

RURAL DEVELOPMENT EFFORTS IN NEPAL: A BRIEF APPRISAL

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Articulate concern for the problems of the rural areas and rural poor has become a ubiquitous goal in more or less every less developed country. This shift in emphasis away from the age-long concentration on raising general growth rate reflects the ineffectiveness of the mechanisms for triggering spread-effects from the centres of expansion to other regions. It was presumed that the expansion of activity in areas having higher pay-off potential would, through forward and backward linkages, generate expansionary momentum in the hinterlands. But, in reality, the spread effects supposed to emanate from the expanding localities to other regions tended to be weaker and were overly counterbalanced by the backwash effects. Quite contrary to expectations, growth becoming entrenched in a few centres, attracted the inflow of better quality labour and capital from the hinterlands, further strengthening the production base of such centres. This process set what Myrdal calls a 'cumulative causation' - upward in the lucky regions and downwards in the unlucky ones (Myrdal: 1963). It was perhaps because of this causation, the emphasis on growth for quite a long time failed to reduce the rural-urban imbalances and the rich-poor inequality; rather these imbalances were further strengthened. This was seen to pose a serious threat to the stability and prosperity of the prevailing system both at the national as well as international level. At the national level, the deprivation of improved living to the majority was seen as a major factor causing riots, and disturbances on a rising scale to the point of revolution leading to the displacement of the existing system by

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a new one promising equity through strong redistributive measures. At the international level it was feared that the growing rural-urban imbalances in the poor countries may, by extension, endanger the continuation of the existing world order. The concern to avoid these outcomes found expression in "rural development" which called for directing the developmental thrust toward the countryside. If on the one hand, this strategy of development started to get prominence in the national plans of most LDCs, on the other, even the international agencies such as the World Bank and the Asian Development Bank initiated the policy of financing rural development projects in the poor countries. This trend is also visible in the national development plans of Nepal. This paper attempts to scan the rural development efforts in Nepal in a historical perspective and show to what extent the efforts have been successful in accomplishing the desired goals. The scope of the paper has been primarily concentrated towards a general analysis rather than micro-evaluation of any specific rural development project. Therefore this paper can not do justice to individual project-wise analysis of an increasing number of rural development projects in Nepal implemented so far.

1. Introduction

Nepal embarked on the planned process of development in 1956, but it was not until the initiation of the Fourth Plan in 1970, was a detailed blueprint of regional development outlined. Nevertheless, the earlier plans were not totally devoid of the efforts towards rural development and in the Fifth (1975-80) and the Sixth Plans (1980-85) also the concern for rural development were manifest in the form of various rural oriented programmes. But the emphasis, scope and the content of the programmes differed in each of the plans reflecting three broad approaches - the institutional approach, the area development approach and the target group approach.

The institutional approach is focussed on building and improving the institutional infrastructure for sustained agricultural growth in rural areas. Under this approach programmes aimed at improving the land tenure and other agrarian practices and catering to the production needs of the farmers are initiated on a spatial basis. Such programmes are launched basically in the form of co-operatives and land reform measures and, in fact, these constituted the initial moves towards rural development in almost every less developed country. Following the postulates of the classical

theory that all rational individuals seek higher to lower output and hence automatically compete to tap the opportunities opened up the government, these schemes aimed more at transparency reform and improving delivery system at the grass-roots level for augmenting output rather than overhauling the structural factors hindering production increases and equitable distribution processes. Quite a few less developed countries stuck as they are in a deep structural trap, failed to evolve a system propitious to production increase and more equitable distribution through the institutional reformist approach. On the contrary, the schemes tended to reinforce the dominance dependence relations and strengthen the structural forces contributing to inequalities, thereby further putting back the development of rural area in general and the rural poor in particular.

The area development approach also known as the integrated area development approach (IADP) has the same objectives as the institutional approach but the operational tools are different. Unlike the institutional approach the IADP stresses on area development through implementation of a package of integrated programme covering various facets of rural life e.g., agriculture, cottage industry, health, education, transport, etc., in small area/s and replication of similar schemes in other areas with or without modifications depending on the feedbacks monitored. But the effectiveness of such an integrated approach in transforming the primitive rural society into a modern one is contingent upon the political commitment of the state supported by an administrative set up capable of efficiently directing the benefits towards the depressed groups. This is something which LDCs generally lack and as such the IADP is hardly successful in accomplishing the cherished goals.

The meagre results of the institutional and the area development programmes made it clear that economic and social development of rural area can be achieved only through the profound transformations in the social and economic structures of the underprivileged groups encompassing small farmers, landless tenants and other farm labour. This led to the development of the target group approach concentrating on identifying a homogenous group of rural poor either on income or landholding basis and improving the social and economic structures of this group through an integrated scheme embracing agriculture, cottage industry, health, education and drinking water. Because the thrust of this approach is on providing direct benefits to a small and fairly homogenous group of people, the results are comparatively better than those of the earlier two approaches. Nevertheless, this approach practiced

as it is within the existing socio-economic framework in rural communities is subject to the some constraints faced by the earlier two approaches.

2. Rural Development efforts in Nepal

(a) The First Plan (1956-61)

The initiation of First Five Year Plan in 1956¹ also marked the beginning of rural development efforts in Nepal. The Plan incorporated a combination of institutional and area development approaches in village development scheme, cooperatives and the Rapti valley development programme. The village development scheme envisaged a three-tier mechanism for implementing its programmes; the local development activities were to be implemented at the lowest level, the Dehat development activities at the middle level and the rural development activities at the higher level. These levels were differentiated on the basis of activities and financial involvement. At the lower level each district magistrate was allowed a sum of Rs.20,000 annually with complete discretion of granting a maximum of Rs.2,500 per activity of local importance such as construction or renovation of school, playground, well, track etc., if the local people also contributed half the total cost and labour. This cooperation between the government and the people in undertaking local projects was expected to instigate the rural people to take up further projects. The middle level rural development activities were to be concentrated chiefly in those areas which marked a satisfactory performance in the undertaking of lower level activities. The programme at the middle level included the distribution of improved seeds and chemical fertilizers, vegetable cultivation, horticulture, poultry, protection of crops and livestock from diseases and insects etc. Besides, opening of primary schools, safeguarding people against communicable diseases, installing drinking water facilities and keeping reserves of necessary medicines at each village were also emphasized. These works were to be initiated under the jurisdiction of the district magistrate and financial provision of Rs. 1,65,000 for the first year and Rs. 1,32,000 thereafter on an annual basis was earmarked for each block¹. The higher level activities incorporated both the lower and middle level programmes and were oriented towards providing assistance for soil test, extension of scientific

¹ The Country was divided into 159 blocks. Each block consisted of about 200 villages covering 10,000 to 13,000 families.

modes of production, health and maternity services, high-school education, promotion of arts and skills, development of cottage and small-scale crafts, market facilities, cooperatives, etc. For these activities a sum of Rs. 2,70,000 in the first year and Rs. 2,20,000 annually was to be provided per block.

The target for the five year period 1956-61 was set at covering the entire 150 blocks by the lower level activities, 32 blocks by the middle level activities and 16 blocks by the higher level activities. The 16 blocks chosen for higher level activities were to have a office of co-operative department each for facilitating the rural development activities as a viable institution offering economic services to the rural community and at the same time furthering its social welfare. The plan expected a great deal from the co-operatives as instruments of rural change and development. It was stated, "If the co-operative movement is developed in a healthy and efficient manner, it will progressively abolish excessive rural indebtedness, contribute significantly to the raising of living standards and develop among the members of the co-operative societies versatility, capacity of organisation, self-reliance, self respect and ability to conduct their own affairs in an honest and democratic way" (NPC, 1956).

The other programme towards rural development was the development of Rapti Valley, a malarial and largely uninhabited tract of jungle stretched in an area of 600 sq. miles, lying 90 miles southwest from Kathmandu. The programme envisaged a multipurpose scheme in which land would be equitably distributed with more productive farming methods, social services for better health and education, cooperatives for self help and cottage industries for non-farm earnings. The reason for carrying out the programme in Rapti was that it bordered land scarce regions of the country and could therefore be used for providing land to the landless. Moreover because the valley adjoined the Kathmandu-Raxaul road linking the Indian border, the market prospects would permit the introduction of cash economy. The other potential areas identified for replication of Rapti model were Dang, Pokhara and Kamala.

Achievements: The achievements, however, failed to live up to expectations. Apart from the establishment of some 55 village development centres of different levels and providing certain services to 22,50,000 people residing in 3800 villages (NPC: 1962), the programme did not yield appreciable results. The reasons for this shortfall are explained in terms of lack of adequate local institutions, change in the country's political system and frequent

changes in government during the period². The Rapti Valley Programme, on the other hand, got off a better start because America extended financial assistance to open up the valley for settlement. Under the American financed 'new co-operative', service a mechanized land clearing operation was started and land ploughed for settlers, and by 1958 a model health centre and an experimental farm were established, a soil survey was instituted, wells were dug, a craft training programme begun and 18 co-operative societies were formed' (Mihaly: 1965). But the early expansionary momentum and the promise of the area as a model scheme waned out and the archaic system and mode of production continued to prevail. The Americans withdrew from the Rapti Valley co-operative in mid-1958 because the government wanted to assume greater responsibility in the administration of the project. This was a major setback to the project and the way the project was implemented later, the traditional system and practices were reinforced. As Mihaly points out the land distribution was by no means equitable and much of the large landholdings was sold to politicians in Kathmandu who had no interest other than quick returns. The medium and small farmers who had received small holding were forced to sell the land because of indebtedness, even though resale of land was not allowed at least for 3 years. As a consequence, tenancy system got embeded in the area. The introduction of new techniques also did not materialize because the farmers were settled hastily and because the government was found almost totally lacking in concern. As years passed the concern toward introducing new techniques also faded out and by 1963 most farmers in the valley were using the same techniques as their ancestors had used centuries back (Mihaly 1965).

The Rapti Valley programme cannot, however, be said to be a complete failure. A large area of land which would have otherwise remained a disease infested uninhabitable forest was opened up for settlement. As brought out by the Second Plan document, during 1956-61 more than 5000 families were settled in the area and 12863 ha of land was brought under plough, contributing to additional production of 30000 ton foodgrains during the five year period (NPC: 1962).

2 In 1961 the multiparty system was substituted by the Panchayat System and during 1956-61 the cabinet was changed four times.

(b) The second Plan (1962-65) and
The Third Plan (1965-70)

Both these plans stressed on Panchayatization or rural development through local panchayats. The Second Plan was formulated and implemented one year after the Panchayat system was instituted as the political structure of the country. The new political system embraced a bottom-up and not the top-down approach for promoting democracy and economic development in the country. This called for a four-tier structure extending from the village to the national level³. The lowest body, the village panchayats, constituted on the basis direct vote by the people of that village, was supposed to undertake developmental activities through people's participation at local level. The district panchayats had the responsibility of assisting and co-ordinating village panchayat activities and undertaking projects beyond the capability of village panchayats. The zonal panchayats were to serve as co-ordinating agencies for the district panchayats and undertake zonal level programmes. At the apex the national panchayat was to formulate national policies and suggest measures on various problems of the country.

The outline of regional development policy enunciated in the Second Plan focussed on two types of schemes for rural development. The first scheme which may be referred as the 'general approach' called for general socio-economic reforms in all panchayats on an equitable basis. Accordingly, the Plan aimed at establishing at least one primary school per village panchayat, a health centre per district, and a government hospital, a multipurpose school and an agricultural extension office per zone. The cottage industry training centres already opened in all the 14 zones were expected to promote further the cottage and small scale crafts throughout the kingdom. The second scheme, which may be termed as the 'specific approach' focussed on introducing multipurpose or integrated programme in some specific localities with the expectation that if the scheme proved successful it would serve as a model for other areas. Further, efforts were to be made to install mini hydro-electric plants in promising places, thereby giving a boost to the growth of cottage and small scale industries in the surrounding areas.

³ The entire country was divided into 14 zones, 75 districts and 3474 villages. On the average, a Zone comprised of 5 districts, a district 45 villages, and a village 600 households.

One notable measure undertaken during the second plan period towards energizing the rural community, particularly the tenants and the landless farmers and orienting the counter-productive feudal agrarian structure into a productive one was the introduction of a comprehensive land reform programme in 1964. Prior to this, however, in 1957 the land reform Act was passed with an aim to fix the rent at 50 percent of the produce, in 1959 the Birta Abolition Act was enacted with the objective of changing the Birta land into Raikar by converting the registered tenants into landowners^{4/}. But these measures could not make any dent on outcasting the feudal agrarian structure because of lack of accurate records, informal leasing, lack of political commitment, etc. (MR: 1966). The Land Act of 1964, therefore, aimed at accomplishing these unresolved goals with a strong emphasis on redistribution of land in excess of ceiling to the landless peasants, tenancy reform and control over the exploitation of the tenants by the landlords by fixing rent and interest, and redemption of old accumulated debts. But the achievements were very poor. The skewed distribution of land continued to remain unchanged, the majority of tenants are still insecure and their dependency on the privileged class is even more heavier.

A study conducted 8 years after the land reform programme revealed that 9.9 percent of the households were in possession of 59.4 percent of the land whereas 63.5 percent of the household had only 10.3 percent (Zaman: 1973). According to another study, "the legacy of the past land tenure and revenue collecting practices is still preventing the actual tillers of the soil from benefitting directly from land reform legislation and measures. Tenant eviction continues and land reform legislation does not fully protect tenants rights (ARTEP: 1974). As a consequence of land reform measures, many tenants were turned into wage earners and the small and marginal farmers were placed in further hardships in obtaining credit to meet parcels of land did not get the supporting facilities to stand on their own feet. farm and family expenses. Most of the peasants who have been giventiny As a result, the process of economic differentiation among the peasantry continued futher leading to disastrous consequences, i.e., indebtedness, forced sale of allotted lands and the growth of open unemployment. The divorce of the programme from the reality failing to come to grips with the socio-economic milieu of the rural society, lack of political commitment and weak implementation appear to be the major contributory factors for this outcome (Poudyal: 1983).

4 Birta land refers to land given to private individuals by the rulers of different periods with rights to possess, transfer, mortgage, subdivide and bequeath. The Birta land owners generally leased out the land on rent basis.

The Third Plan also as the preceding plans stressed on promoting rural development and providing opportunities to all citizens to develop their capacities to the fullest extent and secure gainful and productive employment through panchyats, involving people at all levels of administrative and executive action. The Third Plan was, however, a step forward than the Second Plan in the sense that a separate panchayat sector was introduced in addition to the public and private sectors, and an total outlay of Rs. 2500.0 million was earmarked for its development. The panchayats were expected to undertake local development work throughout the nation contributing further to 'local initiative and local interest for local and regional development'. This plan firmly established the system of incorporating the panchayat sector and allocating financial outlay to it as a medium for local (rural) development in the successive plans also.

As a matter of policy the plan ennciated and emphasized a regional specialization programme in agriculture, with livestock development of in the mountains, horticulture in the mid-hills and cereals plus cash crops in the terai areas. The Plan also stated that "Since the Himalayan and the far western regions have been most neglected, special attention will be given to their development" (NPC: 1965).

Achievement: However, at the finalcount only a minimal impact of the Plans could be witnessed. Under the scheme of peoples participation a number of panchayat buildings were erected, schools were built, wells were dug and roads constructed through unpaid compulsory labour from village households. But, these physical infrastructures were washed away or severely damaged by the monsoon rains, requiring yet another equal effort next year, and so on. Whatever little was achieved in creating rural infrastructures like roads, schools, health posts, etc., the poorer section could hardly receive any visible gain. The masses of the rural poor, entrenched as they are a vicious circle of 'poverty-illiteracy-lower status', the prevailing condition itself imposed a severe constraint on the use of facilities opened up by the government. The existence of road did not byitself ensure easy accessibility to inputs, and the establishment of schools including the provision of free primary education did not solve the problem which deterred the poor peasants from sending their children to schools,. For the poor farmers the output foregone by sending the children to schools would mean the invitation of hardships even for mantaining the existing condition of deprivation and poverty. Thus the condition of the rural poor could hardly be improved because the programmes failed to really

come to grips with the problems which tended to reinforce the traditional frame of operation, denying the prospect of better future.

(C) The Fourth Plan (1970-75)

The Fourth Plan made a departure from the earlier plans by embodying a spatial dimension for achieving the goal of rural development. It was recognized: "Development is highly competitive in its locational aspect which calls for a conscious regional strategy that promotes redistribution of resources while maximizing economic growth and national welfare" (NPC: 1970). The set of objectives specified in the Plan, i.e., reduction of inter-regional disparities, integration of the national economy, breaking the vicious circle, elimination of imbalances among projects and analysis of regional economic structure implied that the success of the programme could fulfill the long felt need of integrating the different regions in the mainstream of national development without, at the same time, slowing down the growth itself. For this purpose, the country was organized into four macro regions, each having a few promising growth centres: Kosi growth axis-Biratnagar to Hedangma, Gandaki growth axis - Bhairawa to Jomosom, Karnali growth axis - Nepalgunj to Jumla and Kathmandu growth axis - Birgunj to Dhunche/Barbise. It was expected that development would spread within the growth axes through the movement of goods and services. Furthermore, the growth axes would offer a good prospect for integration of development programmes along the east-west and north-south geographical spread of each region.

In each of the growth axis a few growth centres were selected for specialized and diversified activities, location of industries and banking, trading facilities and social services with the expectation that this in turn would give a spur to the development of the surrounding hinterlands. Hence, the areas that showed a maximum prospect for radiation effect in the peripheral regions were selected as growth centres, i.e., Biratnager, Dharan, Dhankuta and Hedangma in the Kosi growth axis Bhairawa, Butwal, Tansen, Syangja, Pokhara and Tukche in the Gandaki growth axis, Nepalgunj, Surkhet, Dailekh and Jumla in the Karnali growth axis and Kathmandu, Barabise and Dhunche in the Kathmandu growth axis.

Achievements: Nothing concrete could, however, be achieved during the plan period. The generation of development activities along the growth corridors and in the centres first required a transportation net work integrating the various corridors and linking up otherwise inaccessible settlements and hinterlands of the corridors with the respective centres. But this was a

too ambitious task to be achieved within a period of five years and the country certainly did not have adequate resources for it. So no notable achievement was made especially because foreign aid was not forthcoming specifically for this purpose. Apart from the transportation network, what was equally important was the expansion of production base along the growth corridors. But no progress was made on this side because of the failure of government in supplying necessary inputs and in establishing an effective institutional infrastructure for extension of essential services to the production sector in these regions.

(d) The Fifth Plan 1975-80

The Fifth plan also followed the Fourth Plan's spirit of rural development with emphasis on balanced regional development and laid greater stress on people oriented production as compared to previous plans. The spatial division of the country charted out in the Fourth Plan was, however, changed and a new classification in terms of development region was introduced. Accordingly, the country was divided into four development regions—far western, western, central and eastern with growth centres respectively at Surkhet, Pokhara, Kathmandu, Dhankuta. These growth centres were to work as the primary nuclei for the decentralization of development. For this purpose a regional office of the National Planning Commission was set up in each centre with delegation of power to implement and monitor development programmes. The development of roads, connecting these centres and regional specialization in agriculture along the lines suggested in the Third Plan were believed to promote the utilization of regional resources and labour, contributing to an overall growth in production and gradual elimination of intra-regional inequalities and disparities.

The concept of Development Region provided the broad frame for regional planning at the macro-level but this needed to be extended to the lower levels catering to the requirements of the villages. Hence, three types of programmes were introduced: (i) The Integrated Area Development Programme (IADP) such as Rasuwa-Nuwakot Project, Sagarmatha Project Rapti Project etc., (ii) The small Area Development Programme at the selected panchayats, and (iii) The Integrated Panchayat Rural Development (IPRD) in a few selected districts. Though conceptualized under different names, these programmes basically aimed at developing the rural areas and improving the socio-economic conditions of rural poor through an integrated package of programmes covering economic, social, physical and Institution shades of the rural community.

It was since this plan the country also started to receive foreign assistance for implementing the area development projects. The first assistance came from the International Deve-

6. Rapti, Bheri, Karnali, Seti and Mahakali zones constituted the far western region; Gandaki, Dhaulagiri and Lumbini, the western region; Bagmati, Narayani and Janakpur, the western region; and Mechi Kosi and Sagarmatha, the eastern region.

lopment Association (IDA) an affiliate of the World Bank in 1976 in the form of a soft loan to implement the integrated rural development projects in the two hill districts of Rasuwa and Nuwakot, adjoining Kathmandu. Since then various other donors have also extended assistance for implementing integrated area development projects in various parts of the country. The following table provides a summary view of the IADPs currently in operation with assistance from foreign donors :

Project Name	Location	Donor	Year of Inception	Area (Sq. Km)	Population (Approx.)	Key Activities
Integrated Rural Development Project	Rasuwa and Nuwakot	World Bank (IDA)	1976	1,200	150,000	Infrastructure, Agriculture, Health, Education
Integrated Area Development Project	Various parts of Nepal	Various Donors	1970s-1980s	Multiple	Multiple	Infrastructure, Agriculture, Health, Education

Rural Development Projects in Nepal

<u>Project</u>	<u>District Covered</u>	<u>Total Project Cost (US\$ Mil.)</u>	<u>Donor Agencies</u>	<u>Commencing Year</u>
Rasuwa-Nuwakot IRDP	Rasuwa and Nuwakot	10.90	World Bank (IDA)	1976
Sagarmatha IRDP	Udaipur, Siraha & Saptari	30.32	ADB IFAD EEC	1978
Kosi Hill Area IRDP	Dhankuta, Terathum Sankhuwasabha & Bhojpur	9.40	UK	1979
Mahakali IRDP	Baitaidi, Dandeldhura & Darchula	13.50	World Bank (IDA)	1980
Rapti IRDP	Dang, Salyan, Rolpa, Rukum & Pyuthan	33.70	US/AID	1980
Lamosangu-Jiri IRDP	Dolkha & some parts of Sindhupalchok & Ramechhap	6.25	Switzerland	1976

Source : HMG, Local Development Ministry, Kathmandu.

The IRDPs are mainly oriented towards achieving an all-round development of a specified Locality through integrated programmes. As such, the basic objectives are;

1. to develop agriculture by increasing crop, livestock and horticultural production;
2. to encourage and promote cottage industries.
3. to protect the environment through soil conservation and afforestation measures;
4. to expand transportation and irrigation net-works;
5. to develop social services such as education, health, family planning and water supply;
6. to strengthen the local institutions such as panchayats, sajha societies, etc.; and to effectively carry out the local development programmes.

The small Farmers' Development Project (SFDP) was started in late 1975 with assistance from FAO. Initially the project was launched only in two panchayats—Tupche (Nuwakot) representing hills and Mahendranagar (Dhanusha) representing Terai on an experimental basis. By 1981/82, a total of 54 such projects have been initiated in 40 out of 75 districts of the kingdom.

In areas where the IRDPs and SFDPs have been implemented some reduction in the rural-urban imbalances and poverty of the rural poor should be in the offing. But it is suspected that the outcome is far from expectation partly because the projects rely mainly on a reformist strategy rather than making an incision into the traditional structures and partly because the implementation remains rather weak.

The Sixth Plan (1980-85) is also aimed at further reducing the regional imbalance through implementation of Integrated Rural Development Projects and Small Farmers' Development Projects, establishment of settlements and market centres and effective use of development grants allocated to village or district level projects. In 1981, the Mahakali and Seti zones were separated from the Fourth Development Region, i. e., Far Western Region to form the fifth Development Region with a view to focus more attention to the development of these backward and remotest of the remote zones.

3. Some Observations

It appears that in the early years of planned development the programmes of rural development were lacking in continuity. The approach initiated in one plan was not carried over in the next plan. However, from the Fifth Plan onward a distinctive trend is emerging in continued emphasis on integrated area development. There are at present some seven inte-

grated rural development projects in various parts of the kingdom. As explained earlier, the IADPs mainly focus on agricultural development supplemented by cattle development programmes, cottage industries, forest development, irrigation and other service facilities like health, education and family planning. This is certainly an appropriate mix but this mix cannot be said to be invariably the best mix for all areas because homogeneity between spatially different units in terms of soil, climate, rainfall, topography and hydrography may not exist even though the units may lie within the same ecological region, i.e., mountain, hill or terai. What may be more practicable basis is economic homogeneity – similarity in respect of natural (physical) resources, economic problems and regional consciousness. In certain areas there may be a tendency for polarization around some market or urban centres, while in others there may be a spatial relationship between the local administrative offices and the growth of the peripheral areas. These diverse historical and behavioural exhibits can, in no way be generalized in terms of a homogenous geographical region. What is, therefore, fundamental to any programme at the local level is a detailed understanding of the intricacies of development, interactions between economic variables and ascertainment of the needs of all sections of the population, particularly of the weaker or tribal section on a district by district or village by village basis.

The basic thrust behind the integrated programmes is the complementarity of investments in various sectors. This is quite essential for optimal return because investment in one project if not accompanied by investments in complementary projects in the same locality would hardly yield maximum return. But this has been very difficult from an operational point of view because of the political bias against the concentration of activities in a particular locality. So project components tend to be dispersed among different localities (villages) following the political manoeuvring over the project components, thereby limiting optimal return.

By the end of the Fifth plan (1980), considerable progress was achieved in linking various regions of the country with the growth centres by roads. But for lack of complementary investments in productive sectors and a strong commitment to expand production base in the areas opened up by roads, the return for heavy investments in road has been very low.

Plan implementation can be fully effective only if the beneficiaries are also involved in the process of development. This is effected in the form of compulsory labour contribution by the villagers in the village development works such as construction of schools, roads, health posts, irrigation, etc. This has also been practiced in Nepal but as explained earlier in the ab-

ence of an effective follow up system labour contribution has been mostly wasted and villagers seem to have developed an indifferent attitude toward such programmes. Moreover, the poorer sections of the village community have not been able to receive visible gains from these works. This situation could perhaps be improved by implementing tribal area development schemes and orienting the organisations or institutions involved in implementing rural development programmes more towards follow up and supportive activities and ensuring that the poor communities also get their due share of benefit.

The conclusions to be derived from these observations are that in a country like Nepal development of rural areas is, indeed, a complicated and challenging task. The various programmes of rural development launched so far in Nepal have hardly improved the condition mainly because these were unrealistic and initiated on an ad-hoc basis. The rural socio-economic milieu is such that any kind of reformist strategy would hardly be able to arrest the counter-productive forces hindering overall growth of the region. The lesson for the future is that the planners should keep an open mind, learning from past mistakes and shortcomings and should try evolving more effective strategies. At the final count what appears to be decisive is a spirit of commitment and concern not only on the part of planners but also on the part of those who are directly involved in implementing various development programmes aimed at transforming the socio-economic milieu of rural Nepal.

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