

**DIMENSIONS OF RURAL DEVELOPMENT PRACTICE : A  
CASE OF NIRMALPOKHARI VDC, KASKI**

**A Thesis**

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**Submitted by**

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**3<sup>rd</sup> September 2018**

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**LETTER OF RECOMMENDATION**

This thesis entitled "**Dimensions of Rural Development Practice: A Case of Nirmalpokhari VDC, Kaski**" is prepared by Lila Prasad Parajuli under my supervision. I hereby recommend this thesis for approval by the thesis committee.

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## ABSTRACT

This thesis entitled "*Dimensions of Rural Development Practice: A Case of Nirmalpokhari VDC, Kaski*" has general objectives as to access the different development activities in the VDC and to analyze the participation and empowerment of the woman in the program through Village Development Program. Needless to say, this program is focused on villager's participation in different activities of VDP. This study is based on group approaches.

The study has been focused on the assessment of the program on the beneficiaries and living standard, public participation in different program in Nirmalpokhari VDC, Kaski district. It also shows the improvement of villagers including woman through the VDP.

The data have been collected from primary and secondary sources. The primary data has been collected by making structured questionnaire and interviewing the sample respondents. Data analysis has been done using descriptive analysis method. This method helps to illustrate the status of the villagers especially the woman participation in different income generating program in VDC.

This study is focused on impact of VDP concerned with beneficiaries, earning and living standard. The findings of the study show the participation of villagers in different VDP and the role of VDP to bring them in mainstream of development.

Hence, it is concluded that the VDP impacts positively on villagers, empowering them to develop self confidence, independence and uplifting economic status in the study area.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

A.D.	: Anno Domini
ADB	: Agriculture Development Bank
BYVY	: Build Your Village Yourself
CBs	: Central Bureau of Statistics
CDO	: Chief District Officer
COs	: Communities Organizations
DDC	: District Development Committee
DPP	: District Development Program
EAP	: Economically Active Population
FFW	: Food for Work
GDI	: GrossDomesticIncome
HDI	: HumanDevelopment Index
HMG	: His Majesty Government
IBP	: International Banking Program
INGOs	: Internationals Non-governmental Organizations
IPDD	: Integrated Panchayat Development Design
IRD	: Integrated Rural Development
IRDP	: Integrated Rural Development Program
LDF	: Local Development Fund
MCPW	: Micro Credit Project for Women
MOLD	: Ministry of Local Development
MOU	: Memorandum of Understanding
NLSS	: Data Nepal Living Standard Survey
NRB	: Nepal Rastra Bank
PCRW	: Production Credit for Rural Women
PDDP	: Participatory District Development Program
SADP	: Small Area Development Program
SFDP	: Small Farmer Development Program
SFDP	: Farmers Development Program
UNDP	: United Nation Development Program
VDC	: Village Development Committee
VDP	: Village Development Program
WDP	: Woman Development Division
UNICEF	: United Nation International Children's Emergency Fund

# CHAPTER-I

## INTRODUCTION

### 1.1 Background

Nepal is an independent country. It is situated in the southern slopes of the mid-Himalayan regions. Its area is 147181 sq. km. stretching over the length of 885 km (east west) and the width of 145 to 241 km (north-south). Sharma states “Nepal as a nation state has a history of more than 3000 years. It ranks 17 among the old states in the world.” (Sharma, 2004,4). According to the census of 2011 the population of Nepal is 27 million. Gunanidhi Sharma says: “It is split into three zones; namely hill, mountain and terai. According to the census of 2011, the Himalayan region covers 35 percent of the total land area where 7.3 percent of the population lives. The altitude of this area is between 4877-8848 meters. This range includes the top mountain like Mt. Everest, the highest peak of the world and Kanchanjunga is the third highest in the world. The range has many beautiful mountains which have been the perpetual source of river flows, spring water and snowfalls.

The hilly region covers 42 percent of land area where 43.11 percent of population (census in 2011) resides. Its altitude is between 610-4877 meters. This range includes many valleys, green forests and fertile land. The density of population of this zone is higher than Himalayan region. It is a land scare region and hence intensive farming practice prevails here. This region is also rich in vegetation & cultural diversities and also suitable for cultivation, trekking and tourism.

The terai region is considered as the most viable region for cultivation and therefore is a granary for the country. It is also rich in biodiversity and cultural heritage. There are a number of national parks in this range” (Sharma, 2004, 142).

Despite the riches, the country still is under developed. Development is the prime concern of three-fourth of the world population and is a mote talked and less solved issue. Development is a multidimensional process involving social, cultural and economic change. Hence, it enhances gradual amelioration of mass population. Developing countries have experienced it for about 50 years. However, in the lapse of time, the philosophy as well as the agents of development in the process of development have found in flux. Economic development alone used to govern the

holistic concept of development at the initial period of development administration. But the experience of developing countries and the conclusion drawn by development economists showed that insufficiency of economic development alone and shed light on the concept of all-round development; it includes economic, social, cultural and humanitarian concepts (Todaro, 2000, 9).

Bongartz and Dahal, (1992) state that the sixties unfolded the concept of economic nationalism for developing countries, which in essence meant of economy geared towards self-reliant, inwards-oriented, socially redistributive and import-substituting industrialization. In the first development decade, the 1960s and in the beginning of the second development decade- the 1970 and more critical voices over the suitability of development programs and projects currently being undertaken were raised during discussions. The discussion 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 stage 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 physical resources as vital to economic development (Bongartz and Dahal, 1992, 2).

Development theorists and practitioners working with NGOs were concerned with the dilemma about that to do with the widening gap between very few rich and majority of poor. They started to discuss alternative development strategies systematically, 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 association and the western agencies have started to implement and later to support development projects based on these concepts. As change in the world economy was fail due to rise in world prices and the weakening of Breton-woods system, new classical theories began to dominate the development debate in 1970s.

Criticizing the past development approach, Coombs writes that the mistaken assumption that underlies many top-down programs is that villagers are unintelligent and must be treated like children. Hence, the message devised from experts at higher echelons often tend to talk 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. Nevertheless, in reality most rural people, far from being stupid have acquired considerable wisdom through years of struggling for survival (Coombs, 1980, 78).

Indeed, it is believed that the way of development, which developing countries should follow, is to be best 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 areas 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 that 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, 67).

## **1.2 Statement of the Problem**

Despite the completion of six decade of development planning we could not reduce poverty as was expected poverty in Nepal is widespread, segments of the poor are hardcore and large area of the country lack the most basic infrastructure. Moreover, because of the Maoist movement, peace process and constitutional assembly election and other problems to break that task of government is hardly felt in the remote areas.

After the restoration of democracy in 1990, and then second restoration of democracy in 2006, 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 alleviated 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 as a daunting problem.

According to survey data, over 65 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. However, poverty in the mountain region is much higher (i.e. percent). Human Development Index (HDI) for urban areas (0.486) for out strips that for rural areas (0.393). Thus, it is 0.44 in average. The poverty of Nepal has remained severe mainly due to low productivity of land owned by small farmers and lack of alternative employment for them. The poor households in rural economy are severely handicapped then others because the median landholding of the bottom 25 percent of ploughed land suitable for growing rice only about 37 percent. Moreover, the year round irrigation facility covers only about 11 percent of the land. The poor people often use traditional inputs and get victim of local landlords and Sahu (Zamindar) when they need credit. The low literacy rate, tradition-bound culture and lack of information or institutional helps, the poverty simply remains acute in rural area. The growth of agriculture is stagnant for last 10 years (NPC 2003, 33-43)

Nirmalpokhari 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, (here in every family has been gone foreign employment), bad tradition (gambling, drinking, etc.) illiteracy, ill health, small and marginal land holdings and low productivity are perpetuating poverty in Nepal and particularly in this 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 ongoing study is an effort to assess the village development program with a detail and study of implementation of VDP at sustainability, women empowerment and group dynamism of the program. The study will confine to the following issues:

- i. What is the VDP?
- ii. What is the perception of local people regarding VDP?
- iii. Is the program implemented at local level and does it empower women?

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

### **1.3 Objectives of the Study**

The main objectives of the study are to access the overall performance of VDP in Nirmalpokhari VDC, Kaski. However, the specified objectives of the study are as follow:

- i. To study the village development program (VDP)
- ii. To assess the implementation of VDP
- iii. To identify the participation and empowerment of the women in the program

#### **1.4 Significance of the Study**

This study provides the adequate information about the major economic activities of the local people and it gives deep information about different development activities those are carried out through the locality. It works as a bridge between government policies and local people's needs an interest in order to develop their economic status. This study has particularly significance for its attempts to give sight over current trend on overall development practices adopted in society. The extension of this research will certainly benefit the policy makers, government, NGOs and INGOs and stakeholders to correct the errors.

#### **1.5 Limitations of the Study**

- i. The study is limited within Nirmalpokhari VDC only.
- ii. The study took five years period starting from 2010/11 A.D. to 2016/17 A.D.
- iii. The study is based on target women groups of Nirmalpokhari VDC

#### **1.6 Organization of the Study**

The study is categorized into five different parts namely introduction, review of the literature, methodology, data analysis and summary respectively. Introduction chapter consists background, statement of problem, objectives, significance, limitations and organization of study.

Review of the literature consists theoretical review, research review and research gap. Methodology chapter consists research design, data collection and processing. In the same way presentation and analysis of data consists organization and management, assessment of VDP and its implication, implementation of development programme at local level. Summary and conclusion part summarizes the study with suggestion. Appendices, bibliography, tables are mentioned at the end of this thesis.



## **CHAPTER-II**

### **REVIEW OF LITERATURE**

This chapter is based on the theories on rural development, poverty alleviation and rural-urban linkages, and it tries to explore them in short. The programs and projects that had been implemented for local development in Nepal, since 1950s. Moreover, there is to go through theses/dissertations about the impact study of VDP, thus creating rationale of the present study. The source of the study is based on available reports, manuals, workshops, proceedings and research papers.

#### **2.1 Conceptual Framework**

Village Development Program is a major component of program under Local Governance program. It focuses on people-centered development for poverty reduction by mobilizing the communities into self-governing, broad-based and multipurpose Communities 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 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 improve 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 is based serve by 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 potential 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 skill by 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 microenterprises and other income generating activities. They also have access to grant for increasing productivity, improving infrastructure and enhancing 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 source for implementing prioritized small-skill project.

LDF, formerly known as local trust fund supports VDP with the joint efforts to VDC and DDC. The provision of credit capital through LDF helps COs 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 telling and equipment for-effective management of its operations. All the 60 program districts have endorsed their LDF by laws for institutionalizing VDP through the proven concept and principals of social mobilization. LDF is now managed by local executive secretary while the program provides technical assistance in pro-poor and positive discrimination, improve monitoring, etc. (UNDP, 2003, 35). Executive secretaries are filly trained in planning, managing and monitoring VDP.

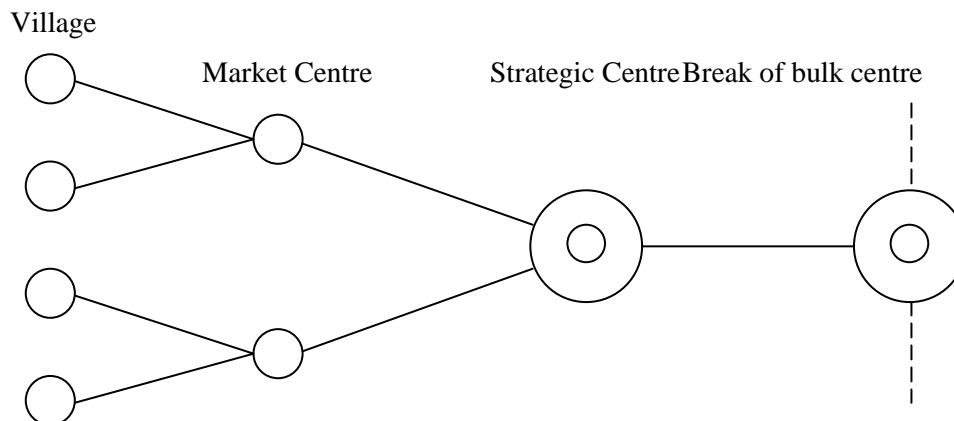
### **2.1.1 Review of the Theories of Rural Development**

Without the review of literature no any research work can be done so we should deeply study the different articles published/unpublished previous reports; bulletin, magazine, etc. literature review helps to make the research work easy and also helps to find out new things about the related subjects. The gateway centers tend to make a connection between hinterland and national car. Such centers often develop

as transport centers in the contact zones between areas of differing intensities or types of production. Functionally, gateway towns tend to develop in response to long distance trade or the setting of sparsely populated frontier areas. These towns derive advantage from heterogeneous productive regions, differential distribution of natural resources and population.

A gateway center is connected by transport lines that radiate from the center outward usually in one direction to connect individual centers along the lines of communication (Pradhan, 2003,123). In terms of relative importance of break-of-bulk locations, a hierarchy of gateway centers such as: secondary and tertiary may develop along the lines of transport linkage. Such term of hierarchy of gateway centers may be called as dendrite market network (in figure 2.1). Such hierarchy of market network tends to occur particularly in the region characterized by underdeveloped economic region. In case of extensive and productive hinterlands, many large central places may eventually develop and displace the gateway centre system. The model has been used in understanding the process of growth and change in market in Central-Western Nepal.

Figure 2.1  
Dendrite Gateway Market System



The model emphasizes on physical infrastructure and this induces other agents of development.

The spatial development model concerns with the identification of a set of dynamic focal points or growth centers, which can generate development at centers as well as local areas. A focal point within the predominant rural area is the location of its main traditional commercial center.

Several spatial or regional development models have been developed during the past decades. The basic purpose of these models is to concern with the effective and balanced relationship between urban and rural areas.

The growth center concept assumes development of a region as a function of national economic development. The proponent of growth pole concept is that regional growth is promoted mainly by the capacity of a region to produce goods and services demanded by markets located outside the region. It is through such exports that financial capital flows into the region. This is the export-based economy is usually the determining factor in the rate of growth of regions. As the inflow of income increase, the aggregate demand increases and it takes the course of upward direction. The main conclusions of growth pole concept is that economic progress does not appear everywhere at the same time. It has two fundamental components. The first component is spatial structure, which refers to physical arrangement in space of productive facilities, settlements, transport routes, land uses and social institutions. The second component is spatial process, which includes activity patterns such as capital flows, labor movements, commodity flows and communication that link the structure together in space.

The growth pole concept was introduced in the 1950s. The model was conducted as a spatial development strategy in developing countries after 1960s. Growth pole is refers to a non-spatial polarization of the economy, such centers are the centers of attraction that are capable of generating new growth attraction.

Development spreads over surrounding areas as the result of growth in the center. In the process of development, spread effects and backwash effects are key elements to be remembered.

Spread effects refer to the mechanisms by which the economic prosperity generated at a growth centre is transmitted to the surrounding areas or the growth space. This effect includes stimulation of agricultural production in the growth space for the urban-industrial workers, expansion of development for industrial raw materials and hence higher income to producers of such materials. On the other hand, growth centers may in fact set in motion a set of negative effects, which may very well impoverish the surrounding region. Such back wash forces related specially to the tendency for the factors of production to be drawn from periphery to centre. It concentrates the resources at growth centers creating polarized development. The

growth pole model has been used as a development instrument in many developing countries. Here the noticeable point is the backwash effect is minimized via strengthening spread effects.

The agropolitan approach to rural development in China was originated with Mao Tse Tung during the early 1960s. The approach got revitalized in the late of 1970s in the work of Friedman and Douglas (1975). The principal feature of the model lies in the fact that regional development occurs from an enclosure territorial unit i.e. agropolitan district. This is essentially a basic needs strategy for territorial development through bottom-up planning process, where agriculture is the main source of livelihood. The model emphasizes the planning process in terms of a high degree of self-sufficiency in decision-making and popular participation of local level in the order to strengthen the agropolitan economy and diversification of rural employment. The model emphasizes on growth of small scale industrialization, utilization and evaluation of local resources and technologies.

Pradhan (2003) has described other approaches similar to agropolitan models that have been adopted throughout Asia. They are such a communes (Chinese), Saemual Undog (Korean), Village Development Program and Accelerated Rural Development (Thailand), Kabupaten program (Indonesia), Integrated Rural Development and block Development (India), Small Area Development program (Nepal). Village Production Committees and Sarvodaya Movement (Srilanka), and Agovilles (Pakistan) (Pradhan, K. Pushkar (2003, 144).

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, communication and service 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 vary 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 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 Poverty Reduction: The Outreaching Development Goal**

Poverty is an unacceptable human condition. It is not immutable; public policy and action can, and most, 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 Asia 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 reductions 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 have 225 million poor people (ADB, 1999, 8).

Data Nepal Living Standard Survey (NLSS) of Nepal 2068 (CBS, 2011) reveal that the status of poverty in Nepal is miserable, 25.2 percent of population is below the poverty line in rural area. 15.5 percent in urban area and rural area 27.4 percent and average 25.2 percent of population is under national poverty line. Gini-Coefficient is 44 Percent, income or consumption of lowest 10 percent is about 3.2 percent, and highest 10 percent consume 29.8 percent. The situation demands 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 premise that development contains the participation of mass, organization thereof and income and saving enhancement. Principle objective is to eradicate poverty, particularly rural poverty.

After the initiation of Structural Adjustment Program in 1980s, Nepalese economy gradually began to transform into liberal economy. Accordingly,

NGO/INGO- led development approach partially replaced the state-led development approach. Village Development Program is one of the INGO-led development approaches to uplift the poor and bring them into social mainstream. This strategy employs the concepts of development to indicate the activities that lead to the empowerment of the rural areas.

Communities in order to control and mobilize the resources that they have according to their own aspirations 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, 70-72). The basic purpose of NGO-led strategy of development is to serve as catalyst information group 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 activity directly. 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). Hence, the recent approach of poverty alleviation and rural development provides the scope for VDP. The coverage of the Program is key to the effective approach if poverty alleviation in sustainable way.

### **2.1.3 Village Development Program**

Village Development Program is based on local governance program. Local governance program was conceived in late 1996 after the successful implementation of ongoing Participatory District Development Program (PDDP) in 20 district of Nepal. Local Governance Program (LGP) has been implemented since December 1996 with technical and financial support of UNDP. LGP initiated the activities in 1997. It also prepared an inception report of the program districts identifying areas of the support required in the districts. National Planning Commission (NPC) MLD and UNDP signed a Memorandum of Understanding (MOU) to further consolidate VDP focusing in women and children in 7 program districts. In 1998, LGP expanded its

program activities in seven more districts of far western development region focusing on four thematic areas poverty alleviation, employment, environment management and women employment. Local Self Governance act- 1999 incorporated the program activities like the participation of the planning sources and information system since the program was well managed and the effort to integrate support for decentralized, people centered development was further enhanced. The land utilization map of 20 program districts was published and the program was extended to 20 more districts bringing altogether 60 districts under its coverage in 1999. In April 2002, UNDP commissioned a study to assess the impact of conflict on UNDP programs. Based on the report of the study the program developed two important guidelines: Pro-poor policy targeting for disadvantaged groups and VDP implemented strategies.

In addition to the on-going activities, the program focused on the principles and approaches to deal with the issue of social exclusion and deprivation. The program has made an agreement with Agricultural Development Bank of Nepal (ADB/N) for wholesale lending. Under the agreement, ADD would provide a loan up Rs 5 million to meet the credit demand of Cos. LPG is a major program supporting decentralization, capacity building and social mobilization. LPG/PDDP with its reach spread in 60 districts and 662 VDCs of the country have played an extremely important role in supporting to the goal of poverty reduction strategy; by two main components of capacity building and social mobilization (UNDP. 2003.3)

Local governance program in Kaski district was initiated in 8 July 2008. At first phase, the program was launched in 2 VDCs and more 6 (along with Nirmalpokhari VDC) VDCs were added replicating the former VDCs in 2009.

#### **2.1.4 Objectives of Village Development 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 & 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 and village development committees and settlement levels through the creation of self-governing 7 self-sustaining community organizations for an impact on poverty alleviation. It helps strengthen VDCs institutional capacities and strengthen the interfacing with District Development



Committees (DDCs), civil society organizations, NGOs and line agencies. At meson level program provides support for the strengthening of development programming and management capabilities of DDCs. At macro level program supports Ministry of Local Development (MLD) and NPC to formulate macro-policies that reflect and support local development initiatives. The government's tenth plan incorporates Local Development Fund (LDF) as a gradually social mobilization and transformation process for poverty alleviation in all the villages. This has been possible through the success achieved at grassroots by village development program and through policy inputs at the central level.

### **2.1.5 Program Strategy**

The village development program is based on the three principles of social mobilization. i.e. organizing people, capital formation and skill enhancement. On the basis of these principles people organize into Community Organizations (COS), save regularity on the basis of month or aims to improving.

### **2.1.6 Main Activities of Village Development Program**

- i. Human Resource Development: Skill enhancement for improvement in delivery of services, production level and participatory development planning are encouraged.
- ii. 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 Cos for developing physical infrastructures based on productivity, equity and sustainability.
- iii. Enterprise Development: The program has been encouraging Cos members to scale up their current enterprises or take up a new enterprise to raise income.
- iv. Linkage Development: The program activities are implemented in collaboration with various government, non-government and line agencies in Kaski DDC and VDCs.

### **2.1.7 Report Review**

Ministry of Local Development (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, VDCs. and Cos. DDCs and VDCs provide fund for prioritized small-scale projects.

#### **2.1.7.1 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 has not been yet succeeded to recommend appropriate policy conclusions. But the constitution of 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 and by way of decentralization. The outreaching goal of decentralized governance in Nepal is to strengthen pluralist democracy a poverty reduction. Local Self Governance Act (LGSA) 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 enhancement of LSGA- 1999 is the corner stone for the progress of VDP, but amendment of the very act now has become urgent from the theoretical as well as behavioral point of view.

#### **2.2 Rural Development Programs in Nepal**

Following the political turmoil in 1951, rural development had appeared as an ongoing concern in Nepal. Rural development has received considerable emphasis in all the long term development plans of Nepal since last to 60 years. Tribhuwan village Development Programs was the first attempt at rural development, U.S.A and India jointly financed it. Village Development Centers were established under the leadership of District officer (Block Development Officer) and was assisted by technical line officials and village Delpmentwor1ers. It was indeed a multispectral 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 co-operatives.

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

The panchayat system emphasized decentralization to develop the rural area. The king Mahendra in 1963 constituted a high level Administrative Decentralization Commission to suggest the way and means of decentralizing government, powers and functions. The recommendations were following (a) Abolish the post of "Beda Hakim" (b) Delegate-decision making power 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 1992. Due to its internal conflict the first elected government could neither sustain it nor implement the recommendation made by it. Deuba committee in 1996 A.D. suggested a board and paramount framework for decentralization in Nepal. The local self-governance Act-1999 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.

Panchayat and would be incorporated in the national pectoral plan. The District Administration Plan was implemented in 1974 with following objectives: (a) the preparation of an integrated and multi-sect oral District Development Plan (DDP). (b) District creation of a unified system of district administration where CDO would play the role of coordinator. (c) All the field offices of development-oriented ministries were put under CDO. (d) This plan bottom-up approach in the planning process.

The fourth plan (1970-75) introduced the concept of regional development whereby the country was divided into four development regions (five development regions in late 70s). Resources were allocated for the first time on the regional basis in the plan.

Small Area Development Program (SADP) 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 SADP. 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.

The Integrated Panchayat Development Design (IPDD) was implemented in 1978 with the objectives of creating inter-pectoral (sectoral) coordination mechanism

among various ministries for integrated planning. The principle aim was to strengthen village and district panchayats as the vehicle for rural development. It also provided for the establishment of nine-multidisciplinary service centers in each district to deliver service at the village level (Agrwal. G. R., 1986, 37).

The six plans (1980-85) adopted the policy of assigning a bigger role to the panchayat in order to make the development process people oriented and to decentralize the process of plan formulation, implementation and evaluation at local level. The model of Integrated Rural Development (IRD) 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 (Sharma, 1992, 7). 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.

Small Farmer Development Program (SFDP) is regarded as a successful innovation for people-oriented development. Small farmer together with landless and tenant labors are treated and targets for the purpose of development under this program (Bhatta, B.D., 1983, 34). 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 Y R, (1990) observed that the SFDP is only partly successful to approach its target group. As the participants are getting benefits from SFDP and ultimately their economic condition is improving the educated trained, super caste people could get more benefit than uneducated, untrained and lower caste people.

Sharma G. (1996) views that are landless and poor sections of 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 like SFDP and PCRW, 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 that the development program implemented through the organization of small farmers have been found more effective in raising productivity and improving people’s participation. In this plan (seventh) has made decentralization as the cornerstone of its rural development policy and his laid down the following objectives of local development (Bhatta, 1988, 38): (a) to increase production, especially food production through maximum mobilization of natural and material source locally. (b) To create increased employment opportunities. (c) To provide for minimum basic needs of the rural people and (d) to restore and improve the ecological balance in the rural areas.

Madhubasha Model of village development was initiated at Madhubasha, a small village situated at 28 km northern of Dhanusa district headquarter. In 2045 B.S., the total households at the village (Puspulpur VDC-9, Dhanusa) were 45, and they were divided into three toles. The originator of the model was neither a man from well-to-do family nor was anglo-elite. He is a man of nationalist feeling, a man without self-interest, and of integrity- Mr. IndraBahadur Kapchaki. The greatest message delivered by Madhubasha all over the world is that independence, discipline, hardworking and rule of law can change any hell into heaven without any special favor by Gods.

The people of Madhubasha started their development activities by focusing their all effort to agriculture. The rugged topography and the land surrounded by rivers had been great vice to the people. How they have planned the activities are described in a good manner by Rudra Prasad Upadhyaya (Sharma) and Shyam Prasad Upadhyaya former secretary MLD, HMG in their unpublished book 'Madhubasha Revisit'.

The major planning in Madhubasha includes control of landslide, well building for irrigation, livestock keeping, biogas etc. one of the remarkable and unforgettable points they followed were highly dependent on labor contribution by the concerned villagers. They indeed took some financial assistance from I/NGOs and from agricultural development program, but they did not develop the thinking that they are only passive

receivers of development. Two-Third of total cost they used to save, and the benefit-cost ratio was 1.25. The inner feeling spelt out in activities, the pure heart and inquisitive mind of villagers never have known the development model propounded by city elite, but they inherently knew what should be done and what not. Sharma is of the view that commitment and action without vision has no meaning. Moreover, vision without action is simply a nightmare. The development out of indigenous technology and the feeling of small is beautiful and local is lovely is to be perceived by all. Commenting on the rural development model, Mr. Deependra Babadur Chhetry, director of NRB, asserts that implementation of every village development model is incomplete without the deep perception of Madhubasha model.

Nepal should not be swayed by international resources but should research the technology and method of development followed or initiated in our country in past and try to implement them. In this respect, Madhubasha shows the way to the developing world that is in dilemma of globalization and localization.

In 2048, Nepali Congress party formed a government with its 110 MPS and implemented Development Budget for rural self-help. 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 (VDC) as subsidy (Kunwar, 2003, 289). 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.

The eight five year plan (1992-97) was the first plan formulated and exercised by first democratic government after restoration of democracy in 1990. The plan was cautiously formulated to address the daunting problem-poverty. The major objective of the plan was to raise the living standard of the rural population. The major objectives of the rural development policy during eight plans were (NPC, 1992): To improve-the socio-economic condition of backward regions. Make rural families self-reliant by improving their socio-economic condition. Upgrade the socio-economic status of the rural and backward communities. Create a base for sustainable development by increasing people participation in rural development works with the provision of basic infrastructure and employment opportunities.

The eight plans had not only targeted poverty alleviation as a major issue but also conceived the importance of participation of local people to formulate and execute the plan. Moreover, women participation was not less focused, with the help of non-governmental organization HMG amid to increase the earning capacity of women and raise their status both socially and economically.

Nepal Communist Party (Unified Marxist and Leninist) formed minority government in 2 December 1994. The government initiated Build Your Village Yourself (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. People realized that program had provided opportunity for resource deficit rural areas for implementing local level small activities. 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, 290).

Integrated Peace anti Development Program (IPDP) 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 VDCs 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 district. (2) Phase-wise transform to the districts to make better-off by mobilizing the resources available in the special districts. (3) To alleviate poverty arid backwardness by mobilizing resources appropriately for such districts. (4) Develop the community and institutional capability of the dwellers of these districts (Kunwar, 2003, 291). The IPDP had started to show the positive results but it could not get continuity and intensity.

Ninth plan (1997-2002) bus again reiterated the peed for combating poverty by involving people in the main stream of development. Increasing people's participation has become one of the major objectives of the ninth plan under its Poverty Alleviation and Employment Promotion Program. If the development program is promoted by investment production-oriented programs based on employment-oriented technology to create employment opportunity at local level, this will benefit a majority of the population (Mathema, 2002, 35).

In the process of local development, the rural people need to continue the optimum utilization of local technology, resources and materials through their own initiatives. For purpose of making community efficient, it needs to improve living standard of targeted community by means of special mobilization. In this context the following objectives are stated in Ninth Plan (1997-2002): make DDC a focal point of overall development of the districts. Given the highest priority to backward areas, develop technical manpower as per local need, develop basic infrastructure in rural areas, to make the local people self-reliant by providing basic services.

To obtain the above objectives the plan has implemented the following strategy:

Local development will gradually be transferred to the local level. People residing in the remote area will be brought in the main stream by uplifting their standards of living. Special socio-economic development programs will be implemented for the welfare of economically and socially weak groups. Fixed amount of grant will be provided.

Tenth plan (2002-07) has main objective to reduce poverty by means of empowerment, human development, security and targeted programs. Tenth plan's poverty reduction strategy is built on four pillars: (1) Board 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 and (4) good governance. All the 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 of the four strategies, 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 padding role in employment and income generation and together with NGOs, INGOs and CBOs in complementing government efforts in service deliver 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, 32).

Assessing the VDP, 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 channelized through local planning. Let

the hunger bake the cakes! When the people of any locality, large or small, are able to manage domestic affairs they may be said to have achieved local government (Pandey, 1994, 98).

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 no 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, 1918, 78).

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 projects components should contain the programs associated with the fulfillment of the basic needs and aspirations of 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 (Pykaurel, 1980, 70).

Another concept of rural development for the purpose of aid strategy and operations are as follow.

“Rural development is the process by which the poor majority of the rural population is assisted to improve as level of living on a self-sustaining basis”. This process of development include here major aspects: Raising level of output and living Participatory by the rural poor and Making the process self-sustaining. The rural poor

are those peoples living outside of major cities that have a level of living which is low in absolute terms and are characterized by a lack of effective access to technology, services and institution.

Many expertise and guidelines have expressed VDP in different ways. The local trust fund (LTF) published in 2053 B.S. stated that VDP provides the opportunities for skill development of local people and encourages applying the local skill and technology for the development of a community or a village. It also teaches to collect and utilization the local resources available in their own village. The program (VDP) also brings the change in village management. The degree of awareness of the villagers increases through interaction. It provides the services for rural people in their settlement/village. So, it eliminates the compulsion to come to the centre/head quarter of the district to achieve the small facilities. It brings the change in decision-making and planning process.

They started to decide about their right equality. The guidelines also describe that VDP encourages rural people to take part actively for their village development through local resource mobilization. As a result, it brings change in their life-style.

The main aim of community development is to change the behaviors pattern of the rural population. The aim is considered to be a pre-condition for raising agriculture production. The rural inhabitants are to be motivated not only as individuals to raise their own standard of living but also as citizens of a community of the state so as to make a contribution toward rising over all welfare. In detail the community development programs included the expansion of school education, better waters supplies, the creation and development of co-operatives improvement in sanitary and laid upon improving the small farmer supplies for the advisory services. Community development projects has been defined as a process of social action in which the people of a community organize themselves for planning and action, define their common and individual needs and problems, execute these plans with a maximum reliance upon community resources and supplement them with services and material from government and governmental agencies.

Three Year Interim Plan (2007-2010) (Eleventh Plan) has main objective of this plan is to generate in experience a direct feeling of change in the lives of the general public by supporting and the establishment of peace and reducing the existing unemployment, poverty and inequality in the country. Three Year Interim plan

strategies are as follows: (a) to give special emphasis on relief, reconstruction, and reintegration. (b) To achieve employment-oriented, pro-poor and broad-based economic growth. (c) To promote good-governance and effective service delivery. (d) To increase investment in physical infrastructures. (e) To give emphasis on social development. (f) To adopt an inclusive development process and carry out target programs.

And other Twelfth- three year plan (2010-2013) also implemented in Nepal. In this plan, main objective is to generate an experience of a direct feeling of change in the lives of the general public by the exclusive job orientation, equity-justiciary, economic growth, poverty alleviation (eradication) and help for the sustainable peace process. In this plan is also based on basic six pillars: (a) Job-oriented effort, free from poverty alleviation, wide economic growth will be achieved only by an equal efforts of the government, private and community/cooperative. (b) To prepare physical infrastructure for supporting nation's federal framework and regional economic growth. (c) To achieve sustainable peace, emphasis will be given for inclusion and equity-justice development. (d) To enhance nation's socio-economic reforms by promoting socio-economic service. (e) Development activities will be result oriented through good governance and service orientation. (f) To operate economic growth and stability of national development process by industrialization, trade and service sectors to operate private and community/cooperative sectors development.

### **2.3 Reviews on Micro Credit**

Rural Credit Corporation was established in Rapti valley of Chitwan for the first time 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 incomes (previously it was Rs 2500). Agriculture

Development Bank, Nepal (ADB/N) started a targeted credit program entitled small farmers development program in 1975/76.

After the restoration of multiparty democracy in 1991, the government established Grameen Bikas Banks, which has been extended to 5 regions of the country. This program follows 'Grameen' 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 people 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:

### **2.3.1 Production Credit for Rural Women (PCRW)**

The Women Development Division (WDD) was established under the MLD to improve the socio-economic condition of disadvantaged women through a package of development services. For the purpose of attending the target WDD in 1982 under - Ministry of Panchayat and local development started the PCRW; the program was implemented in 5 districts with the help of UNICEF.

#### **The Main Objectives of the Program**

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;

Establish self-reliant women's group to enable them initiate and undertake production activities;

Integrate women into the regular service delivery system for credit and technical support services: and

To develop the capacities of WDD it insures that women's interests are duly reflected in the development policies of the country.

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

Women members receive bank credit without any collateral up to Rs 30000 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 kind of training assisted by bilateral and multilateral donors.

### **2.3.2 Micro Credit Project for Women (MCPW)**

MCPW program was started in 1993 with the fond 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 line whose per capita income is below NRs 4400 per annum. In addition, special favor is provided to land less, female-headed households, destitute and disadvantages women. The rural as well as urban women can get the credit for it. The overall objectives of the program are to improve socio-economic status of women and promote their participation in 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 saving 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 30000 to Rs 250000 per borrower.

From mid July 1994 till mid July 1997, a total of 93 VDCs and 10 Municipalities have been selected in 12 districts by WDS and partner NGOs to implement the program.

### **2.3.3 Intensive Banking Program (IBP)**

To direct the certain credit to priority sector is considered a need from the point of view of qualitative credit control and welfare. NRB directed commercial banks in 1974 to invest 5 percent of their total deposit liabilities to the small sector like agriculture, cottage industries and services. The small sector was redesigned as priority sector in 1976 and the level of lending was increased to 7 percent of the deposit liability. This priority sector was renamed as IBP. The program is being enacted in 75 districts covering more than 200 thousand borrowers' families. The IBP would have become a major program to alleviate poverty had it been implemented truly. But loan disbursements under IBP never exceeded more than 2 percent of the total loan portfolio of commercial banks.

### **2.3.4 Grameen Bikas Banks**

Initiation of Grameen Bikas Bank was the results of restoration of multiparty democracy in Nepal in 1991. Following the successful implementation of Grameen Bikas Bank in Bangladesh, Nepal started Grameen Bikas Program in 1993 in order to reduce poverty and to provide access of credit to poor, particularly rural poor. The deprived section of society, women from rural household are provided an easy access to credit and hoped to active them in income generating activities which automatically reduces poverty. The government has established 5 Grameen Bikas Bank in each development region of the country. The initial capital of the banks was paid by NRB and Commercial Banks. The operational modalities of the Banks have identified the poor. It organized the women group each consist of 5 Women. 7 day training is



compulsory and the procedure of loan getting and payment were given in training. The training also empowers women providing literacy program as well. Loans are extended in individual group members but whole group is accountable for that. Any rural women from household with less than 0.6 hectares of lands in terai and 0.5 hectares in hills are targeted group of those Banks.

Five Rural Development Banks are established in each of the five development region of the country. By mid July 1999 these banks had distributed loans amounting to Rs 2.37 to their 95,329 members (NRB Economic Reports, 1998/1999).

### **2.3.5 Rural Credit Reviews Study**

When NRB conducted two Agriculture credit survey in 1969/70 and a need felt to be reviewed the present status of credit to facilitate His Majesty's Government (Now, Nepal government) for initiating appropriate actions to strengthen the rural credit system into becoming more efficient, effective and responsive to the needs of the rural people.

The study conducted in 1992 found some major status of rural people and their credit habit. The 86 percent of the EAP (Economically Active Population) in rural population was engaged in agriculture, average annually income at 1991/92 was Rs 26,000 the proportional sample households reporting borrowing from the institution source during 1991/92 was estimated 8 percent for all households.

NRB (1996) states that a number of recommendations have been made with a view to improve the rural credit system to make it more effective, efficient, sustainable and responsive to the needs of the rural poverty alleviation. Recommendations include among others, establishment of a Rural Financial Market development Fund, improvement of non-government organization in credit delivery, linking selected in formal money lenders with formal financial system on a pilot basis, extending the coverage of Credit Guarantee Corporation providing adequate training to the banking personnel, arrangements for implementation of the recommendations and modality thereof.

## **2.4 Research Gap**

Various researches have been done regarding development program. The ongoing study is different than previous work done by variable use and purpose i.e. dimension of development practice in different laid development strategies is seen in people centered perspectives in the post liberalized situation and global context. The trend of development is presented descriptively in easiest way as much possible in this study. It primarily deals with the involvement of people in different micro economic agencies. it also explains the economic condition within five years comparatively. It will support the planners for better plans in the days to come.

## **CHAPTER-III**

### **METHODOLOGY**

#### **3.1 Description of Study Area**

Kaski, a hilly district lies in the western development region of Nepal. It's headquarter is Pokhara sub metropolitan city which is a place known as second capital city of Nepal. It's neighboring districts are Syangja, Parbat, Tanahun, Manang and Lamjung. It was divided into six small states in the period of “ChaubiseRajya” that is its own historical identity.

It lies at 366 to 2512 meters height from sea level. According to geophysical division, it covers about 1164 square km. of area and lies between 83°, 27' to 84°, 46' E longitude and 27°, 52' to 28°, 13' N latitude. There are 42 VDCs, 2 Municipalities, 4 Constituency. Among 42 VDCs, Nirmalpokhari is one of them. This VDC lies 5 km South from Pokhara bazaar, headquarter of Kaski and Western Development Region. It is surrounded by north Pokhara municipalities, south Khalangdada VDC Syangja and Bharatpokhari VDC in east, and Kristinachnechaur VDC in west. The Suraudi Khola crosses from the southern side of the VDC. The total area of the VDC is 15 square km. The total average altitude of this VDC is about 700 meters above from the sea level.

In this context, Nirmalpokhari VDC can be considered as an ancient and historical place, it has great possibility of tourism development. Famous Phoxing hill which has its historical value also lies in this VDC. Those VDC is facing some problems like lack of advertisement. Lack of public consciousness, lack of public and sector accessibility, carelessness of local institutions etc. if these problems are solved the development of tourism sector may automatically be increased. The people of this VDC have started cash crops like orange, ginger and coffee. By producing such crops, the people of the VDC are attracting towards these crops, but, they need hybrid seeds, vocational training etc. the people of this historical VDC can economically be benefited, if the above mentioned problems are solved.

The climate of this VDC is similar to rest part of Syangja district. Most of the VDCs are located in hilly region. So, the climate of the VDC is neither hot nor cold i.e. warm temperate climate. The climate of the Kaski district can be divided into

three categories. Warm temperate is found in 70 percent of the total area whereas Tropical Monsoon (15%) and cold Temperature are found (15%). The average annual rainfall is about 2665 MM and the maximum and minimum temperature is 30.9 and 8.2 Celsius respectively.

Natural resources are the crux to make the country rich. Their proper utilization and management take important role, but it is found on satisfactory to be used in our country due to different reasons like lack of infrastructure, lack of entrepreneurship, education and so on. If the natural resources like water, land, forest etc are utilized properly, the country's economic status will be strong.

Water is very essential for living beings. It is used for drinking, irrigation and other many proposes. Nearly 80 percent pipe water is distributed in the VDC, nearly 10 percent people use running water, 8 percent use dug well water and 2 percent people use other source of drinking water and household purpose. Most of the land is irrigated by traditional Kulo. There is a stream called Suraudi and Pardi (Fursekhola which is started from historical place. A district headquarters of old Syangja also Nirmalpokhari was in Syangja.

Most of the people are depending on agriculture. Roughly 40 percent land is cultivated and 60 percent land is occupied by the forest. Generally, there are four types of soil: sand mix soil, black soil, yellow soil and concrete mixed soil. Sand mixed soil is used for growing vegetables, black soil is used for growing paddy and yellow and concrete mixed soil are used for growing maize, wheat, millet, ginger, orange and coffee are mainly cultivated on such lands as their main income sources.

Forest is very important natural resources for ecological balance and healthy atmosphere. Forest is the sources of timber, firewood and also adds beauty in nature, preserve environment and resist excessive soil erosion. Roughly 60 percent land is covered by forest. There are 4 community forests which occupy nearly 30 percent forest out of the total forest. Some common trees are Chilaune, Katush, Pine, Saal, Koiralo, Saaj, Pakhari. Kauroetc, common shrubs are Bamboo, Niyalo, Kursimlo etc. and some common medical plants are Chutro, Kurilo, Timmur, Kyamuno etc. forest also provide shelter for wild animals like monkeys, panthers; beers rabbits, deer, foxes etc and some common birds like spiral, sparrow, crow, parrot, dove etc.

Nirmalpokhari VDC is an ancient village because of its historical identity. Different ethnic groups like Brahmin, Chhetri, Magar, Kamis, Ghartis, Damais, Sarkis. The people have their own religions, traditions and customs except Magars.

The total population of the VDC is about 4428 in the year 2011. Out of the total population Brahmins occupy first position (i.e. 65.22%), Chhetris occupy 2<sup>nd</sup> position (i.e. 14.95%) similarly 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> positions are Kamis, Damais, Gurungs, Ghartis and Magars respectively.

Out of 4428 people, male population is about 2331 (52.64%) and 2097 (47.36%) female population. The total household of the VDC is 667 according to VDCs census 2011. Except this some are engaged in business and service sector and some others are engaged in foreign employment.

There are different ethnic groups all of them can speak and understand the Nepali language. Some of the ethnic groups like Newar and Magars use their own mother language at their home and society.

The different ethnic groups have their own culture, yet some of the festivals and customs, are celebrated and followed by all. The common and important festivals like Dashain, Tihar, Teej, Holi, Shivaratri etc. all these festivals have their own importance and they encourage people to be gathered in the village and to share their experiences with their relatives and friends. The above mentioned festivals are locally important. Chandi is locally important festival among Magar community. Festivals are celebrated with varying degree of intensity, depending upon their religion, locality economic and social status.

The economic condition of a place reflects the living standard of the people. It includes income sources, performance of works for livelihood and necessary expenditure as well. People are bounded to be involved in at least one occupation sometimes depend on geographical behavior and resources endowment of particular places.

Like to general scenario of most of Nepalese villagers, the main occupations of Nirmalpokhari VDC are agriculture, trade and commerce, wage laboring and foreign employment. Being a rural area, a single man is engaged in different occupations in different times. So, the term 'occupation' does not tie anybody to a certain profession.

### **3.2 Research Design**

This study was based on descriptive research design because socio-economic and cultural changes had been observed in the community. It is an explorative because the study had investigated new ideas to increase the development of community

organization. The study also describes the problem, positive and negative impacts by VDP.

### **3.3 Population and Sampling Design**

Population (667) from which sample was drawn for this study included nine wards of Nirmapokhari VDC. At first, it was decided to carry out purposive sampling of only women groups among all 30 groups. Population from which sample has been drawn included all women participated community organizations (COs) at Nirmapokhari VDC in Kaski district. It was carried out purposive sampling of 12 out of 30 groups, all women participated COs are selected for the study. This study has focused a survey to include Dalit, Janjati and other women members as respondents or beneficiaries at least 52 percent members of the group for information collection by using random sampling. The final stage comprised random selection of at 50 percent members from each 12 groups hereby, making a total sample size of 110 beneficiaries.

### **3.4 Method and Technique of Data Collection**

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

### **3.5 Tools and 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 to collect the information. 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. Descriptive method will be applied for quantitative and qualitative data.

## **CHAPTER-IV**

### **DATA ANALYSIS**

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

#### **4.1 Organization and Management**

Organization is a consciously co-ordinate social unit, composed of two or more people that function on a relatively continuous basis to achieve a common goal. Village Development 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 VDP and MLD executes the program. So the program is executed by VOC in local level.

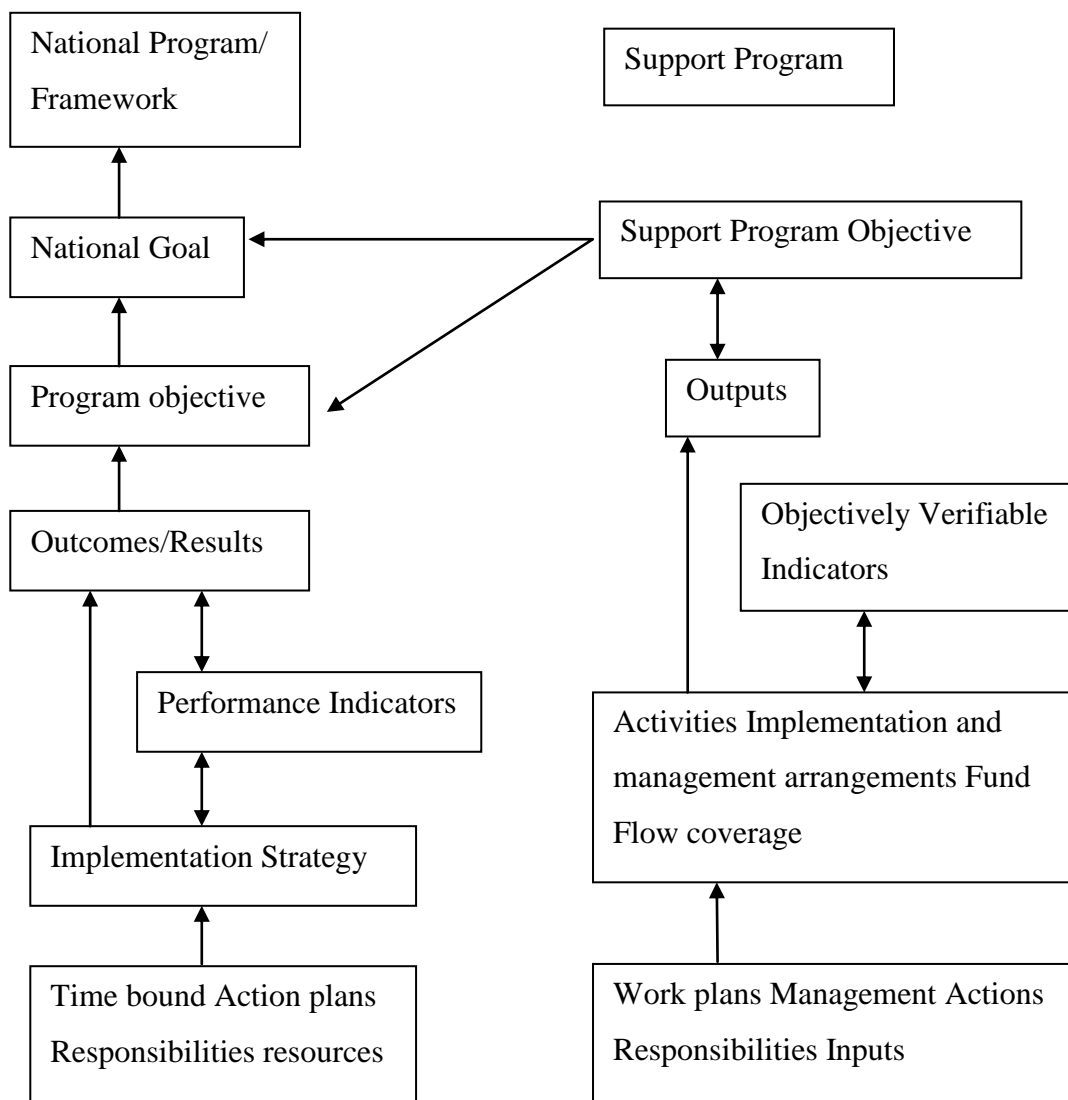
##### **4.1.1 Linkage of National Program with Support Program**

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 multiparty system of governance, especially the DDC, municipality and VDC Acts in 1992. The DDC, municipality, 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 structure in each of the three Acts of local governance that all locally elected authorities keep their accounts and decision completely transparent. ‘Choice’ refers to the liberalization of the development process. VDP is being launched to develop villagers so as to exercise trickle-up approach of development. LSGA- 1999 has further enhanced the scope of VDP. A conceptual relationship between national programs and support program is depicted in fig-4.1, which demonstrates how a support program contributes in achieving the results of the national objectives.

Figure 4.1

Linkage of National Program/Framework with Support Program



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



#### 4.1.2 Group Formation and Dynamism

“Where the psychologists focus their attention on the individual, sociologist’s study the social system in which individuals fills their roles; that is, Sociology studies people in relation to their follow human beings” (Robins, 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. Village Development Program works under community organization the formal group.

##### 4.1.2.1 Need of Group

Table 4.1

Percentage Distribution of Reporting Reasons for Group Formation

Reason for Group Formation	Number of respondents	Percent
Credit access	40	19.06
Participate in CD activities	50	23.80
To increase family income	45	21.42
Skill development	35	16.68
Group pressure	5	2.38
Saving	20	9.52
To gain knowledge and flew information	10	4.76
Others	5	2.38

Note: one respondent may respond one or more options.

Source: Field survey, 2017

Table 4.1 indicates that 23.80 percent of sampled members reported to have joined in- group to participate on community development activities in their own village. The secondary objectives for joining group were to increase family income (21.42 percent), followed by taking loan for family members from the COs, credit access and upgrading skill development (16.68 percent).9.52 percent of the sampled beneficiaries reported joined groups for saving purpose. Then, some respondents 4.76 percent reported that joined in groups to gained knowledge and new information

among them. 2.38 percent respondents as group pressure and 2.38 percent responded as other different causes such as development activities, investment and environmental sanitation.

#### **4.1.2.2 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 nine male COs, fifteen female COs and six mixed COs in Nirmalpokhari VDC. After hand over the project to village development fund at local level, all COs has reached at a stage of self-sustaining and self-governing organization through various stages. There are 30 matured COs in Nirmalpokhari VDC.

#### **4.1.2.3 Graduation of Group**

During this stage there is a regular weekly meeting of the COs and collection of the saving is mandatory. The COs prioritizes 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 Cos. The COs self- insatiate the task of building roads, digging tracks and trails, environment maintains activities and spreading literacy campaign. Enterprise development is another step to mobilize resources effectively. There is a monthly chair person manager's conference (CMC) organized. The maturity, certificates are awarded to the COs when all the required features of COs are resumed. The maturity certificate becomes the departure point for the COs in receiving seeds grant, credit capital and skill development activities. There are thirty matured COs in Nirmalpokhari, among them fifteen COs are of female group.

#### **4.1.2.4 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 payment and problems encountered in project implementation, matters related to training and community development activities etc. another underlying purpose of

holding of regular group meeting is to promote group solidarity and group cohesiveness among the members of the group.

Table4.2  
Number and Percentage Distribution of Group meeting

No. of meeting	Number of COs	Percentage
Below 6meeting	0	0
6 to 12 meeting	5	33.33
12 to 18 meeting	7	46.67
18 to 24 meeting	3	20
No meeting	0	0
Total	15	100.00

Source: Field survey

Table 4.2: shows that no groups are found below six meetings. Five groups have done more than six meeting up to 12 meetings. Seven groups have done more than 12 and below than 18 meetings and three groups have done 18 meetings by one and 24 by other. This is the activities of COs reported of last one year's meetings.

#### **4.1.2.5 Linkages for Self-reliant Development**

When the COs and functional groups develop themselves as self-reliant grassroots level institutions, they further expand their links (Vertical and Horizontal) for development and management with local Authorities NGOs, civil society, banks etc. this stage is the top most level of achievement of VDP. The COs also receives 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 VDP. 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.

Skilled manpower have produced and worked in agriculture sector, livestock, community health and auditing in Nirmalpokhari WDC for the period Of 262/63-2067/68. There is one male rural expert in agriculture, one male and one female expert in livestock, one female expert in community health and four male experts in auditing worked in this VDC. (Source Monthly Progress Report, 2011 March.)

#### **4.1.2.6 Institutionalization and internalization of VDP**

The capacities, structures systems and culture instilled by the program in implementation. VDP is designed to insure gradual sustenance of the program. LDF has now been legally prescribed under LGSA-1999 to institutionalize the conceptual framework and mechanism for YDP implementation.

The main functions of VDP are organization, skilled and saving. These are implementation at focal level to reduce poverty and empower disadvantage groups and minorities in the society. So, the concept of VDP seems clear at the community level in Nirmalpokhari VDC among 110 respondents, 87.28 percent (96) respondents had heard about VDP and 12.72 percent (14) respondents had not heard about VDP although they were as a member of COs from the beginning of the VDP in 2063. The main causes for this case has been observed as not going regularly in group meeting, some of them illiterate housewife, no interest to know about VDP, not participate on meeting to discuss etc. the some respondents have no idea about the location of VDP office in Nirmalpokhari. 3.63 percent (4) of respondents did not know about the location of 'VDP office, though they are group members in the COs and every month CMC also have been held in the VDP office. Among 110 respondents, 98 respondents (89.09 percent) have knowledge about the process of investment of loan provided by VDP and 12 respondents (10.91 percent) have unknown about it.

All 110 beneficiaries have knowledge about the functions of the VDP. In their opinion, main function of VDP are saving and credit, CD activities, income generating activities, group mobilization, resource mobilization, investment and others can be shown in table 3.

Table 4.3

## Percentage of Knowledge about Functions of VDP

Activities/Functions	Number of respondents	Percentage
Saving and Credit	104	94.54
Income generating activities	75	68.18
CD activities	80	72.72
Resource Mobilization	30	27.27
Group Mobilization	35	31.82
Investment	25	22.72
Others (skill development, awareness program etc)	10	9.09

Note: one respondent may answer one or more options.

Source: Field survey, 2017

The main CD activities operated by 15 female COs are: skill development and knowledge gain activities (6 times), community infrastructure (10 members), income generating activities (12 groups), health promotion activities (6 times), educational activities (4 times) and community forestry activities (8 times). All these mentioned activities have been completed within the allocate time period by COs. (source: Field survey 2017)

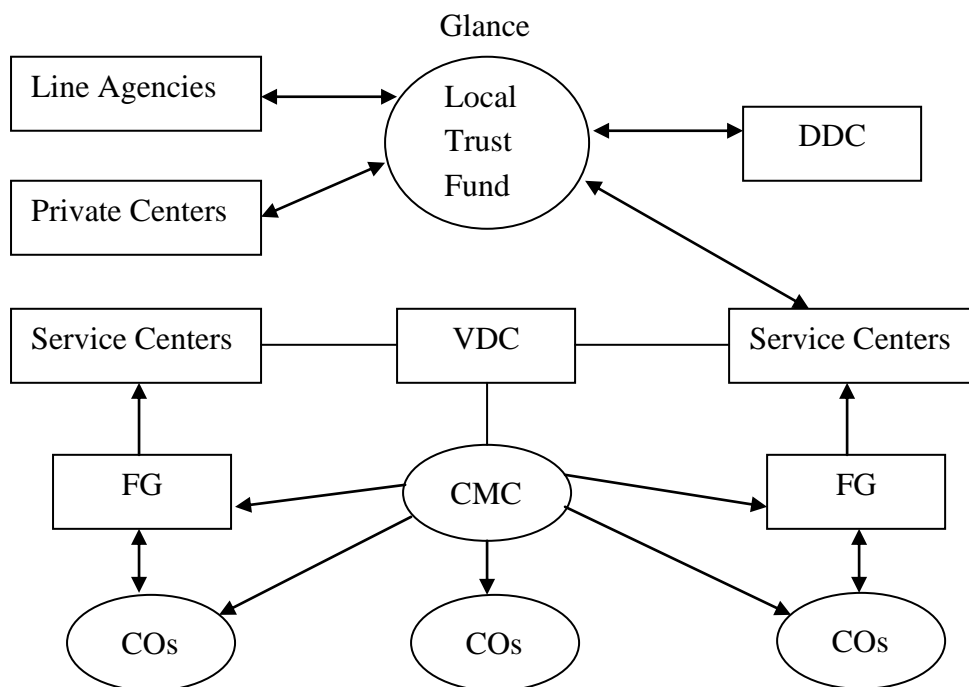
In major VDC meeting, participation of members of COs is necessary. Some meetings organized by VDC and representation or participation of 15 female COs members are: \$ COs in meeting for the annual budgeting, 5 COs in review meeting of monitoring and evaluation, to COs in social auditing. In all 15 COs participated in public hearing programs. This information shows that institutionalization and internalization o VDP is progressive way and COs are sustained and play major role in community development activities.

As a part of internalization strategy of VDP, 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 inputs from the program.

The organizational structure is exhibited below. The LDF is contributed by line agency, NGO/INGO, private sector, DDC, VDC etc. VDC is itself a service centre and CMC and group members is active recipient of the program:

Figure 4.2

Modality of Organizational Development under VDP of local Governance program at



#### 4.2 Assessment of VDP and Its Implementation

In order to, assess the VDP and its implementation in Nirmalpokhari VDC. It has selected indicators between the period 2010/11 to 2016/17 A. D. are compared. For this purpose selected indicators are categorized six thematic groups.

## 4.2.1 Comparison of General Economic Indicators

Table 4.4

Change in general economic indicators between 2010/11 and 2016/17

Indicators	Increased	Percent	No change	Percent	Decrease	Percent
Income	88	80	10	910	12	10.90
Farming	80	72.72	30	27.28	–	–
Wage laboring	85	77.27	25	22.73	–	–
Trade/business	25	22.73	75	68.18	–	–
Cottage industry	–	–	–	–	–	–
Remittance	52	47.27	50	45.45	8	7.27
Fruit and vegetable	55	50	50	45.45	5	4.55
Others	5	4.55	–	–	–	–

Note: 110 respondents do not response all the indicators.

Source: Field survey, 2017

Turning to the indicators of table 4, 80 percentages of beneficiaries reported that their income has increase in income. 10.90 percent of respondents found the income decreased on it. 9.10 percentages found no change income. About 72.72 percent of beneficiaries have increased the farm income and 22.73 percent didn't felt any changed. In addition, 77.27 percentages of respondent's fundable increase in wage income and 22.73 percent felt no change in it. Moreover, cottage industry has no income found. 47.27 percent respondents fundable have remittance, 45.45 percentage felt no change and 7.27 percentage felt decrease. Under this, fruits and vegetable supported to increase income by 50 percent, 45.45 percent have felt no change and 4.55 percent felt decreased. Some of respondents have no change status on income and some have decreased income status too.

The above findings indicate the shift of subsistence economy to market economy because income from wage laboring has increased (77.27 percent) substantially. Income and HH saving are positively related, but one of the remarkable points is that group saving also increased. This is good indication of 'we-feeling'.

#### 4.2.2 Household Indicators

Table 5 represents it abundantly clear that all the indicators used to, compare and measure changes in HH indicator have, been found in better direction.

Table 4.5

Percent of change in HH indicators between 2010/11 and 2016/17

S.N.	Indicators	Increased	Percent	Decrease	Percent	No change	Percent
1.	Expenses on consumption	100	90.90	–	–	10	9.10
	Vegetable	35	31.82	50	45.45	25	22.72
	Fruit	30	27.28	45	40.90	35	31.82
	Milk	70	63.63	25	22.72	15	13.63
	Meat	80	72.73	10	9.10	20	18.18
2.	Expenses on education	65	59.09	20	18.18	25	22.72
3.	Expense on medicine	55	50	40	36.36	15	13.63
4.	Expense on agriculture	48	43.64	22	20	40	36.36
5.	Expense on livestock	58	52.72	22	20	30	27.28
6.	Expense on cloth	68	61.82	12	10.90	30	27.28
7.	Expense on fertilizer	98	89.10	–	–	12	10.90
8.	Expense on communication	105	95.45	–	–	5	4.54
9.	Expense on transportation	55	50	50	45.45	5	4.54

Note: out of 110 respondents, some do not response the all indicators.

Source: Field survey 2017

Here, table 5 noticed that 90.90 percentage expenses on consumption have increased. Similarly, expenses on education, medicine, agriculture, livestock, cloths, fertilizer and improved seeds, communication and transportation are increased in 59.09, 50, 43.64, 52.72, 61.82, 89.10, 95.45 and 50 percent respectively. This



situation has reflected good scenario on implementation of expenses but here rise in price is not considered. In fiscal year 2010/11, about 14 percent price is raised in all goods and services. In the table, there is 45.45 percent decreased the expenses of transport because of 95.45 percent increased the communication expenses. Some respondents said that all urgent tasks have been done through communication without travel nowadays.

Increasing expenses in consumption reflects better way of living. Increase in consumption shows that people have consumed more vegetable, fruit, meat and milk than earlier years. Increasing expenses in education shows that people are aware about education. Most of people want to enroll their children in boarding school which is established few years ago in Nirmalpokhari VDC. Increase in expenses in health shows that people are aware in their health. Now a day, community people want to regularly their physical health. Increase in expenses in cloth shows the manifestation of modernization. Nowadays people want to wear new fashion dress. Modern electronic equipment like TV, DVD player, computer, mobile, helps to increase in expenses on dress also. Increasing expenses on agriculture shows that people are farming in modernize way, i.e. use of chemical fertilizer, use of improved seed, use of wage paid labor, keeping improved livestock. Increase in expenses on communication indicates that technological transformation in community and manifestation of modernization.

In general rise in price in all goods and services are also increased in all expenses in community people. Inflection rate of fiscal year 2010/11 is about 14 percent but inflation rate is not only determinant of the increasing expenses on community.

The respondents have increased expenses on medicine shows the increasing the awareness of the people towards health. 52.72 percent of respondents increased the expenses on livestock. 89.10 percent beneficiaries increased the expenses on fertilizer and improved seeds. Community people have directed towards the professionalism on agriculture through subsistence farming. 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 (31.82 percent), fruit (27.28 percent), milk (63.63 percent), and meat (72.73 percent). If this is true what they have said, they have begun consuming much fat,

vitamin, protein etc. which is also the good symptoms of living standard; change on food habit is an indication of economic transformation of community people.

#### 4.2.3 Technological Diversification Indicators

Technological Diversification indicators shows that most of the respondents have adopted the available modern farm practice, improved livestock, machine and equipment, means of communication, fuels, oven and lights etc. the comparison Of all indicators between 2010/11 and 2016/17 are shown in following table 4.6.

Table 4.6  
Comparison of Technological Diversification Indicators, 2010/11 and 2016/17

S. N.	Indicators	Increased	Percent	No. change	Percent	Decreased	Percent
1.	Farming practice						
	a. Plough	0	0	100	90.90	10	9.10
	b. Use of labor	5	4.54	105	95.46	0	0
	e. Parma	15	13.64	62	56.36	33	30.00
	d. Wage	42	38.18	38	34.55	30	27.28
	e. Improved seeds	95	86.36	5	4.54	10	9.10
2.	No. of improved livestock						
	a. Cow	55	50.00	28	25.45	27	24.55
	b. Buffalo	30	27.28	50	45.45	30	27.28
	c. Goat	110	100.00	–	–	–	–
3.	Means of communication						
	a. Radio	25	22.72	70	63.63	15	13.63
	b. TV	50	45.45	20	18.18	–	–
	c. Newspaper	35	31.82	70	63.63	5	4.54
	d. Telephone/ mobile	96	87.27	10	9.10	4	3.63
	e. Computer	7	6.36	100	90.90	5	4.54
	f. Email/ Internet	4	3.63	102	92.72	6	5.45

Source: Field Survey, 2017

The indication is that 90.90 percent of respondents were used to cultivate their land plough in 2010/11 but they used to cultivate their land using plough decreased by 9.10 percent now. Use of labor is increased 4.54 percent and parmaphartha is increased in 13.64 percent. The use of wage paid labor is increased by 38.18 percent and 34.55 percent is micro change in this case. The improved seeds are 4.54 percent which is increased by 86.36 percent. Some respondents reported to begin the improved livestock increased by 50 percent of cow, 27.28 percent of buffalo and 100 percent increased in goats. It shows that all family has at least an improved variety of livestock.

The used of means of communications i.e. Radio, TV, Newspaper, Telephone, mobile, Computer, email/internet is increased by 22.72, 45.45, 31.82, 87.27, 6.36 and 3.63 percent respectively. This indicates that the modern technological transformational tools are used in the group members. DDC profile 2010 shows that in Nirmalpokhari. VDC total HH of Radio users are 495, TV users are 185 and Cassette player users are 158.

Table 4.7

Indicator comparison on Machine and Equipments between 2010/11 and 2016/17

Indicators	Increased	Percent	No change	Percent	Decreased	Percent
Machines/ equipments						
Camera	44	55	36	45.00	15.79	0
Heater	16	84.21	3	0	0	0
Petrol mix	0	0	1	100.00	0	0
Filter	30	54.55	25	45.45	0	0
Freeze	5	71.42	2	28.58	0	0
Motorbike	3	27.28	8	72.72	0	0
Vehicles	1	100.00	0	0	0	0
Rice cooker	40	66.66	20	33.34	0	0
Iron	50	76.92	15	23.08	0	0
DVD player	45	81.82	10	18.18	0	0
Inverter	2	100.00	0	0	0	0

Note: Out of all 110 respondents some do not response the all indicators,

Source: Field Survey, 2017

Table 4.7 shows that the use of Camera, Heater, Filter, Freeze, Motorbike, vehicles, Rice cooker, Iron, DVD Player and Inverter as modern machines and equipment is increased by 55, 84.21, 45.55, 71.42, 27.28, 100, 66.66, 76.92, 81.82 and 100 percent respectively. DDC profile 2010 shows that camera users are 150, heater users are 105 and Filter users are 200, Fan users are 30, Petrol mix user is only one. Freeze users are two. Motorbike users are three.

DDC profile 2010 shows that fan users HH are 30, but in fact, there are no far user's families among 110 HH taken in sample survey. Similarly, petrol mix users HH is only one, freeze users HH are 7, motorbike users HH are 11, vehicle user HH is only one, inverter user HH are two. It shows that the sample survey data is different from DDC profile data.

Table 4.8

Indicators comparison on Use of Fuels and Light between 2010/11 and 2016/17

<b>Indicators</b>	<b>Increased</b>	<b>Percent</b>	<b>No change</b>	<b>Percent</b>	<b>Decreased</b>	<b>Percent</b>
Use of fuels						
Wood	15	14.28	80	76.20	10	9.52
Kerosene	1	3.84	15	57.70	10	38.46
Gas/biogas	30	51.72	10	17.24	18	31.63
Electricity	65	85.25	15	18.75	0	0
Source of lights						
Electricity	65	61.90	35	33.33	5	4.77
Solar	3	10.00	5	16.66	22	73.33
Kerosene	4	6.77	5	8.74	50	84.74
Others	5	100.00	0	0	0	0

Note: Out of 110 respondents, some do not response all indicators.

Source: Field survey, 2017

Table 4.8 shows that the wood, kerosene, gas/biogas and electricity are increased 14.28, 3.84, 51.72 and 18.25 percent respectively. But the use of wood, kerosene and biogas is decreased by 9.52, 38.46 and 31.03 percent because of latest use of electricity.

The use of source of light is changed. Electricity is used in maximum families which is 61.90 percent increased. Solar system and kerosene is increased from 10 and 6.17 percent respectively.

At Nirmalpokhari VDC, 600 HH (89.95 percent) have used electricity. 32 HH (4.80 percent) have used solar panel and 35 HH (5.25 percent) have used kerosene as source of light in their home. (DDC profile, 2010).

#### **4.2.4 Social Indicators**

Social Indicators include Banking Habit Source of Borrowing, Insurance Use of Toilets and Structure of house and Source of drinking water. The comparison of these indicators is presented in following table 4.9.

In the table, 27.28 percent respondents had banking habit in 2010/11 but the percentage has increased to 72.72 percent in 2016/17. This indicates the banking habit is increased. One of the surprising points is that there are no banks in the area at local level but Muktinath Bikas Bank; one of the private bank is established in Nirmalpokhari VDC, which made case to increase banking habit at Nirmalpokhari VDC's local people. The habit of beneficiaries to borrow loan has increased 100 percent from bank/institutional source.

Banking habit of Nirmalpokhari VDC is also poor. Among 667 HH of this VDC, only 278 HH (41.68 percent) take a loan from different sources. Bank as a source of loan is covered only 98 HH (14.70 percent), loan borrowed from COs is covered 153 HH (22.94 percent) and loan borrowed from money lenders covered 138 HH (20.68 percent). (DDC profile, 2010).

The total account opening HH of Nirmalpokhari VDC is 250. Among 250 HH, 185 (74 percent) accounts are hold by male and 65 accounts (26 percent) are hold by female. Field survey shows that among 110 HH, 58 HH have opened bank accounts.

Table 4.9

Indicators Comparison of Banking Habit, Source of Borrowing, insurance, Toilets, Structure of house and source of Drinking water between 2010/11 and 2016/17

<b>Indicators</b>	<b>Increased</b>	<b>Percent</b>	<b>No change</b>	<b>Percent</b>	<b>Decreased</b>	<b>Percent</b>
Banking habit	32	72.72	12	27.28	0	0
Regular saving	5	100	0	0	0	0
Partial saving	50	83.33	10	16.67	0	0
Source of borrowing						
Bank/institutional	100	100	0	0	0	0
Money lenders	0	0	4	3.63	106	96.37
Literacy rate	446	74.33	154	25.67	0	0
Under SLC	83	75.45	27	24.55	0	0
SLC	73	66.36	37	33.64	0	0
Intermediate	60	54.54	50	45.46	0	0
Bachelor	30	62.5	18	37.5	0	0
Master	10	100	0	0	0	0
Technical education	5	100	0	0	0	0
Insurance						
Life insurance	40	80	10	20	0	0
Non-life insurance	4	100	0	0	0	0
Livestock insurance	10	100	0	0	0	0
Accidental insurance	20	100	0	0	0	0
Toilets						
Dug-well	12	19.35	18	29.03	32	51.62

Water seal	30	50	30	50	0	0
No toilet	0	0	9	56.25	7	43.75
Structure of house						
Tin roof house	66	60	44	40	0	0
Building house	5	50	5	50	0	0
Source of drinking water						
Tap water	80	72.72	28	18.18	10	9.10
Spring water	4	16	15	60	6	24
Raining water	0	0	10	100	0	0
Others	5	50	3	30	2	20

Note out of 110 respondents some do not response the all indicators.

Source: Field survey 2017

As group interview clarified that major portion of borrowed fund comes from their own COs. Community forestry. Aama Group, Farmer Group, Nirmalpokkhari and LDF. Similarly, 96.37 percent of respondents has decreased in 2012/13 that they had borrowed loan from money lenders in 2010/11. Although COs and LDF shouldn't provide loan for non-income-generating activities, 10 HH has received loan for the purpose of health care, consumption of food, HIT expenditure and transportation which is not income generation activities. Literacy rate has increased from 25.67 percent in 2010/11 to 74.33 percent in 2012/13. the field survey shows that percentage of under SLC is increased from 24.55 to 75.45 percent, from 33.64 percent to 66.36 percent increased in SLC, from 45.46 percent to 54.54 percent increased in intermediate, from 37.50 percent to 62.50 percent increased in Bachelor and 100 percent increased in Master and Technical education which has positively reflected the educational status in this VDC.

Insurance activities have also highly increased during this period. People didn't listen and know about insurance in 2010/11 but 80 percent respondents have done life insurance in 2016/17 and non-life, accidental and livestock insurances are also 100 percent increased in this period. But beneficiaries have no ideas and

knowledge about insurance of livestock. So, they couldn't claim and inform about their dead livestock in VDP/VDC and other line agencies.

The use of toilets in community is increased rapidly. In the field survey; 56.25 percent of no toilet HIT in 2010/11 is decreased by 43.75 percent which shows the good indication for good health, sanitation and environment pollution.

At Nirmalpokhari VDC 622 HH (93.25 percent) have made toilet and 45 Nil (6.75 percent) don't have toilets. Among 622 HH, 24 HH have made water seal toilet and 598 HH have simple dug well toilets. (VDC profile 2011).

The structure of household has found two types. The HH made by 60 percent Nil made by Tin Roof. Similarly, 40 percent concrete building is made during this five years period.

There is available of drinking water in this VDC. Most of the people used in pipe line water in this VDC. 72.72 percent tap water users increased and 24 percent of spring water users have decreased.

#### 4.2.5 Target Group Indicators

Table 4.10

Change in Target Group Indicators between 2010/11 and 2016/17

Indicators	Increased	Percent	No change	Percent	Decreased	Percent
Asset formation						
Land	45	40.90	50	45.45	15	9.10
Equipment	30	42.86	40	57.14	0	0
Share & equities	2	66.66	1	33.34	0	0
Poultry	5	15.15	28	84.85	0	0
Livestock	38	34.54	60	54.54	12	10.90
Sophisticated goods and ornaments	48	43.63	46	41.28	16	14.55

Source: Field survey, 2017



Table 4.10 makes it clear that about 40.90 percent respondents have increased land remained 45.45 percent represents have found no change in land and 9.10 percent of respondents have found decreased the ownership of land and because of leaving the village to earn in abroad. Similarly, 42.86 percent of respondents have added some kind of equipment like farming instruments, home gadgets etc. 66.66 percent has increased the holding of share and equities, 15.15 percent has increased poultry and 34.54 percent has added livestock, 43.63 percent has increased the sophisticated goods and ornaments.

The indication is simple enough to perceive that they have added the assets. The increase in Livestock is praiseworthy because they have started to keep hybrid livestock like cow, buffalo and. goat and become commercial on production of livestock. Sophisticated goods and ornaments are purchased from abroad and brought after returning to the village.

#### 4.2.5.1 Training

Training undoubtedly broadens knowledge, skill and attitude. Table 4.11 indicates the difference in training received between 2010/11 and 2016/17.

Table 4.11  
Percentage of Training Received in 2010/11 and 2016/17

Indicators	Increased	Percent	No change	Percent	Decreased	Percent
No training	0	0	70	100	0	0
No. of training obtained	90	100	0	0	0	0
Vocational training	32	100	0	0	0	0
Skill development	30	100	0	0	0	0
Awareness training	45	100	0	0	0	0
Study visit	10	100	0	0	0	0

Source: Field survey, 2017

Table 4.11 shows that the data has substantially increased on training. Among 90 percent people of training obtained, 32 are vocationally trained, 30 people have received skill development training and 45 have received awareness training and 10 people have got the chance of study visit. In vocational training, livestock, crop, and vegetable production are induced. Similarly, skill development training covers sewing, cutting, sweeter making, candle production. Account keeping training and in awareness training, sanitation, primary health care, leadership development, population and family welfare, good governance and human rights are included. And the last indication, study visit includes the group visit participatory of respondent for the purpose of how to manage household compound to observe livestock management and to learn how cultivating vegetable. The place of visit is neighboring Bharatpokhari VDC of Kaski district. Almost all trained received by beneficiaries was provided jointly by VDP, LDP and some other organizations.

#### **4.2.6 Women Empowerment Indicators**

The specific concern of this topic is to assess and investigate to extend the structure of women's participation in HH decision-making in 2010/11 and 2016/17. The major quantitative indicator of female status used was the relative input into three area of HH decision-making, farm management, involvement in local market economy and domestic activities.

The first category includes decision on domestic activities such as cooking, washing, sweeping, family health care and sanitation, food processing etc. instead of asking them this time separately only domestic activities was asked and written here. Secondly, farm management decision was taken as an indicator to assess the implementation 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 agriculture inputs.

##### **4.2.6.1 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 domestic activities. The

domestic activities encompass activities like cooking, laundry cleaning child care, fetching water etc.

Table 4.12

HH decision making in farm and domestic activities between 2010/11 and 2016/17.

Particulars	2010/11				2016/17			
	Female	Male	Both	Total	Female	Male	Both	Total
HH decision	75.10	12.85	12.05	100	61.05	5.35	33.60	100
Farm management	16.81	36.13	47.06	100	42.02	7.56	50.42	100

Source: Field survey, 2017

Extent of gender participation in farm management it also illustrate in the table 12. 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 HH goods or commodities.

Table 12, 12.85 percent HH domestic is taken by male alone in 2010/11, 75.10 percent decision was taken by female only and 12.05 percent both. But in 2016/17, 5.35 percent male are not involved in HH decision of domestic activities, 61.05 percent female and 33.60 percent both female and male are involved in HH decision. This indicates that both male and female have started to take decision in collaboration which is increased from 12.05 percent in 2010/11 to 33.60 percent in 2016/17. Male have become quite cooperative to female and involved jointly to decide domestic general activities. Unilateral decision making process in the family is changed into bilateral decision making process during this period which is a good indication for women empowerment.

Again in farm management decision-making, 36.13 percent male, 61.81 percent female and 47.06 percent both use to involve in 2010/11 but in 2016/17, 7.56 percent male, 42.02 percent female and 50.42 percent both have been involved in farm decision making. This is also a good indication on part of women. Both indicators

shows that the co-operation is good between male and their female partner on the family.

#### 4.2.6.2 Gender's Involvement in Local Market Economy

Rural women are usually entangled the less or non-remunerative HH chores. Qcial norms arid 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 HH for sale or exchange in the nearby market or weekly Hat Bazars. Table 9 presents percentage distribution of genders involvement in the decision making process to participate in local market economy in 2010/11 and 2012/13. The study intends to know whether is any improvement in women's role on such activities from where currency is generated and they have opportunities to use it.

Table 4.13

The involvement in local market economy decision making from genders respective in 2010/11 and 2016/17

Particulars	2010/11				2016/17			
	Female	Male	Both	Total	Female	Male	Both	Total
Ownership of land	5.85	83.38	10.77	100	10.38	73.46	16.15	100
Purchasing and selling of land	2.08	69.00	28.92	100	48.58	6.49	44.3	100
Selling of agriculture product	30.50	50.20	19.30	100	26.52	12.50	60.98	100
Selling of livestock products	10.53	65.29	24.18	100	38.85	30.52	30.36	100
Bank account holding	18.92	65.42	15.66	100	26.83	59.92	13.25	100
Participation on trade and business	10.80	69.92	19.28	100	22.88	35.82	41.30	100
Participation on organization	5.83	70.22	23.95	100	48.58	6.49	44.3	100
Use of means of family planning	17.70	28.95	53.35	100	26.52	12.50	60.98	100

Source: Field survey, 2017

Ownership of land with female is increased from 5.85 percent in 2010/11 to 10.38 percent in 2016/17. Ownership of land of man is decreased from 83.38 percent to 73.46 percent and ownership of land with both is increased from 10.77 percent to 16.15 percent. Similarly, decision of both male and female for purchasing and selling of land is increased from 28.92 percent to 79.43 percent where the percentage of decision of male is decreased from 69 percent to 11.77 percent. This shows the tendency of coordination among family members for HH decision and the women is more responsible for HH decision making nowadays in the village. So, the above finding indicates that the unilateral decision making process is changed into bilateral decision making process in the family which shows that the responsibility and empowerment of women in HH decision-making process is positively changed and increased.

In the table 13, the decision of both male and female to selling of agriculture products and livestock is also increased and only male decision on it is decreased. The percent of joint decision is increased from 19.30 percent to 44.93 percent in agriculture product and from 24.18 percent to 60.98 in livestock. The male decision is decreased from 50.20 percent to 6.49 percent in agriculture product and 65.29 percent to 12.50 percent in livestock. Female decision is increased from 30.50 percent to 48.58 percent in agriculture product and from 10.53 percent to 26.52 percent in livestock.

Similarly, bank account holding data is increased. In the table, male had 65.42 percent, female had 18.92 percent and both jointly had 15.66 percent account holding in 2010/11 and male have 30.52 percent, female have 38.85 percent and both jointly have 30.63 percent 2016/17 which shows that the account holding culture is somehow increased in this live years period.

The decision for participation on trade, business and organization is increased in both male and female where only male decision is decreased. It is increased in both male and female from 19.28 percent to 41.30 percent in trade and business, 23.95 percent to 13.25 percent in representation on organization, the male decision is decreased from 69.92 percent to 35.82 percent and 70.22 percent to 59.92 percent respectively and the female decision is increased from 10.80 percent to 22.88 percent in trade and business and from 5.38 percent to 26.83 percent in representation on

organization. It shows that the decision for participation on trade and business and representation on organization is taken place with co-ordination and advice between male and female in the house and only female decision is also increased because male partners from maximum HH are abroad.

The decision of using means of family planning of both is decreased from 53.35 percent to 47.31 percent where the decision of female is increased from 17.70 percent to 27.19 percent. This shows those decide family planning activities by women but also involved in for that purpose with co-ordination. Nowadays, males are also more responsible for family planning than before.

#### **4.2.6.3 Change in Social Status of Women Beneficiaries in the Household and Community Level**

Key informants with the women beneficiaries revealed that improvement in their status in the HH resulted in somewhat lower assessment than in community. Some respondents reported that women felt less restricted in speaking their mind and more inclined to make decisions on their own after they joined COs nowadays. Most of the women are empowered on speaking publicly, participation in public programs, decision on community activities, providing advice and suggestions to their husbands and family.

### **4.3 Implementation of the program at Local level.**

#### **4.3.1 Community Development Activities – A Cause for Group Solidarity**

People who come together in VDP, 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 (1971), solidarity is a broad concept which refers to the existence of persistently being 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 groups where members were working towards a common goal like drinking water scheme, construction of small irrigation scheme, nursery establishment and fodder plantation on a co-operative basis were found to be more cohesive.

Hoffman-Nowotny (1981) maintains that group solidarity is enhanced by social participation on that exists in the structure of a social system. According to him

as members of a given group preferred direct participation in communal activities, the group will be tightly bonded into everlasting group solidarity. Participation of COs members in different facts of CD activities create personal ties among the members of the group.

Table 4.14  
Percentage distribution of participation in major CD activities

Community Development Activities	Number of participants	Percentage
Drinking water scheme	95	86.36
Irrigation scheme	20	18.18
Agro-forestry	15	13.63
Road	50	45.45
School	55	50.00
Sanitation	35	31.82
COs house	19	17.27
Others (Electricity Fire line)	39	35.45

Note: one respondent may answer one or more options.

Source: Field survey, 2017

Table 4.14 shows that 86.36 percent of sampled beneficiaries participated in the construction of drinking water scheme either in the form of voluntary labor or material contribution. 18.18 percent of sampled beneficiaries were found to have participated in the construction of irrigation scheme, 13.63 percent have involved in agro forestry scheme, 45.45 percent in road construction, 50.00 percent in schools, 31.82 percent in sanitation, 17.27 percent have involved in COs house building process and 35.45 percent in other activities. The figure 4 also shows the percentage of involvement in community development activities.

#### 4.3.2 Number of Loan Cycles

Implementation on sampled beneficiaries was assessed by analyzing the demand for credit and its utilization. Table 4.15 represents percentage distribution of beneficiaries by no. of loan cycle received.

Table 4.15

Percentage distribution of receiving no. of loan cycles

Number of cycle	Number of participants	Percentage
None	8	7.27
Two times	28	25.45
Three times	22	20.00
Four times	16	14.55
Five times	10	9.10
Six or above	26	23.63
Total	110	100.00

Source: Field survey, 2017

The 25.45 percent of the sample beneficiaries were found to have taken two cycle of Loan, whereas 23.63 percent of sampled beneficiaries received taken six or more cycle of loan. 20 percent receive three cycle of loan, 14.55 percent in four cycle, 9.10 percent in five cycle of loan. The 7.27 percent of sampled beneficiaries had not taken loan because they felt no need to take it (8 persons), low saving amount in the COs (5 persons) and two persons are in queue for loan taking. Field observation revealed that uptake of second or follow on loan was more popular with earning enterprises. They often take loan for needy situation and returned back in time according to rule and regulation of organization. Table 4.15 shows the percentage distribution of loan cycle.

#### 4.3.3 Size of Loan Received

Average loan size is varied by purpose of loan. The size of loan ranged from Rs. 4000 to Rs. 20,000. Table 4.16 illustrates the no. and percentage distribution of samples beneficiaries receiving different loan size.



Table 4.16

Size of Loan Received by Sample Beneficiaries from COs.

Size of Loan (Rs.)	Number of loan receivers	Percentage
Rs. 1,000-2,000	8	7.28
Rs. 2,000-5,000	24	21.82
Rs. 5,000-10,000	32	29.09
Rs. 10,000-20,000	19	17.27
Above Rs. 20,000	22	20.00
No loan	5	4.54
Total	110	100.00

Source: Field survey, 2017

Table 4.16, no loan has taken by 5(4.54 percent). 7.28 percent has taken loan size of Rs. 1,000-2,000. 21.82 percent received loan size in the range of Rs 2,000-5,000, 29.09 percent received loan in the range or Rs. 5,000-10,000. 17.27 percent received loan in the range of Rs. 10,000-20,000 and remaining 20 percent received loan size in the range of above 20,000. It shows that comparatively, more respondents have received loan in the range of 5 to 10 thousand than other ranges.

#### 4.3.4 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 DDC annual report and VDP, Nirmalpokhari progress report. As of 2010, the analysis of data shows that loans disbursed to beneficiaries in Nirmalpokhari VDC for various income generating activities amounted to its 18, 30, 405. All are invested and revolving among members in COs. There is no overdue of loan. This reflects the population as honest and devoted to COs norms and regulation.

The respondents have received loan from not only COs but also they receive the loan from other organizations at local level. The respondents who have not known about the loan receiving process from other organization are 16.85 percent and those who can explain about the loan receiving process are 55.45 percent but 27.70 percent respondents do not have an idea about the loan process of other organizations. Except the VDP, the community forestry user groups, farmer groups, fun-board, PHC Nirmalpokhari have also invested lean to the target group and community.

#### **4.3.5 Local Development Fund**

VDP model stresses on social capital in local development by enlarging the voice and choice of the poor, who take an active part in decision making affecting the community. LDF consist 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 manage poverty alleviation, initiatives VDP 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 UNDP DDCs and VDCs provide matching funds. Bilateral and multilateral agencies, National and International NGOs, GoN and financial institutions are other sources.

#### **4.3.6 Group Decision Making Process**

COs organized under VDP are the institutions at the 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 focus on income generating activities with loans. A second set of tasks deals with the loan form LDF. The third set of tasks focuses on the community development activity, which requires VDP to mobilize local resources. The final set of tasks requires the group to acquire outsides (technical as well as financial) from government and non-government organizations.

In all the above mentioned tasks, really necessities 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. COs are viewed as an instrument in bringing rural villagers together in the decision making for working 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 nil members will impose organizational discipline on themselves to

accomplish corporate purpose. Sustainability of the group in the percent context is defined is the ability at the system (COs) 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 seven major tasks to be performed by group. Table 17 represents percentage distribution of sampled beneficiaries according to their extent of involvement in group decision making process.

Table 4.17

Level of Involvement in Group Decision-making by Tasks

Group Tasks	Number of involvement	Percentage
Income generating activities	88	80.00
Saving and credit	98	89.10
CD activities	82	75.55
Mobilizing resources	41	37.27
Mobilizing group	59	53.63
Investment	35	31.82
Others	14	12.72

Note: one respondents may response one or more options.

Source: Field survey, 2017

As seen from table 4.17, the level of involvement of sampled beneficiaries in group decision making process in relation to saving and credit activities is the highest (89.10 percent), followed by income generating activities (80 percent), then community development activities (75.55 percent), mobilizing group (53.63 percent), mobilizing resources (37.27 percent), investment plan (31.82 percent) and others as skill development, awareness program etc (12.72 percent). This shows that women are much empowered for social activities.

Table 4.18

Sectors and Investment amount in income Generating Activities at Nirmalpokhari  
VDC

Sector	Amount (Rs.)	Percentage
Cow and buffalo	1,10,000/-	15.87
Vegetable farming	65,000/-	9.37
Goat and sheep exchange program	1,50,000/-	21.64
Ginger farming	55,000/-	7.93
Seed grant program	85,000/-	12.26
Fruit farming	75,000/-	10.82
Poultry farming	3,000/-	0.46
Women oriented income activities	25,000/-	3.60
Others activities	1,25,000/-	18.05
<b>Total</b>	<b>6,93,000/-</b>	<b>100.00</b>

Source: VDC profile, Nirmalpokhari, 2011

The table 4.18 shows that goat and sheep exchange program covers 21.64 percent amount of income generating activities. Similarly, Cow and Buffalo covers 15.87 percent. Seed grant program covers 12.26 percent. Fruits farming covers 10.82 percent and so on.

The total amount received from DDC to LOF, Nirmalpokhari as revolving fund is 4,92,625/-. It has: received Rs 2,75,234/- for the purpose of loan for revolving fund. Similarly, the amount received for vegetable revolving fund is Rs. 67,391/- and for goat and sheep exchange program is Rs. 1,50,000/-.

In Kaski district total no. of income generating activities (micro enterprises) initiated by male is 260. Among, those 60 activities (23.07 percent) are related to agriculture, 105 activities (40.38 percent) are related to livestock and 95 other activities (36.53 percent). Similarly, total no. of income generating activities initiated by female 175. Among, those 65 activities (37.14 percent) are related to agriculture, 85 activities (48.37 percent) are related to livestock and 25 others activities (14.28 percent). In total no, of income generating activities initiated by both male and female are 435. Among them, 125 activities (28.73 percent) are related to agriculture, 190

activities (43.67 percent) are related to livestock and 120 others activities (27.58 percent).

In Nirmalpokhari VDC total number of income generating activities initiated by female are 135. Among them, 55 activities (40.74 percent) are related to agriculture, 60 activities (44.44 percent) are related to livestock and 20 activities (14.81 percent) are others.

#### **4.4 Major Findings**

The major findings of the study are as follow:

1. Village development program is based on local governance program which is supported by UNDP.
2. All the villagers are found actively participated in the program which helps them to be benefitted in different aspects like improving their economic standard, consuming pattern, etc.
3. VDP is effectively implemented excluding some exceptions and women are more advantaged with decision making process, generating better income and participating different activities those are held in village.

## **CHAPTER-V**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary**

By the time, when the field survey for this study was conducted, the VDP had been operating in 65 districts of the country and 25 VDC of Kaski 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 A Study of VDP and its implementation. More specifically, the study focused on the following aspects. Study the Village Development Program (VDP). Assess implementation of VDP. Identify the participation and empowerment of the women in the program.

The findings of the study reports are, based on the following methodology adopted for the study. Population from which sample was drawn for this, study included nine wards of Nirmalpokhari VDC. At first, it was decided to carry out purposive sampling of only women groups among all 30 groups. Population from which sample has been drawn included all women participated community organizations (COs) at Nirmalpokhari VDC in Kaski district. It was carried out purposive sampling of 12 out of 30 groups, all women participated COs are selected for the study. This study has focused a survey to include Dalit, Janjati and other women members as respondents or beneficiaries at least 50 percent members of the group for information collection by using random sampling. The final stage comprised random selection of at least 50 percent members from each 12 groups hereby, making a total sample size of 110 beneficiaries.

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

About 43 percent of land of the VDC is agricultural land, about 52 percent is covered by forest and remaining 5 percent buss, grass, sand and cutting area (land-slide).

The total population of the VDC is about 4428 in the year 2011. Out of the total population Brahmins occupy first position (i.e. 65.22%), Chhetris occupy 2<sup>nd</sup> position (i.e. 14.95%) similarly 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> positions are Kamis, Damais, Sarkis, Ghartis and Magars respectively.

Out of 4428 people, male population is about 2331 (52.64%) and 2097 (47.36%) female population. The total household of the VDC is 667 according to VDCs census 2011. Except this some are engaged in business and service sector and some others are engaged in foreign employment.

There is one public health post and five private clinics, eight schools. One higher secondary, two secondary (including one private school), one lower secondary, four primary schools and one preprimary school. One NGO and six co-operatives are working in the VDC. Electricity is available in all 9 wards HH. There is muddy road. All respondents beneficiaries reported that the leaders of their group were selected on the basis of group initiative and also all respondents mentioned that, their, dozen groups had altogether 145 meetings in the last year 2068.

## **5.2 Conclusions**

Based on the above findings, it can be concluded that Monitoring and Evaluation system of VDP is good in the area. Participation has been immensely exercised either in leadership selection or in internal saving. Group saving manifests the devotion of villagers to the disciplined. Saving and cumulative investment which is double of saving is praiseworthy.

In an attempt to assess a study of VDP program on target villagers on selected indicators between 2010/11 and 2012/13, it was found that there is a shift of emphasis in income generating activities in recent years.

Out of selected - six indicators used to compare - and measure the change in the general indicators, beneficiaries were found in better condition in 2068/69. Most of the beneficiaries have been found in better condition from income, saving to fulfillment of food on the HH indicators, the improvement in VDP at local level. They

include cost maximization 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 manned 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, private bank is established in Nirmalpokhari VDC. People have begun to borrow loan from institutional source instead of money lenders. Internal saving is enough for providing them the loan in need. Literacy rate increased, increased of providing the more scope for resource mobilization on road, school and community activities, Target group indicators such as assets (land, equipment, livestock, and poultry sophisticated goods and ornaments) have been found at a good direction. Major parts of asset formation consisted of sophisticated goods and ornaments and livestock. 70 respondents had received no training in 2073/74. Awareness and account keeping training are new kind of training which is supposed to help good governance and transparency of COs in VDC.

On the HH decision making front female input into decision-making in domestic activities has improved. Only 12.05 percent beneficiaries both male and female used to take HH decision in 2010/11 but the ratio has increased to 33.60 percent in 2016/17. Similarly, the unanimous decision rate was 50.42 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 'co-operation' with 'friends' and 'neighbors' in the community however few women beneficiaries experienced strained relation and less co-operation from their husband, may be partly due to emerging entrepreneurship developed among them and challenges post by their wives in the HH.

In the overall context, 86.36 percent of beneficiaries participated in the construction of drinking water scheme, 18.18 percent in irrigation scheme and 45.45 percent in road, 50.00 percent in school and 31.82 percent in sanitation.



7.27 percent of sampled beneficiaries were found not taking any cycle of loan, 23.63 percent have taken six or more cycle of loan, 25.45 percent have taken at least two cycle loan. 20.00 percent have taken three cycle loan, 14.55 have taken four cycle loan and 9.10 percent have taken five cycle of loan. 29.09 percent of beneficiaries have taken loan range between Rs. 5,000-10,000. About 20 percent of beneficiaries have taken loan range above Rs, 20,000. No one has any overdue yet. This indicates and ensures the sustainability of VDP at local level.

## **5.2 Recommendations**

The overall performance the program has been satisfactory. The strategic approach for its implementation has provided a unique opportunity for increased participation in development planning and management. Progress has been made in reducing poverty. Women have been empowered; they are taking lead in community development and micro enterprises social issues such as child labor, child marriage, violence in community and alcohol inn has been addressed through social mobilization.

The land should be taken as the primary criteria to identify target members and HH having land below 0.5 ha, should only be included in VDP: special attention needs to be included to be given to landless HH, female headed HH and women in disadvantages social and ethnic groups.

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 an implementation 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. d) Group formation should be voluntary to the extent possible. Group formed with external assistants are likely to disintegrate overtime. Leadership selection should be given to group members. Leaders hand-picked by development agents for account of their ‘progressiveness’ tend to dominate it over others. Therefore, in organizations like VDP, group should have mechanism that forestalls concentration of power in one person. Rotation of leadership, collective leadership, ceilings in terms of service, division of

responsibilities among members of the group are examples of such mechanism to ensure democratic leadership.

At least within a social organization like VDP groups, every member should be able to directly participate in decision making on key, if not all issues. Leaving the decision making to leaders will almost inevitably result in concentration of power and other irregularities, making decisions through consensus building seems to be more culturally compatible in the Nepalese context.

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 intermediate's' such as local NGOs, credit unions etc.

The livestock sub-sector in agricultural sector was dominant in absorbing VDP 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. c) Livestock should be insurance through COs for all their members. d) The VDP at the districts level should have its veterinary assistant who can fully devote his/her time to providing services to the beneficiaries.

Artificial distinction between the loans for production and consumption serves no real purpose. The borrowers can easily use of 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 fund or group saving fund.

Group saving is of great importance in the rural economy. Though the COs members are supposed to deposit certain amount for 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).

In VDC groups COs where members are working towards a common goal like construction of drinking water scheme, small irrigation scheme; school, road

construction, sanitation campaign on cooperative basis are 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 with group plan.

The training of both VDP/VDC staffs and beneficiary member has considerable scope for improvement and a suitable system of accessing training need has yet to be developed. Very relevant in the context of VDP implementation are the training programs on book keeping management and the operation of revolving fund and, mobilization of group saving fund, which, however, had not been attended by many beneficiary.

The observed strong relationship between COS and VDP staffs bears a serious implication for the type of role of government (MLT) has to play. Provision of loans (LDF strengthening), essential input and technical services for improves 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 changes included: a) Willingness to learn from the beneficiaries and incorporate local wisdom in the planning and design of the program. b) Willingness try let beneficiaries make their own decisions on matters that affect their life directly. c) Acceptance of the fact that the COs belongs to the members not to VDP agency. d) Showing appreciation and respect for poor rural household.

The approach of VDP focus on some disadvantage groups and ethnic minorities and women to empower that had remained out of the program support. Presently it is necessary that local body's election should be held and local elected body should be established to run the program smoothly.



5.1 If yes, list the name of organization or office: .....

6. Are you member of COs?

Yes  No

If yes, when have you joined in COs?

7. Do you regularly go the meeting of COS yourself?

Yes  No

7.1 If not, to whom do you send and why don't you attend?

8. Is it easy to form community based organization?

Yes  No

8.1 If not, why?

9. Do you know what the functions of COs are?

Yes  No

9.1 If yes, list the functions of COs:

10. Why do you involve in COs?

10.1 For credit access

10.2 Saving

10.3 To increase family income

10.4 For skill development

10.5 For participating CD activities

10.6 From group pressure

10.7 To gain knowledge and information

10.8 others (mention) .....

11. How much amount do you contribute in regular group saving in COs?

11.1 Upto 50 rupees

11.2 50-100 rupees

11.3 Above 100 rupees

12. Do you feel any problem or difficulties for taking from COs?

Yes  No

12.1 If yes, what are the problems or difficulties?  
.....

13. How many cycles of loan have you received until now?

No loan

Two times

Three times

Four times

Five times

Six times or more

14. How much amount of loan has you received from COs until now?

No loan

Up to Rs. 1000/-

Rs. 1000-2000/-

Rs. 2000-5000/-

Rs. 5000-10000/-

Rs. 10000-20000/-

Above 20000/-

14.1 If no loan, why? .....

15. For what purpose have you taken loan from COs?

15.1 Livestock

15.2 Agriculture

15.3 Cottage Industries

15.4 Trade and Business

15.5 Others (If, mention): .....

15.1.1 In what sector do you invest loan for agriculture purpose?

Chemical fertilizer

Improved seed

Equipments

Wage for labor

Fruits

Vegetable

15.1.2 How much amount of loan have you received?

.....

15.1.3 What are the final returns?

.....

15.3.1 In what sector do you invest loan for cottage industries?

Sewing and cutting

Carpenter

Wiring

Handicrafts

15.3.2 How much amount of loan have you received?

.....

15.3.3 What are the final returns?

.....

15.3.4 In what sector do you invest loan for livestock?

Improve cow

Improve buffalo

Improve goat

Improve poultry

Improve pig

Improve others

15.3.5 How much amount of loan have you received?

.....

15.4.1 In what sector do you invest loan for trade and business?

Grocery shop

Vegetable shop

Tailoring shop

Cold store

Others: .....

15.4.2 How much amount of loan have you received?

.....

15.4.3 What are the final returns?

.....

16. What is your opinion about the amount of loan you received from COs?

Little amount of loan

Normal amount of loan

High amount of loan

17. What is the rate of interest of loan in your COs?

.....

18. Are you agree with the rate of interest determined by the COs?  
 Yes  No   
 If No, why? .....
19. What is the repayment period of loan you received?  
 Three month  Four month   
 Five month  Six month
20. Do you have any problems for repayment of loan?  
 Yes  No   
 If yes, what are the problems?  
 .....
21. What are the direct benefits in your family after receiving loan?  
 Increasing family income   
 Change in life standard   
 Increase the level of education   
 Better status of food habits   
 Improve the health and environmental situation   
 Others (mention): .....
22. What have the problems arisen in your family after receiving loan?  
 No problem   
 Not returns of loan in loan payment period   
 Loan repayment with fine out of period   
 Not attending in the regular meeting   
 Others (Mention): .....
23. What are the sectors of use of your free labor service under CDP?  
 Drinking water  Road   
 Trek and trail  Irrigation   
 Community forestry  Building construction   
 School  Environmental Sanitation



24. Are you committed any other group or organization except VDP?

Yes  No

25. If yes, tick the name of organization:

Community Forestry

NGOs

Users' group

School Management Committee

Mothers' group

Co-operatives

Others .....

## APPENDIX-B

S.N.	Indicators	2010/11	2016/17	Remarks
<b>1.</b>	<b>Income</b> a. Farming b. Wage laboring c. Trade/business d. Cottage industry e. Remittance f. Others			
<b>2.</b>	<b>Expenditure</b> a. Expenses on Consumption b. Expenses on education c. Expenses on medicine d. Expenses on agriculture e. Expenses on livestock f. Expenses on cloths g. Expenses on fertilizer and improved seeds h. Expenses on communication i. Others			
<b>3.</b>	<b>Technological diversification</b> a. Farming practice b. Use of Plough c. Parma d. Wage paid labor e. Use of improved seeds f. No. of improved livestock (cow, buffalo and goat) g. Means of communication used at home: Radio, TV Newspaper, telephone			

S.N.	Indicators	2010/11	2016/17	Remarks
	Mobile, computer email, internet h. Machine and equipments: Camera Heater, petrol max Filter, freeze Motorbike, vehicles Rice cooker, iron DVD player, Inverter etc i. Use of fuel: Wood/coal Kerosene Gas Biogas Electricity j. Source of light: National grid electricity Solar Kerosene Others			
<b>4.</b>	<b>Social Indicators</b> a. Bank account opening b. Saving in bank Regular saving Partial saving c. Source of borrowing Institution/Bank Money lenders d. No. of literate person Under SLC SLC of equivalent Intermediate or equivalent			

S.N.	Indicators	2010/11	2016/17	Remarks
	<p>Bachelor or equivalent</p> <p>Master or equivalent</p> <p>Technical education</p> <p>e. Insurance</p> <p>Life insurance</p> <p>Non life insurance</p> <p>Insurance of livestock</p> <p>Accidental insurance</p> <p>f. Toilets</p> <p>Dug-well</p> <p>Water seal</p> <p>Non toilet</p> <p>g. Structure of house</p> <p>Tin roof</p> <p>Concrete building</p> <p>h. Source of drinking water</p> <p>Tap water</p> <p>Spring water</p> <p>Raining water</p> <p>Others</p> <p>i. Target group indicators</p> <p>No training obtained</p> <p>No. of training obtained</p> <p>Types of training:</p> <p>    Vocational training</p> <p>    Skill development training</p> <p>    Awareness training</p> <p>j. Study tour</p> <p>Visited</p> <p>If so, where and what purpose?</p> <p>Not visited</p>			

S.N.	Indicators	2010/11	2016/17	Remarks
5.	<b>Asset formation</b> a. Land b. Equipment c. Share and equities d. Poultry farming e. Livestock f. Sophisticated goods and ornaments			
6.	<b>Women empowerment indicators</b> a. Ownership of land and house b. Purchasing and selling of land and house c. Buying and selling of agriculture products d. Buying and selling of livestock e. Farm management decision f. Holding of bank account g. HH activities decision h. Participation on trade and business i. Participation and representation on organizations j. Use of means of family planning			

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