

Some Reflections On The Problems and Strategies of Nepal's Economic Development

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The confusions regarding development strategies have been so rampant in recent years that most of the developing countries have been overtaken by multiple dilemma. The problem is more acute in a country like Nepal which has great diversity - geographically, ethnically, culturally and economically. Nepal is a land of international curiosity. A country which is so mysteriously shrouded in nature's spectacular scenic beauty has successfully maintained a facade of tranquility despite strong development pressures.

A country where 93 percent of the population is dependent upon agriculture has only 14 percent of land under cultivation. In other words, only 1,980,000 hectares of land are under cultivation out of a total area of 14,000,000 hectares. The remaining 32 percent is laid with forest land, 15 percent with perpetual snow and 26 percent with waste land. In other words, 13 percent of available land may still be brought under agricultural operation. The average size of land holding in Nepal is amongst the smallest in the world. Per capita GNP is over \$ 100, smaller than it is in most of the least developed countries which can be bracketed together with Nepal. Almost 60% of the total population, which resides in the hills, is isolated from the major development scene because of the differences in topography. Pressure of population on resources is

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the base for overall economic development what has, however, been overlooked is the necessity for a rethinking on the developmental strategies in this sector. This rethinking is essential on the ground that technologies which are currently in use have proved to be inadequate and ineffective because of their failure to provide even the basic need of a family. But the call for serious thinking in this sector does not mean the advocacy of the development of French Physiocrat's 'agricultural bias' because as we know, underdevelopment, by its nature, calls for a multi-pronged attack, some thinking to the strategies relating to the development of industries and trade could be made side by side.

Albert R. Hagan in his work 'The Agricultural Development of Nepal' (Aug. 1976) has discussed some approaches and strategies considering present resources and constraints for agricultural development in Nepal. The concluding part of this discussion on the agricultural sector is based on Hagan's strategies. His prescribed strategies are: (1) a Project-Oriented Strategy; (2) a Terai-First Strategy; (3) a Hills-Emphasis Strategy; (4) a Terai-Hills Strategy; (5) an Integrated Regional Development Strategy.

Design of specific projects based on the appraisal of the resources of agricultural sector, specific short-run goals and consideration of obvious problems and constraints are discussed under the first strategy.

If the primary goal of development efforts is accepted as the desire for attaining higher food grain production, Terai-First Strategy can safely be defended. In other words, the welfare of the masses of the people in a developing economy like ours is based primarily on the productivity of agricultural resources.

The urgent need of Hill agriculture development is quite obvious by now analysing the pressure of population and unusually difficult topography of this region. Some assumptions made by a report of The Rockefeller Foundation Team on 'A Study of Hill Agriculture In Nepal' (April 1976) is worth discussing for making us realise the need of diverting resources from Terai to the Hills and ultimately accepting Hagan's strategy. Following are the major assumptions:

- A. It is assumed that population in the Hills will continue to grow over the foreseeable future probably at the rate of 1.3 percent per year.
- B. It is estimated that pressures on land resources will continue to increase assuming further deterioration of forest and grazing lands in the future resulting in the cultivation of more marginal lands.

too high ● All these problems have led us to consider seriously the forecast of the experts that we shall have to import grain starting from the early 1980's.+

General health of the population is pitiable in the sense that tuberculosis, typhoid, cholera and so many other communicable diseases are still quite common. The life expectancy at birth is just 45 years in Nepal. Erick P. Eckholm in his book 'Losing Ground' reveals the sensational fact that, as many as three hundred out of every thousand babies born in Nepal's hills die before their first birth day. Normally three major factors are supposed to be responsible for decreasing mortality rates - improved nutrition, better sanitation and hygiene and improved medical care. There is no doubt that these three factors have been taken care of in Nepal but it is nevertheless to be admitted that they have not been fully explored. If there has been any exploration regarding such a delicate problem it is only visible in the form of ridiculous propaganda by family planning agencies. Unless serious thinking is given to a firm national plan of health then we have only to wait for a scourge like the bubonic plague (the Black Death) which occurred during 1348-50 in Europe killing as much as 25% of the total population. Another example can be cited in this connection from Columbia's experience where the population grew from approximately three million in 1950 to twenty-six million in 1975, forcing the citizens to settle down on steep slopes. Serious problems of soil erosion can be expected in an area the moment cultivation begins there. Deterioration of mountain environment specially with deforestation and land mis-management in Nepal has been a source of so much concern to the soil conservation officials as to elicit their observation that the beds of some terai rivers are rising from as little as six inches to as high as one foot every year. Thus National Planning Commission has observed with regrets that the soil erosion is 'almost to the point of no return . . . It is apparent that the continuation of present trends may lead to the development of a semi-desert type of ecology in the hilly region.*

Considering these problems it seems that the only option we have at present is the development of the agricultural sector with as great an urgency as possible. There has been no dearth of recognition of the fact that the agricultural sector constitutes

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- Population density, per cultivated square kilometer in the hills where average farm is less than 0.4 hectares has reached to 930 persons.
 - + During Fourth Plan too the rate of increment in grain productivity was slower than that of the population.
 - * Quoted from Erick P. Eckholm's book, Losing Ground, 1976.

C. The small area Package Program being highly locale specific will have limited multiplier effect.

These assumptions clearly suggest that we are required to redress our past mistakes of making our development plan 'Plain' (Terai) oriented.

Disparities of the development resources in different regions of the kingdom seem to be the main theme under the Fourth-Strategy because the division of development resources between Terai and Hills is suggested considering their priority areas.

The last strategy is the base for above mentioned four strategies which is based on the concept of 'corridor development' initiated in the Fourth Five Year Plan attempting to integrate Terai with the Hills and the Mountains.

Looking at the present need and of course nature of agriculture sector above mentioned projects can all be launched at the same time and for this purpose Planners are to consider an optimal allocation of available resources. This would of course require the drawing up of a scheme of priorities, which in its turn will bring in the question of social value judgement.

To conclude, the diagnosis of development problems and the suggestion of program for their remedies are not enough to accelerate the tempo of economic development. The nature of economic development is such that it can continue to develop even in the most complicated and unusually difficult social structure. The only thing which is important in this regard is the degree of achievement brought about by measures taken for economic development. In other words, fulfillment of development objectives can be expected but rethinking and rearranging the development programs in course of the implementation certain development projects can not be neglected. To quote Irma Adelman, 'A society will be called underdeveloped if economic development is possible but incomplete.'