demonstrates how a support program contributes in achieving the results of the national objectives

Fig- 3

Linkage of National Program/ Framework with Support Program



Source: A National Framework Document for Decentralized Governance and Capacity Building, March 2002, NPC

5.1.2 Group Formation and Group Dynamism

"Where as Psychologists focus their attention on the individual, sociologists study the social system in which individuals fill their roles; that is, Sociology studies people in relation to their fellow human beings" (Robbins, 2000, p. 9). A group is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives. There are various kinds of group formed, with the specific purpose the specific groups are formed. Social Mobilization program works under community organization-the formal group.

5.1.2.1 Need of Group

Table-9 indicates that 72 percent of sampled HH reported to have joined in-group to take loan. The secondary objectives for joining group were increasing income (49.3percent), followed by participation in community development activities (29 percent) and upgrading skill development (about 16 percent). Eight percent of the sampled beneficiaries reported that they joined groups because of peer group pressures.

Table 9, Percentage Distribution of Sampled Beneficiaries Reporting Reasons for Group Formation

Reasons for group formation	Unit percent
Credit access	71.6
Participate in CD activities	28.9
Increase income	49.3
Skill development	15.5
Group pressure	8

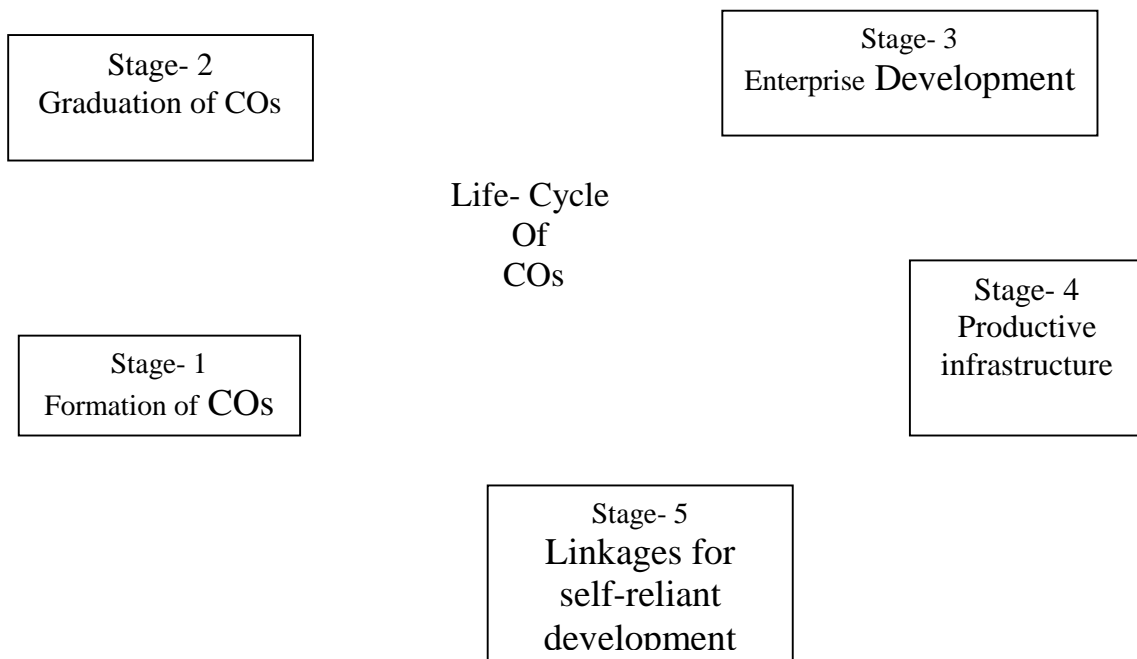
Note: one respondent may respond one or more options

5.1.3 The five Stage Model

As shown in fig. - 4, the five-stage group development model characterize group as proceeding through five distinct phases: forming, storming, norming,

performing and adjourning (Tuckman, 1965). But in behavior the stages are differently coded. The first stage, forming is characterized by a great deal of uncertainty about the purpose of group, structure, and leadership. Members are tasting the water to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

Figure – 4, Group Development



5.1.3.1 Group Formation

Community Organization is formed through social mobilization process when sensitization of community is carried out by a team of social mobilizers. To develop these communities as sustainable development institutions, priority is given to capital formation and human resource development. There are 15 male COs, 13 female COs and 15 mixed COs in suvang VDC. A CO reaches at a stage of self-sustaining and self-governing organization through various stages. There are 27 matured COs in the VDC.

The initiation process for formation of COs starts with several dialogues at the settlement level between community people and a team of social mobilizes. Once the

people become ready to organize themselves the real process of CO formation begins. At least 80 percent of HH should organize into COs to ensure universal participation of the settlers of that settlement.

5.1.3.2 Basis of Leadership Selection

Soon after a group is formed, it elects leader who is a literate (educated) members and considered to be a person of integrity, having the motivation for community service. The roles of chairperson and the manager are set up by the organization itself. The chairperson and the manager play the role of catalyst to convince other people in theSMP group.

As table-10 shows, about 90 percent of sampled beneficiaries reported that leaders of their group were selected on the basis of group initiative. About 7 percent of sampled beneficiaries reported that leaders were selected by VDC representatives and three percent said that VDC co-ordinator selects the leader.

Interestingly enough, the basis of leadership selection, with the initiative taken by group members seems quite encouraging among the people. In the literature of development, there is a common consensus that the leadership selection should be left to the concerned people themselves. Leaders hand-picked by development agents tend to dominate others and may result in group disintegration over time (Khadka, 1994,).

Table-10, Percentage Distribution of Sample Beneficiaries Reporting Basis of Leadership Selection.

Basis of leadership selection	Percentage
Group initiative	90
VDC-representative	7
SMP-co-coordinator(social-mobilizar)	3

Trust is the foundation of leadership. It is impossible to lead people who don't trust leaders. Trust and trustworthiness modulate the leader's accesses to knowledge and co-operation. Group interview revealed that COs members trust the leaders because they themselves have selected them.

5.1.3.3 Graduation of Group

During this stage there is a regular weekly meeting of the COs and collection of saving is mandatory. The COs prioritize the works to be carried out with self initiation to build the harmony for self-help development. Farming and non-farming business enterprises are identified by each member of CO. The COs self-initiate the task of building roads, digging tracks and trails, environment maintenance activities and spreading literacy campaign. Enterprise development is another step to mobilize resources effectively. There is a monthly chairperson Sector's conference (CSC) organized. The maturity certificates are awarded to the COs when all the required features of COs are resumed. This maturity certificate becomes the departure point for the COs in receiving seed grant, credit capital, and skill development activities. There are 27 matured COs in Suvang, among them 8 COs are of women group.

5.1.3.4 Group Meeting

It has been mandatory for the groups to hold at least one group meeting once a week to discuss about the formulation of investment plans, loan application, loan repayment, problems encountered in project implementation, matters related to training and community development activities etc. another underlying purpose of holding regular group meeting is to promote group solidarity and group cohesiveness among the members of the group.

Table-11 shows that 13 percent of sampled beneficiaries reported that only one group meeting was held in the last three months, while 80 percent respondents mentioned that their group had two meetings in the last three months, but 7 percent respondents had no any group meeting since last three months. Group interview and field observation revealed that the beneficiaries of the sampled group, who held no group meeting in the last three months were mostly inactive and lacked the interest in undertaking community development activities. The fact behind the critical plight is either illiterate or morally crippled leaders.

Table-11, Percentage Distribution of Sampled Beneficiaries Reporting no. of Group Meeting held in last three months.

No. of meeting	Percentage
-----------------------	-------------------

No meeting	7
Once	13
Two or more	80

5.1.3.5 Enterprise Development

The COs start undertaking both individual and collective enterprise of farming and non-farming activities of their choices. The saving generated by COs is invested to the fellow members who need it. Further, resources can be obtained from LDF as a credit capital to support and operate enterprises. The internal saving and investment (Cum) of 43 COs in suvang VDC is Rs. 14,85,888 and Rs. 36,85,550 respectively. The total investment is distributed to the different sectors. Out of the total, 50 percent has been invested to agriculture sector, 30 percent to the livestock, and 15 percent to trade and remained 2 percent to others.

The COs participate in planning process for implementing productive infrastructure by identifying their productive plans, which include irrigation, water supply, community forestry etc. To implement such plans the functional groups are formed by the CO in a forum of CMC. The COs receives ‘seed-grant’ for implementing productive infrastructure to receive direct benefits by all the CO members. Total credit capital received by COs in Suvang VDC is Rs. 12,24,700. Out of it 2,91,000 has been invested into agriculture sector, Rs. 6,57,500 to live stock sector, Rs. 2,74,000 to trade and Rs. 22,000 to cottage industry. (DDC Panchthar, 2010)

5.1.4 Linkages for Self-reliant Development

When the COs and functional groups firmly develop themselves as self-reliant grassroots level institutions, they further expand their links (Vertical and Horizontal) for development and management with LAs, NGOs, civil society, banks etc. This stage is the top-most level of achievement of SMP The COs also receive support in

the transfer of technology, i.e., improved seed, off-season vegetable production, farming system, non-farm activities, etc.

The support organization team links the COs with the development process of the VDC and line agencies using their resources. The COs will also be supported in programming their needs and in linking these programs to the formal VDC and DDC programming cycles through participatory development process. The program coordinates and mobilizes resources of the DDCs, VDCs, line agencies, and COs to implement SMP. The commitment for the mobilization of VDC resources is one of the criteria for the selection of VDCs for the implementation of VDP. In addition, the support is provided in enabling the COs to link their needs with resources of commercial banks and research centers. Expertise available with the line agencies, NGOs and the private sector or other institutions will be mobilized for training and skilled manpower development at the community level for the provision of priority services, as identified by the COs.

5.1.5 Institutionalization and Internalization of SMP

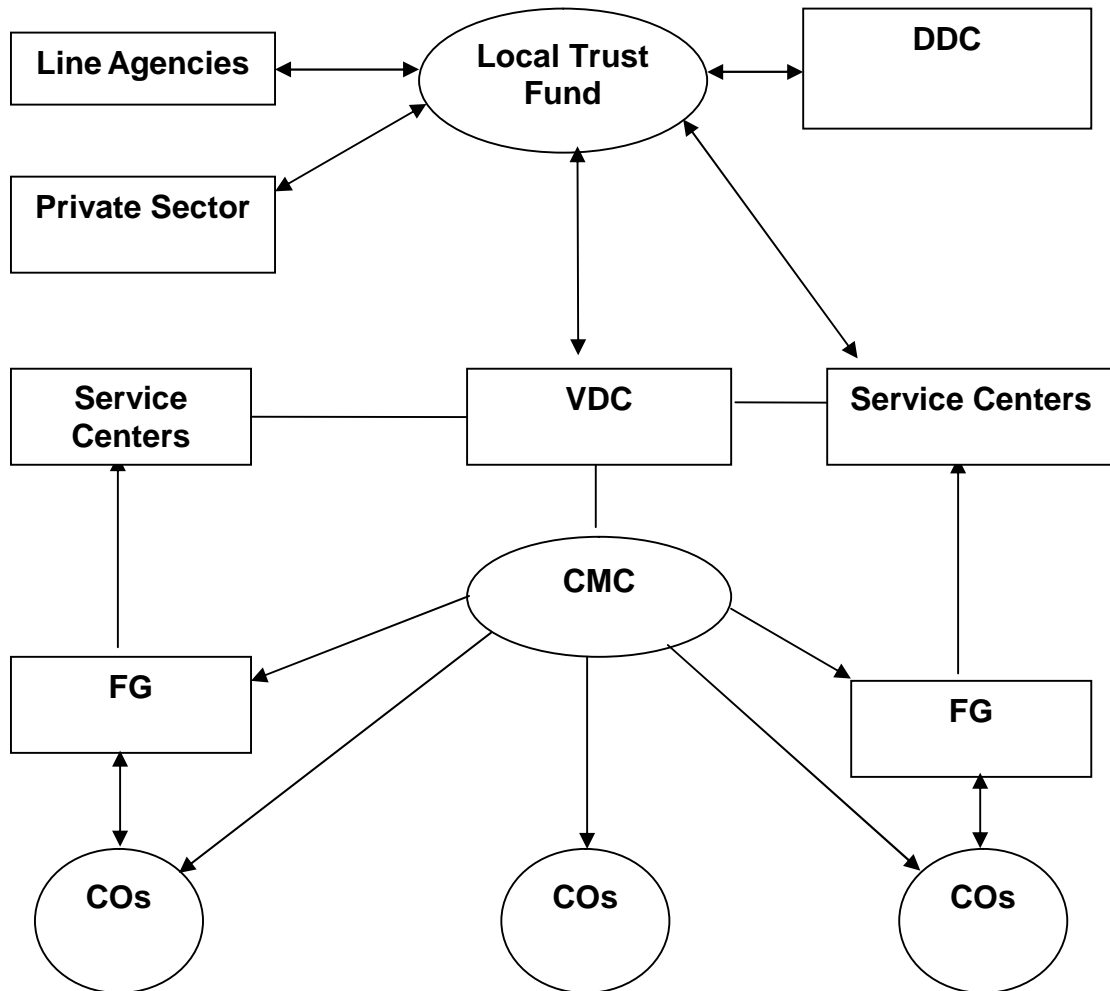
The capacities, structures, systems and culture instilled by the program in implementations SMP are designed to ensure gradual sustenance of the program. LDF has now been legally prescribed under LSGA-1999 to institutionalize the conceptual framework and mechanism for SMP implementation.

LDF provides a unique opportunity and valuable vehicles for supporting initiatives for institutional development and poverty reduction efforts at the grass roots. Twenty seven COs in Suvang VDC have matured and reached their second threshold as they have begun demanding increased resources and new avenues for their development (UNDP, 2003)

As part of the internalization strategy of SMP, the operational cost of LDF implementation is being gradually sustained through income generated from revolving credit facility created as an integral part of VDCS and DDCs and inputs from the program.

The organizational structure is exhibited below. The LTF is contributed by line agency, NGO/INGO, private sector, DDC, VDC etc. VDC is itself a service centre and CMC and group members are active recipient of the program (see below,fig -5)

Fig.- 5, Modality of Organizational Development under SMP of Local Governance Program at Glance



5.2. Assessment of Socio-economic Impact of Social Mobilization Program

In order to assess the socio-economic impact of SMP, the selected socio-economic indicators between 2060/61 and 2066/67 are compared. For this purpose selected indicators are categorized under 6 thematic groups.

5.2.1 Comparison on General Economic Indicators

Table- 12 makes it clear that the general economic indicators, which were employed to compare and measure the changes, are found to have improved.

Table- 12, Percentage of beneficiaries reporting the perception of change in general economic indicators between 2060/61 and 2066/67

S.N.	Indicators	Increased	Decreased	No. Change
1.	Income	81.48	9.25	9.27
	Farming	74.07	-	25.93
	Wage laboring	75.92	-	24.07
	Others	46.29	37.03	16.68
2.	HH Saving	50	10	40
3.	Group Saving	100	-	-

Turning to the indicators of table- 12, 81.48 percentages of beneficiaries reported that their income has increased, 9.25 percentage of respondents found the income decreased, and 9.27 percentages found no change in income. About 74 percent of beneficiaries have increased the farm income, and 26 percent did not felt any changed. In addition, 76 percentages of respondents found the increase in wage income, and 24 percent felt no change in it. Moreover, 50 percent of respondents felt increase in household saving, 10 percent felt decrease and 40 percent felt no change, but in case of group saving, 100 percent found to have increased.

The above findings indicate the shift of subsistence economy to market economy because income from wage has increased (76 percent) substantially. Income and HH saving are positively related. But one of the remarkable points is that group saving increased immensely as 100 percent respondents have increased it in spite 9 percent felt no change. This is a good indication of 'we-feeling'.

5.2.2 Household Indicators

Table- 13 makes it abundantly clear that all the indicators used to compare and measure changes in HH indicator, except one, that is; expenditure on medicine, have been found in better direction.

Table- 13, Percentage of Beneficiaries Reporting the Perception of change in HH indicators between 2060/61 and 2066/67

S. N.	Indicators	Increased	Decreased	No change
1	Expenditure on medicine	7.48	81.48	11.11
2	Expenditure on education	92.59	3.70	3.70
3	Expenditure on cattle	74.07	18.51	7.40
4	No. of cattle owned	70.37	18.51	11.11
5	Expenses on consumption	92.59	-	7.41
6	Expenses on dress	100	-	-
7	Food habit frequency (in month)			
	Vegetable	72.22	3.71	24.07
	Fruit	37.03	-	62.96
	Milk	64.81	-	35.19
	Meat	53.33	-	46.29
8	No.of environment awareness program	83.33	-	16.67

Here, we noticed that more than 81 percent of respondents reported that expenditure on medicine has decreased. It seems quite good. Paradoxically, the interview with key informants revealed that the actual expenditure on medicine has increased. Most of the members of COs have ensured health in Panchthar Hospital Again, more than 92 percent of respondents reported that the expenditure on education has increased, this reflects the good situation; more than 83 percent of respondents have reported to have increased the environment awareness program- this is an indication of eradication of disease like cholera and other communicable disease.

About 74 percent of respondents increased the spending on cattle, 71 percent has added some cattle, 93 percent increased the expenditure on consumption, and 100 percent has increased expenditure on dress. Consequently, the above information ensures that the village people are in a progressive direction.

Similarly, the major portion of respondents reported to have consumed more vegetable (72 percent), fruit (37 percent), milk (64 percent) and meat (54 percent). If this is true what they have said, either they used to consume little amount of vegetables, protein, vitamin or they have begun consuming much vitamin, protein etc. But initial logic seems true as they are still consuming quite lesser amount of protein, vitamin and minerals. We at least, notice the direction is good.

5.2.3 Technological Diversification Indicators

Table- 14, Shows that most of the respondents have adopted the available modern techniques and equipment either in case of farming or livestock keeping.

Table- 14, Comparison on T.D.I. between 2060/61 and 2066/67

S.N.	Indicators (Percentage)	2060/061	2066/067
1.	Farming Practice		
	a. Plough	83.33	70.37
	b.Improve plough	37.03	55.55
	c. Wage labor	55.55	74.07
	d. Parma	57.40	51.85
2.	Use chemical fertilizer	68.51	83.33
3.	Livestock of improved variety	27.77	53.70

The indication is that people have begun using modern technology. About 83 percent of respondents used to cultivate their land using plough in 2060/61 but only 70 percent of them use plough to cultivate land in 2066/067. Additionally, 37 percent of beneficiaries used Improve plough in 2060/061 but the percentage has increased to 56 percent in 2066/067. Similarly, working in wage-paid basis (74 percent) increased, Parma Pratha gradually declined (52) in 2066/067. There were 28 percent beneficiaries having livestock of improved variety in 2066/067, now each two has an improved variety of livestock. The manifestation made by data is that the people have inclined to adopt new technology. Group interview revealed that even small landholders have begun to use Improve plough because it is quite easy, as they need

not keep oxen for off-season. It does mean that people might use both plough and Improve Plough, Parma and wage-paid simultaneously. Market observation revealed that local people often come to the local market not only to buy but also to sell the surplus they have. In the past, most of the primary goods from outside the VDC used to be consumed but, at present, the goods that are locally produced are being consumed. 'A house A tree' like campaign was conducted by all COs in VDC, the result was an increase in fruits and better environment. Clubs and NGOS often conduct similar programs.

5.2.4 Social Indicators

Table- 15 explicitly indicates that the social indicators are in better direction.

Table- 15 Comparison on Social Indicators between 2060/061 and 2066/067

S.N.	Indicators (percentage)	2060/061	2066/067
1.	Deposit to currency ratio (0.2)	7.40	18.51
2.	Source of borrowing		
	Institutional	18.51	77.77
	Money lenders	64.81	-
3.	Literacy rate	42.59	55.55
4.	Duration of off-farm employment		
	1-3 months	38.88	75.92
	4-6 months	25.92	44.44
5.	Fulfillment of food (>6 months)	22.22	37.03

About 7 percent of respondents had more than 20 percent deposit to currency ratio in 2060/061 but the percentage increased to 19 percent in 2066/067. This indicates the good banking habit. One of the surprising points is that there are no banks in the area at present because of Rural area VDC. In spite of the unfavorable condition the banking habit increased, the one reason for this is that group saving has

increased and the sum is kept in banks. About 19 percent beneficiaries used to borrow from institutional source in 2060/061 but they have increased the habit of borrowing from institutional source as 78 percent beneficiaries have reported to have borrowed from the institutional source in 2066/067. As group interview clarified that major portion of borrowed fund comes from their own COs, and LDF. Similarly, 65 percent of respondent had borrowed from moneylenders in 2060/061 but the respondents did not provide the data for 2066/067. . In such case secret borrowing takes place. Literacy rate increased from 43 percent in 2060/061 to 54 percent in 2066/067. About 39 percent of respondents have reported to have engaged in off-farm activities (1-3 months) in 2060/061 but 76 percent respondents are engaged in off-farm activities for the duration of 1-3 months. This is due to increase in no. of factories and wage paid labor in the local area. Similarly, the off-farm employment for 4 to 6 months also increased in 2066/067 since factories near by VDC are providing more opportunities. Slight improvement in the sufficiency of food for more than 6 months is seen as 37 percent respondents have food now for more than 6 months against 22 percent in 2060/061.

5.2.5 Target Group Indicators

Table- 16, Percentage of Beneficiaries Reporting the Perception of change in Target Group indicators between 2060/061and 2066/067.

S.N.	Indicators	Increase	Decrease	No. change
1.	Asset formation	83.33	-	16.66
	Land	5.55	-	94.45
	Equipment	68.51	-	31.48
	Equity	3.70	-	96.29
	Poultry	87.03	7.40	5.56
	Livestock	75.92	9.25	14.82

Table -16 makes it clear that about 83 percent of respondents reported that they have increased assets. Components of asset are found to have increased over time.

Only 6 percent respondents have increased land, remained portion of respondents have found no change in land. Similarly, 69 percent of respondents have added some kinds of equipment like bicycle, home gadgets, etc; 4 percent has increased the holding of equity, 87 percent has increased poultry and 74 percent has added livestock. The indication is simple enough to perceive that they have added the assets. The increase in either livestock or poultry is praiseworthy because the sustenance of up keeping them is possible.

5.2.5.1 Training

Training undoubtedly broadens knowledge skills and attitude. Table- 17 indicates the difference in training received between 2060/061 and 2066/067.

Table-17 Percentage of Beneficiaries Reporting the training received in 2060/061 and 2066/067.

S.N.	Kinds of Training	2060/061	2066/067
1.	No training	83.33	22.22
2.	Veterinary and live stock	16.66	46.29
3.	Crop and vegetable	9.25	27.77
4.	Population and family welfare	1.85	5.55
5.	Leadership development	-	9.25
6.	Bamboo and wooden work	7.40	12.96
7.	Fast food making	-	5.55

About 83 percent of respondents reported that they hadn't received any training in 2060/061 but only 22 percent has not received any training in 2066/067. In 2060/061 only 17 percent of respondents had taken veterinary and livestock training but 46 percent has had it in 2066/067. The percentage having training in population and family welfare, bamboo and wooden work and crop and vegetable have substantially increased and became 6 percent, 13 percent and 28 percent in 2066/067 against 2 percent, 7 percent and 9 percent in 2060/061 respectively. Training in leadership development and fast food making was not received by anybody in 2060/061, but 9 percent and 6 percent of respondents have received it in 2066/067 respectively.

Almost all training received by beneficiaries was provided by VDC and LGP. Group interview revealed that training programs were not rated very useful. But training on veterinary and livestock, vegetable farming and leadership development were found useful.

However, the training of members of COs have scope for improvement, and a suitable system of assessing training needs has yet to be developed.

5.2.6 Women Empowerment Indicators

The specific concern of this topic is to assess and investigate the extent and structure of women's participation in household decision-making in 2060/061 and 2066/067. The major quantitative indicator of female status used was the relative input into three area of household decision-making: farm management, involvement in local market economy and domestic activities.

It was often expected that women's status vis-à-vis men in a given roles and the contexts within which these roles are enacted since male and female, must enact a number of different roles in the course of a lifetime. Respondents were asked about who had participated in the various decision making process in 2060/061 and 2066/067.

The first category includes decisions on domestic activities such as cooking, washing, sweeping, family health care and sanitation, food processing etc. Instead of asking them these items separately only domestic activities was asked and written here. Secondly, farm management decision was taken as an indicator to assess the impact on beneficiaries. This includes questions on seed selection, choice of cropping pattern, input use pattern, animals to keep etc. The final category is the extent of gender's involvement in local market economy, which covers decisions on the selling, and buying of food items, livestock and agricultural inputs.

5.2.6.1 Participation in Domestic Activities and Farm Management Decision Making Process

Separated from the other "economic" or income-earning sectors but supporting agriculture and all other income activities with its services are the domestic activities.

These domestic activities encompass activities like cooking, laundry cleaning childcare, fetching water etc.

Table- 18, Percentage of Beneficiaries reporting Household decision making in farm and domestic activities between 2060/061 and 2066/067

S N	Particulars	2060/061				2066/067			
		M	F	Both	Total	M	F	Both	Total
1	HH decision	9.25	74.07	16.67	100	5.55	33.33	61.11	100
2	Farm Mgmt	44.44	33.33	22.22	100	37.03	27.77	35.19	100

Extent of gender's participation in farm management is also illustrated in table-18. Although the activities seem same with domestic activities, it is conceptually separate in the sense that the activities it encompasses are all geared towards the production of household goods or commodities.

About 9 percent HH domestic decision was taken by male alone in 2060/061 74 percent decision was taken by female only and 17 percent by both thus totaling 100. But in 2066/067, only 6 percent male got involved in decision of domestic activities, 33 percent female but 61 percent both female and male. This indicates that even large portion of male (61) have started to take decision in collaboration with female. Male have become quite cooperative to female and involved jointly to decide domestic general activities. This is a good indication for women empowerment, which is possible by the true assistance by male partners.

Again in farm management decision-making, 44 percent male, 33 percent female and 22 percent both used to involve in 2060/061 but in 2066/067, 37 percent male, 28 percent female and 35 percent both have been involved in farm decision-making. This is also a good indication on part of women. Both indicators show that cooperation is good between male and their female partner.

5.2.6.2 Gender's Involvement in Local Market Economy

Rural women are usually entangled in the less or non-remunerative household chores. Social norms and regulations usually do not permit their living into the outside productive sphere. This sub-section analyzes involvement in local market economy from the perspective of gender issues which includes of disposal of goods produced in the household for sale or exchange in the near by market or weekly Hat Bazaars. Table- 19 presents percentage distribution of genders involvement in the decision making process to participate in local market economy in 2060/061 and 2066/067. I want to know whether there is any improvement in women's role in such activities from where currency is generated and they have opportunity to use it.

Table- 19, Percentage of Beneficiaries reporting the involvement in local market economy decision making from gender's perspective in 2060/061 and 2066/067

S.N.	Particulars	2060/061				2066/067			
		M	F	Both	Total	M	F	Both	Total
1.	Selling of agricultural product	38.88	37.03	24.08	100	35.18	37.03	27.79	100
2.	Selling of livestock products	55.55	18.51	25.93	100	20.37	50	29.62	100
3.	Selling of home produced goods	27.77	51.85	20.37	100	49.25	31.1	19.63	100
4.	Buying of livestock	64.81	14.81	20.37	100	50	12.96	37.03	100
5.	Buying of agricultural	59.25	33.33	7.42	100	46.29	38.88	12.82	100

	inputs								
	Overall	49.25	31.10	19.63	100	40.21	33.94	25.37	100

Although, percentage of male input in local market economy decision making was higher (49.25) when compared to female input (31.10) and both male and female (20percent) in 2060/061, the situation of women have improved in 2066/067. Only 40 percent (less than 49.percent) Male 34 percent female (more than 31 percent) and 25 percent both male and female (more than 20 percent) have taken local market economy decision in 2066/67. In all condition women get empowered. Even if male domination is existing (40 percent) in the decision making process in comparison to female (33.94 percent) the situation has improved in comparison to 2060/061 data.

What this shows is a pattern familiar in many parts of the developing countries, whereby men leave the major part of both the domestic work and the subsistence farming to women and try to find some ways either within the village or beyond to earn cash to supplement family income.

However, the above findings do indicate that the process of empowerment of women in household decision-making process was seen to have gained some momentum in selling of livestock products and buying of agricultural inputs.

5.2.6.3 Change in Social Status of Women Beneficiaries in the Household and Community Level

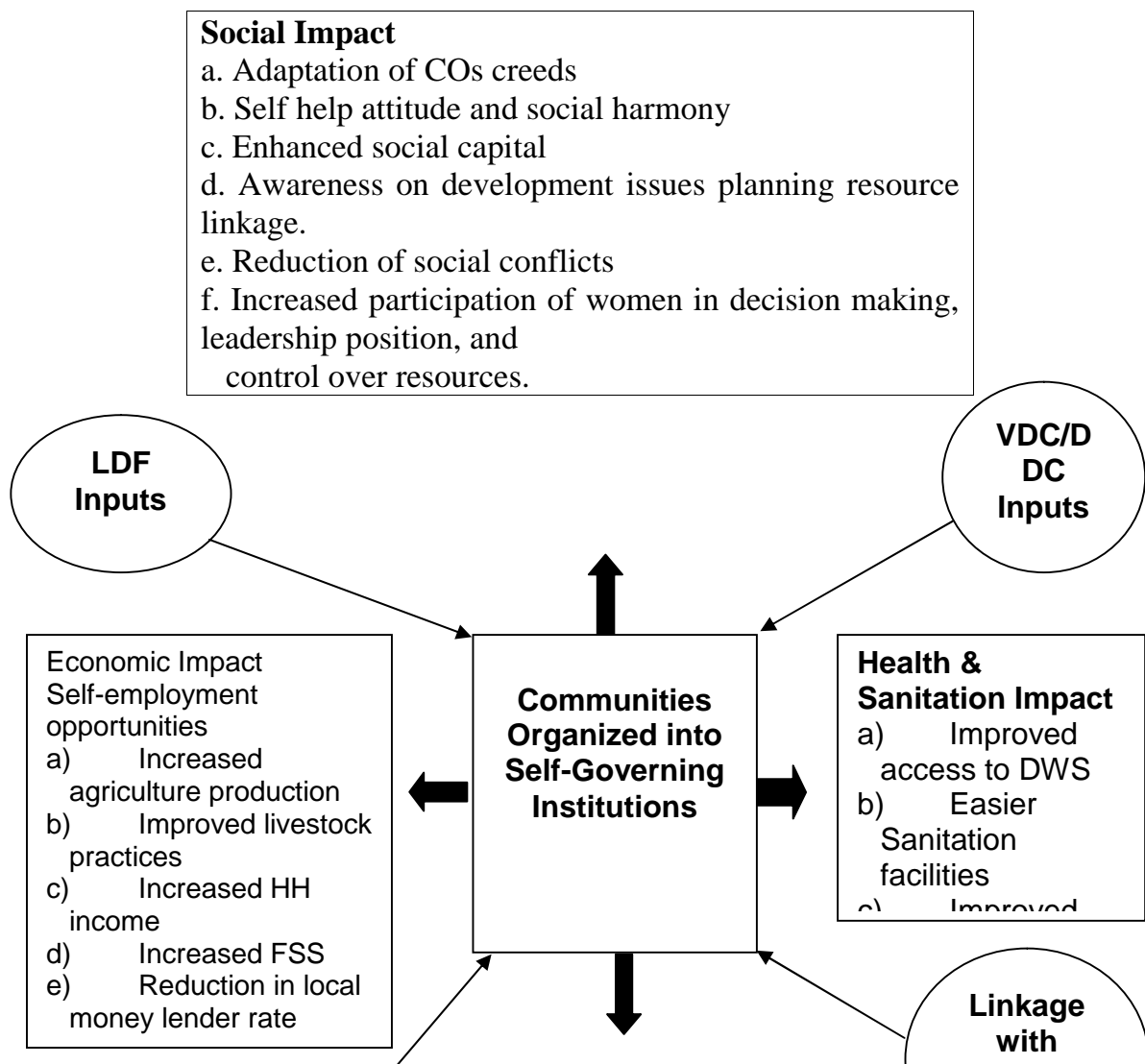
Key informants survey with the women beneficiaries revealed that improvement in their status in the household resulted in somewhat lower assessment than in community. About fifty percent of women respondents affirmed improved household relations with their husband in terms of husband's role in improved relation and better cooperation. Many women respondents felt less restricted in speaking their mind and more inclined to make decision on their own after they joined COs.

Relatively more women respondents perceived improvements in terms of "relation" and "cooperation" with "friends" and "neighbors" in the community. One likely reason for improved relation and better cooperation with "friends" and "neighbors" might be that project beneficiaries' women in the course of all sorts of

project- sponsored community development and training activities developed "we-feeling" and made friends in the community out of need for mutually supportive group.

Few women beneficiaries experienced strained relation and less cooperation from their husbands. In other words, while household internal relations might have been strained through the challenges posed by women becoming entrepreneurial, their external relation with 'friends' and 'neighbors' characterized as improved after joining SMP program

Fig- 6, Socio-economic Impact of SMP through awareness social regulation, LDF support and linkages at glance.



5.3 Sustainability of the Program at Local Level

5.3.1 Community Development Activities- A Cause for Group Solidarity

People who come together in SMP COs tend to form structure and develop norms and standards that help them to operate effectively and maintain themselves as a group. According to Rossi (1972), solidarity is a broad concept which refers to the existence of a persistently tie that crystallizes the sense of attachment to one's group. The degree of solidarity of a group is determined by the personal need satisfaction it provides to its members (Dimock, 1983). It was observed in the field that group where members were working toward a common goal like drinking water scheme, rehabilitation or construction of small irrigation scheme, nursery establishment and fodder plantation on a cooperative basis was found to be more cohesive.

Hoffman-Nowotny (1981) maintains that group solidarity is enhanced by social participation that exists in the structure of a social system. According to him, as members of a given group prefer direct participation in communal activities, the group will be tightly bonded into everlasting group solidarity. Participation of COs members in different facets of CD activities create personal ties among the members of the group.

Table- 20, Percentage Distribution of sampled beneficiaries reporting participation in Major Community Development Activities (n =54)

CD Activities	%
Drinking water scheme	33.33
Irrigation scheme	51.85
Agro-forestry	38.86
Trek and trail construction	79.62
COs house	40.74

33 percent of sampled beneficiaries participated in the construction of drinking water scheme either in the form of voluntary labor or material contribution. Fifty-two

percent of sampled beneficiaries were found to have participated in the construction of irrigation scheme, 39 percent have involved in agro-forestry scheme, 80 percent in trek and trail construction and 41 percent have involved in COs house building process.(Table-20)

5.3.2 Sectoral Distribution of Credit Disbursed

Table- 21 clearly shows that the absolutely largest proportion of the disbursement of credits was channeled into agriculture (50 percent). They borrowed loans for cash/vegetable production mostly for wheat, rice and vegetable cultivation. Cereal and horticultural crops cover major proportion in this title loan.

Thirty three percent of sample beneficiaries have borrowed for livestock keeping activity. They include cattle/buffalo and she-goats keeping. Fifteen percent beneficiaries have borrowed for trade and other two percent beneficiaries have been found to have taken loan for other activities. They don't include productive activities perhaps.

Table- 21, Sectoral Distributions of Loan

Sectors	Percentage
Agriculture	50
Livestock	33
Trade	15
Other	2

5.3.3 Number of Loan Cycles

Positive impact on sampled beneficiaries was assessed by analyzing the demand for credit and its utilization. Table- 22 presents percentage distribution of beneficiaries by number of loan cycle received.

Table- 22, Percentage Distribution of Sampled Beneficiaries Receiving Number of Loan Cycles

No. Of loan cycle	Percentage
Non-	12.96
One-	64.81
Two-	18.51
Three or more-	3.73

Slightly more than three-fifth of the sample beneficiaries were found to have taken only one cycle of loan, whereas 18 percent of the sampled beneficiaries received two cycles of loan, 13 percent and 4 percent of the sampled beneficiaries proceeded to take no loan and three or more cycles of loan respectively.

Field observation revealed that uptake of a second or follow on loan was more popular with earning enterprises. But those who take one-cycle must not be interpreted as to have failed in improving the activity. They often take loan for needy situation and returned back in time, so there is no overdue of loan.

5.3.4 Size of Loan Received

Average loan size varied by purpose of loan. The size of the loan ranged from Rs. 1,000 to Rs. 10,000. Table- 23 illustrates percentage distribution of sampled beneficiaries receiving different loan size.

Table- 23, Size of loan received by sampled Beneficiaries from COs

Size of Loan (Rs.)	Percentage
Upto Rs. 1,000	12.96
Rs. 1000-2000	18.51

Rs. 2000-5000	50
5000-10,000	18.53
> 10,000	-

As seen from table-23, about 13 percent beneficiaries received loan size in the range of up to Rs.1000, while 19 percent had taken loan size of Rs. 1000-2000; fifty percent of the sampled beneficiaries drew loan size in the range of Rs. 2000-5000, while the remaining 19 percent received loan size in the range of Rs. 3000-10000.

5.3.5 Loan Operation

Primary data on loan repayment, loan outstanding and overdue loans could not be collected, as respondents couldn't recall it correctly. Hence, loan operation analysis was partly based on LDF quarterly report. As of mid July 2010, analysis of data shows that loans disbursed to beneficiaries in suvang VDC for various income generating activities amounted to Rs 1.24 million. Out of it 50 percent has been repaid and remained 50 percent is outstanding. But there is no overdue of loan. This reflects the population as honest and devoted to COs norms.

5.3.6 Support Services to COs

Timely supply of support services is indispensable from the service delivery institutions for the smooth operation of program like LGP. Table- 24 indicates that beneficiaries are often in contact with social mobilizers; VDC official frequently; and LGP official sometimes.

Table 24, Percentage Distribution of sampled Beneficiaries' interaction with service delivery agency

Service Delivery Agency	Percentage
VDC official	62.96
Social mobilizer	92.59
LDF official	38.88

About 63 percent of respondents met VDC officials time and again and interacted with them, 93 percent beneficiaries reported to have met social mobilizer and 39 percent have met LDF official. The data shows the interaction with different agency is quite good. The beneficiaries, in-group interview, reported that they have no comment with service delivery agency. This also reflects the smooth functioning of SMP in the days to come.

5.3.7 Group Saving Fund

One important instrument of self-reliance initiated under the LDF program is the institution of group savings. Members of group make monthly/weekly contribution to a group saving fund on an agreed basis according to their capacity to save. Table-25 presents the status of establishment of group saving funds (GSF).

Table- 25, Establishment of Group Saving Fund by Sampled Beneficiaries

Contribution is GSF	Percentage
No participation	0
5-20 months	0
21-40 months	77.77
40> months	22.22

Hundred percent of the sampled beneficiaries reported to have participated in-group saving scheme. The monthly contribution varied from Rs. 20 to 80. About 78 percent deposited Rs. 21 to 40 per month, and 22 percent deposited more than Rs. 40 per month. It was commonly observed that there was no decline in regular contribution in fund. It is clearly known that members who showed least interest in-group saving scheme did not understand the real purpose of group saving fund. There was cohesion and identity of common interest that contribute to high participation among group members to sustain group saving scheme.

5.3.8 Local Development Fund

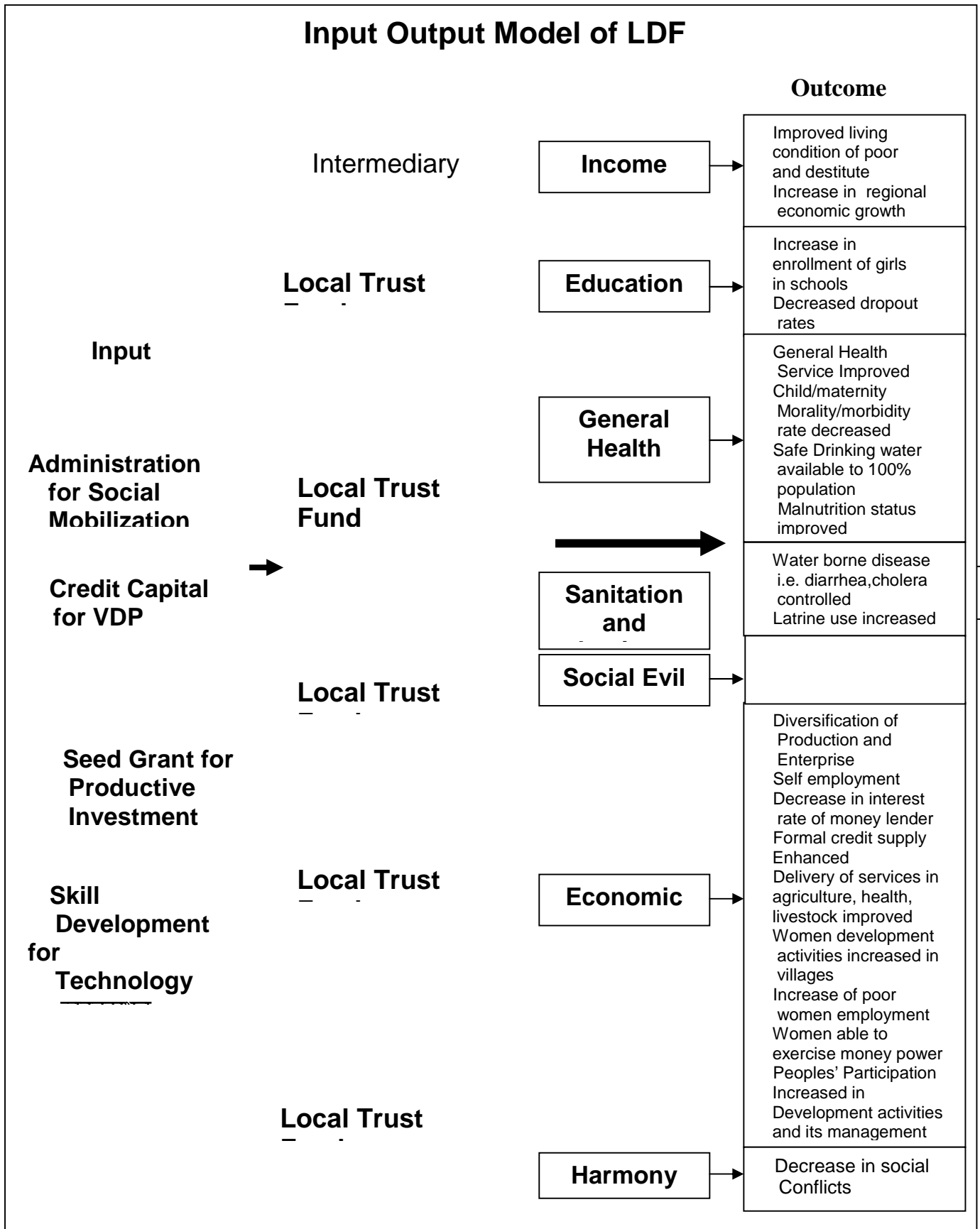
SMP model stresses on social capital in local development by enlarging the voices and choices of the poor, who take an active part in decision-making affecting

the community. LDF consists of support teams that have since 1997 developed specialized capabilities to provide service to rural communities through social mobilization. It has successfully demonstrated how a specialized agency can be developed within DDC to facilitate and manage poverty alleviation initiatives. SMP operations are to be sustained through LDF as part of revolving facility through micro-finance activities and local resources.

The main source of fund for LDF is SNV DDCs and VDCs provide matching funds. Bilateral and multilateral agencies, National and International NGOs, HMG and financial Institutions are other sources. In Suvang-VDC, about half million rupees amount of credit capital delivered from LDF taking wholesale loan from ADB/N (Quarterly Report 2010) DDC Panchthar

Input Output Model of LDF

Outcome



5.3.9 Group Decision Making Process

COs organized under SMP are the institutions at the very grass-root level. Institution of this kind encompasses complex of norms and behaviors that permits over time by saving collectively valued purposes. Groups are organized in any context to achieve some specific purposes by undertaking specific activities within a specified period of time span. One set of task of COs directly focuses on income generating activities with loans. A second set of tasks deals with the loan from LDF. The third set of tasks focuses on the community development activity, which requires SMP to mobilize and manage local resources. The final set of tasks requires the group to acquire outside resources (technical as well as financial) from government and non-government organizations.

In all the above-mentioned tasks, what really necessary is the involvement of beneficiaries in decision making process to arrive at consensus in developing and constructing organizational charter for the management of group activities. SMP group is viewed as an instrument in bringing rural villagers together in the decision making for doing things collectively.

The capacity and sustainability of the group relies on the construction of agreements, which the members will support and enforce, for joint action, which is so important that all members will impose organizational discipline on themselves to accomplish corporate purpose. Sustainability of the group in the present context is defined is the ability at the system (SMP group) to maintain a certain well-defined level of performance (output) over time, and if required enhance the same (adapted from Joddha, 1990). Performance (output) refers here to the involvement of COs members in-group decision making to undertake above-mentioned tasks.

Sustainability of the group was measured by the degree of involvement of COs members in-group decision-making in seven major tasks to be performed by group. Table-26 presents percentage distribution of sampled beneficiaries according to their extent of involvement in group decision making process.

Table-26, Level of Involvement in Group Decision-making by tasks

Group Tasks	Involvement %
a. Collective identification of income generating activities	83.33
b. Preparation of Group investment Plan	81.48
c. Involvement in CD activities	79.62
d. Mediating conflicts	51.85
e. Mobilizing resources	38.88
f. Repaying of loan	55.55
g. Acquiring services	35.18

As seen from table-26, the level of involvement of sampled beneficiaries in group decision making process in relation to collective identification of income generating activities was highest (83 percent), followed by preparation of group investment plan (81 percent), involvement in CD activities (80 percent), repayment of loans (56 percent), mediating conflicts (52 percent), mobilizing resources (39 percent), and least in acquiring services from government agencies (35 percent) only.

Based on the total score obtained in seven major asks to be performed jointly by members of group beneficiaries were further classified into three categories namely, less active, moderately active and quite active.

Table- 27, Percentage Distribution of sampled Beneficiaries by level of involvement in Group Decision making in major Tasks by category.

Extend of involvement	Percentage
Less active	37.04
Moderately active	53.70
Quite active	9.25

As seen from table- 27, more than half of the sampled beneficiaries were moderately active in-group decision making in relation to seven major tasks to be performed by members of the group, while 37 percent were reported to have less active and 9 percent were reported to be quite active in their participation in-group decision-making process.

CHAPTER-VI

SUMMARY, CONCLUSION AND RECOMMENDATION:

6.1 Summary and Conclusion

By the time, when the field survey for this study was conducted, the SMP had been operating in 75 districts of the country and 35 VDC of panchthar district. The program is in the high priority list of government as it aims at improving the overall well being of villagers by bringing them into social mainstream through social mobilization. The purpose of the present study is to assess the socio-economic impacts of SMP. More specifically, the study focused on the following aspects.

1. To examine the socio-economic impact of SMP.
2. To assess the sustainability of SMP at local level.
3. To draw conclusion about effective management of the program.

The study was undertaken in the absence of benchmark data for the program, and hence the finding of the study reports are based on the following methodology adopted for the study. Population from which sample was drawn for this study included all wards of Suvang VDC. At first, it was decided to carry out purposive sampling of 42 percent of 43 groups, each two from a ward, totaling 18 groups. Again, each group from every ward includes a women group. The next step consisted of random sampling while selecting groups and respondent beneficiaries. The final stage comprised random selection of three household members from each 18 groups thereby making a total sample size of 54 beneficiaries.

The study is largely based on primary data. Judicious use of secondary data constituted the part of the research progress. Primary data was collected by means of structured questionnaire in interviewing the sampled respondents. Key informant survey and group interview were also used to collect qualitative information. Descriptive method was used for analyzing data. The information obtained thus has been presented using simple mathematical tools such as ratio, percentage and average.

About 55 percent of land of the VDC is agricultural land and remaining 45 percent land is covered by built up area. Out of total, 30 percent HH are landless, 28 percent HH have their own house and house covered land, 25 percent HH have land

below 1/3 ha, 3 percent HH hold above 2 ha land, 37 percent HH cultivate their land and 37 percent HH cultivate other land only.

Total population of the VDC is about 5316. Female share the 51 percent of total population and male share the rest. There is 35 percent Brahmin population, 40 percent limbu and 11 percent Dalit There are 2084 no. Of children (0-15 years), 2784 youth (16-59 years) and 437 (> 60 years) old in the VDC. The literacy rate is 54 percent.

There are one public institutions apart from private health centers, 10 schools one secondary, four lower secondary and five primary and 1000 students and 56 teachers. three NGOs are working in the VDC as a development partner of VDC, electricity is available every ward except 10 percent area. Total road constructed is about 50 km, in which, 35 km Gravel and 35 km muddy. There are two veterinary service centers, one weekly local markets, About 90 percent of the respondent beneficiaries reported that the leaders of their group were selected on the basis of group initiative; seven percent have reported that the leaders were selected by SMP representative. Eighty percent respondent mentioned that their group had at least two meeting in the last three months but 7 percent have reported not a single meeting had for the same period.

The internal saving and investment (cumulative) of 43 COs in Suvang VDC is Rs. 14,85,885 and Rs. 36,85,550 respectively. The agricultural sectors mostly prioritized in loan disbursement. Total credit capital delivered by IDF is Rs. 12,24,700. About 27 COs have matured and reached their second threshold as they have begun demanding increased resources.

Based on the above findings, it can be concluded that M & O of SMP is good in the area. Participation has been immensely exercised either in leadership selection or in internal saving. Group saving manifests the devotion of villages to the disciplined saving and cumulative investment which is triple of saving is praiseworthy.

In an attempt to assess the impact of the program on target villagers on selected indicators between 2060/061 and 2066/067, it was found that there was a shift of emphasis in income generating activities in recent years.

Out of selected seven indicators used to compare and measure the changes in the general indicators, beneficiaries were found in better condition in 2066/067. Most of the beneficiaries have been found in better condition from income, saving to fulfillment of food. On the HH indicators, the improvement and positive impact was felt by the beneficiaries. They include cost minimization in medicine, increase in education, and consumption of durable or non-durable goods.

On the technological Diversification indicators respondent's reports manifested that they have been inclined to use modern equipment even in farming. They have now a number of improved varieties of livestock, use chemical fertilizers and wage labors increased instead of Parma.

Social Indicators have shown the slight improvement in banking habit. . People have begun to borrow from institutional source. Internal Saving is enough for providing them the loan in need. Literary rate increased, duration of off farm employment increased providing the more scope for resource mobilization. Target Group Indicators such as assets (land, equipment, poultry, and livestock) have been found at a good direction. Major parts of asset formation consisted of poultry and livestock. About 83 percent respondents reported that they had received no training in 2060/061 but only 22 percent respondents have not received any kind of training in 2066/067. Leadership training was a new kind of training, which is supposed to help good governance in VDC, and 9 percent respondents have received it.

On the household decision making front female input into decision-making in domestic activities has improved. Only 17 percent beneficiaries both male and female used to take HH decision in 2060/061 but the ratio has increased to 61 percent in 2066/067. Similarly, the unanimous decision rate was 25 percent in farm management decision-making. Though improvement in local market economy has been seen, and the role of women in local market decision-making improved, it is less than male input in decision making. But the trend is better than before. Relatively more women

respondents perceived improvements in terms of 'relation' and 'cooperation' with 'friends' and 'neighbors' in the community. However, few women beneficiaries experienced strained relation and less cooperation from their husbands, may be partly due to emerging entrepreneurship developed among them, and challenges posed by their wives in the households.

In the overall context, 33 percent of beneficiaries participated in the construction of drinking water scheme, 51 percent in irrigation scheme and 79 percent in trail and trek construction.

About 13 percent of sampled beneficiaries were found not taking any cycle of loan, 65 percent have taken at least one-cycle of loan, and 19 percent have taken at least two-cycle loan. More than 50 percent of beneficiaries have taken loan range between Rs.2, 000/- to 5,000/- but no one has any overdue yet. This indicates and ensures the sustainability of SMP at local level.

On the whole, all beneficiaries reported to have participated in Group Saving Fund. Level of involvement in group decision making is bedrock for sustainability of the program like LGP. About 54 percent of sampled beneficiaries have participated in group decision making moderately and 9 percent are quite active. The need is to increase the active participation in decision-making.

On the group functioning, however, the trend was apparently different. The findings suggest that: a) Contribution to group saving is 100 percent in each COs. b) There was irregularity in holding of group meeting as group matured over time; c). The older the groups became, the lesser the supervision of group by social mobilizers and other line officials.

6.2 Recommendations

The program's overall performance has been satisfactory. The strategic approach for its implementation has provided a unique opportunity and valuable vehicles for increased participation in development planning and management. Progress has been made in reducing poverty. Women have been empowered, and they are taking lead in community development and micro enterprises social issues such as

child labor, child marriages, violence in community and alcoholism have been addressed through social mobilization.

I) Eligibility Criteria

The target beneficiaries haven't at present been defined in terms of income. However income assessment for the purpose of identifying member in systematic basis seems an urgent task. It is thus recommended that the land should be taken as the primary criteria to identify target clientele and HH having land below 0.5ha, should only be included inSM: special attention needs to be included to be given to landless households, female headed household and women in disadvantaged social and ethnic groups.

II) Group Formation

Once target beneficiaries are clearly identified group formation process should be preceded. Four rules governing this should be carefully followed (a) a group should be small enough to ensure direct democracy within it, (b) a group should be homogenous especially in socio-economic terms to avoid conflicts of interests and problem of domination, (c) group members should come from close neighbors so that they can meet and communicate easily and frequently, and (d) group formation should be voluntary to the extent possible. Group formed with external assistance are likely to disintegrate over time.

III) Leadership

Leadership selection should be given to group members. Leaders hand-picked by development agents for account of their 'progressiveness' tends to dominate it over others. Therefore, if organizations like SMP, groups should have mechanism that forestalls concentration of power in one person rotation of leadership, collective leadership, ceilings on terms of service, division of responsibilities among members of the group are examples of such mechanism to ensure democratic leadership.

IV) Decisions Making

At least within a social organization like VDC groups, every members should be able to directly participate in decision making on key, if not all, issues. Leaving the decision-making to leaders will almost inevitably results in concentration of power

and other irregularities, making decisions through consensus building seems to be more culturally compatible in the Nepalese context.

V) Legal Status of COs

Inter-group formation should be promoted with the aim of transforming them into local NGOs. The legal status of COs, which in many places is in the primary stage of institutional development, and their federation is not yet clear. The continued uncertainties will hamper COs institutions growth both in terms of saving and credit as well as its independent entity. So these COs should be transferred to ' Social intermediators' such as local NGOs, credit unions etc.

VI) Strengthening Agricultural and Livestock services

The livestock sub-sector in agricultural sector was dominant in absorbing SMP loans used for investments; livestock death due to endemic disease had been devastating to this enterprises. This problem is to be urgently solved. It is thus recommended that; (a) vaccinations of animals should be arranged at appropriate times; (b) healthy and improved livestock should be beneficiaries instead of providing credit in cash; (d) the SMP at the districts level should have its Veterinary Assistant who can fully devote his/her time to providing services to the beneficiaries.

VII) Fungibility of loans

Artificial distinction between the loans for production and consumption serves no real purposes. The borrowers can easily use credit for 'productive' purpose if family members are hungry. Thus it is recommended that it is desirable to make a provision of total package of credit to the beneficiaries for production purpose and credit for consumption and other emergency purpose either from revolving from fund or group saving fund.

VIII) Financial Sustainability of IG Activities

Credit activities should be further promoted and diversified in areas, which reflect a positive trend towards financial sustainability of income earning activities. Sites, which do not show a positive trend, should be investigated and remedial actions taken.

IX) Group Saving Fund

Group saving is of great importance in the rural economy. Though the COs members are supposed to deposit certain amount of their periodic saving at regular intervals. Hundred percent respondents have been found to have participated in-group saving, some have left to save in-group fund (group interviews). It is thus recommended that this matter should be seriously taken care of in an effort to improve rural people's economic situation.

X) CD Activities: A cause for group solidarity

In SMP groups (COs) where members were working towards a common goal like construction of drinking water scheme, small irrigation scheme, and nursery plantation on cooperative basis were found to be more cohesive and tightly bounded into group solidarity. It is, therefore, recommended that it is always desirable to involve target beneficiaries in CD activities before the formation of groups.

XI) Training

The training of both VDC staff and beneficiary member has considerable scope for improvement, and a suitable system of accessing training needs has yet to be developed. In the absence of such system, it is not certain whether existing training programs are adequate or geared to the needs of the beneficiaries. Very relevant in the context of SMP implementation are the training program on book-keeping management and operation of revolving fund and mobilization of group saving fund which, however, had not been attended by many beneficiary.

XII) Interactions with COs

The observed strong relationship between COs & SMP staff bears a serious implication for the type of role the government (MLD) has to play. Provision of loans (LDF strengthening), essential input and technical services for improved production possibilities, and willingness to show a more flexible attitude in working with COs, are some of the essential elements to win the confidence of target beneficiaries. It is recommended that the government should clearly specify the role and responsibilities of the DDC, VDC etc. Some of the changes includes: (1) willingness to learn from the beneficiaries and incorporate local wisdom in the planning and design of the program; (2) Willingness to let beneficiaries make their

own decisions on matters that affect their life directly; (3) acceptance of the fact that the COs belongs to the members not to SMP agency (4) showing appreciation and respects for poor rural household.

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APPENDIX- A

Questionnaire for Social Mobilization Program at Suvang VDC

1. Name: -
2. Address: - Family no.: -
3. COs. Name: - Nature: Male / Female
4. Level of Involvement in Group Decision Making. Have you involved in these decisions making?
 - a. Collective identification of income generating activities []
 - b. Preparation of Group Investment Plan []
 - c. Involvement in CD Activities []
 - d. Mediating conflicts []
 - e. Mobilizing resources []
 - f. Repayment of loans []
 - g. Acquiring services []
5. Extent of Involvement level in-group decision-making.
 - a. Less active b. Moderate c. Quite Active
6. How many loan cycles have you received?
 - a. None b. Rs. 1000-2000 c. Two cycle d. Three of more
7. How much loan have you received?
 - a. up to Rs. 1000 b. Rs. 1000-2000 c. Rs. 2000-5000
 - d. 5000- Rs.10, 000 e. > Rs.10, 000
8. Have you contributed your labor in:
 - a. Drinking water scheme []
 - b. Irrigation scheme []
 - c. Agro- forestry []
 - d. Trek and trail construction []
 - e. CO's house []
9. How many times have you contacted with the following in 2067?

- a. VDC staff [] b. VDC official []
 c. LGP official [] d. Social mobilizer []

10. Do you contribute in Group saving?

- a. No participation [] b. Rs. 5-20 months []
 c. Rs. 21-41 months [] d. Over Rs. 40 months []

11. How many meetings were held in last three months?

- a. No meeting b. once c. Two or more

12. Why have you joined in Group?

- a. For credit access []
 b. Participate in CD activities []
 c. Increasing family income []
 d. Skill development []
 e. Group pressure []

13. Who select the CO's leaders?

- a. Group initiative []
 b. VDP coordinator []
 c. VDC representative []

14. For what purpose do you take loan?

- a. Agriculture [] b. Live stock []
 c. Cottage Industry [] d. Trade []
 e. Others []

15. Impact study

S. N.	Particulars	2060/061	2066/67
1.	i. Income (Rs.) a. Farming b. Wage laboring c. Trade/business d. Cottage industry		

	<p>e. Others</p> <p>ii. Household saving (Rs.)</p> <p>iii. Group saving (Rs.)</p> <p>iv. Fulfillment of food for</p> <p>a. > 6 months</p>		
2.	<p>Household indicator</p> <p>a. Expenses on medicine Rs.</p> <p>b. Expenses on education Rs.</p> <p>c. Expenses on cattle Rs.</p> <p>i. no. of cattle owned</p> <p>d. Expenses on dress Rs.</p> <p>e. Expenses on consumption</p> <p>i. Food habit frequency in (a month)</p> <p>f. no. Of environment awareness program held</p>	<p>Veg. <input type="checkbox"/>, fruit <input type="checkbox"/>,</p> <p>meat <input type="checkbox"/>, milk <input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Veg. <input type="checkbox"/>, fruit <input type="checkbox"/>,</p> <p>meat <input type="checkbox"/>, milk <input type="checkbox"/></p>
3.	<p>Technological diversification Indicators</p> <p>a. Farming practice</p> <p>b. Use of chemical fertilizer</p> <p>c. no of livestock of improved variety</p>	<p>Plough <input type="checkbox"/>, tractor <input type="checkbox"/>,</p> <p>wage labor <input type="checkbox"/>,</p> <p>parma <input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>Plough <input type="checkbox"/>, tractor <input type="checkbox"/>,</p> <p>wage labor <input type="checkbox"/>,</p> <p>parma <input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
4.	<p>Social Indicators</p> <p>a. Deposit to currency ratio (>0.2)</p> <p>b. Source of borrowing</p> <p>i. Institutional source</p> <p>ii. Money lenders</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>

	c. no. of literate people	<input type="checkbox"/>	<input type="checkbox"/>
	d. Duration of off farm employment	<input type="checkbox"/>	<input type="checkbox"/>
	a. 1-3 months	<input type="checkbox"/>	<input type="checkbox"/>
	b. 4-6 months	<input type="checkbox"/>	<input type="checkbox"/>
5.	Target group indicators		
	a. Types of training		
	no. of training taken	<input type="checkbox"/>	<input type="checkbox"/>
	i. No training	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Veterinary and livestock training	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Crop and vegetable production		
	iv. Population and family welfare	<input type="checkbox"/>	<input type="checkbox"/>
	v. Leadership development	<input type="checkbox"/>	<input type="checkbox"/>
	vi. Bamboo and wooden work	<input type="checkbox"/>	<input type="checkbox"/>
	vii. Primary health care		
	viii. Fast food making	<input type="checkbox"/>	<input type="checkbox"/>
	ix. Study tour	<input type="checkbox"/>	<input type="checkbox"/>
	b. Asset formation	<input type="checkbox"/>	<input type="checkbox"/>
	i. Land	<input type="checkbox"/>	<input type="checkbox"/>
	ii. Equipment	<input type="checkbox"/>	<input type="checkbox"/>
	iii. Equities	<input type="checkbox"/>	<input type="checkbox"/>
	iv. Poultry	<input type="checkbox"/>	<input type="checkbox"/>
	v. Livestock	<input type="checkbox"/>	<input type="checkbox"/>
6.	Women empowerment indicators	<u>Male</u> <u>Female</u> <u>Both</u>	<u>Male</u> <u>Female</u> <u>Both</u>
	a. Farm management decision making	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	b. Local market economy decision		
	i. Selling of agricultural		

Product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Selling of livestock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii. Selling of home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. Buying of livestock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Buying of agricultural inputs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Domestic activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>