Is Leasehold Forestry Really a Pro-poor Innovation? Evidences from Kavre District, Nepal[1]

Basundhara Bhattarai, Hemant Ojha Forest Action, Nepal, Email: forestaction@wlink.com.np

Yadav Humagain, Email: yadhavhumangain@yahoo.com

Abstract

Community based natural resource management has gained increased concern in the recent years as a means to halting forest degradation and addressing poverty. In Nepal, one of the recent initiatives in this regard is Leasehold Forest Policy, which seeks to enhance the access of the poorer members of the communities to communal land and forest resources. This paper seeks to analyze the practical efficacy of this policy, taking case studies of a cluster of eight Leasehold Forest User Groups in the central hills of Nepal. Our analysis indicates that despite explicit policy emphasis on granting exclusive use rights to the targeted poorest households, there was limited success in the cases studied. We argue that the policy was based on the impractical assumption that "redistributive impact" can be achieved through centrally designed policy instruments and delivery of extension services by state development organizations without deliberative engagement of citizens at different levels.

INTRODUCTION

Community based resource management has gained increased interests in the recent years as a means to halting forest degradation and addressing poverty (Ostrom 1990; Baland and Platteau 1996; Agrawal and Gibson 1999; Gibson *et al*. 2000; Pandit and Thapa 2004). In Nepal, such concerns are being reflected in various policies and practical initiatives, including community forestry (HMG/N 1988). Over the past two decades, community forestry policy has become wide-spread and is considered a successful policy initiative in the overall development field of Nepal (HMG/N 2002). Over 13,000 local Community Forest User Groups (CFUGs) have been formed with legal recognition of their rights over forest use (Kanel and Kandel 2004).

Government of Nepal initiated the Leasehold Forestry Programme in 1993 as per the regulatory arrangement instituted in Forest Act 1993 and Forest Regulation 1995. The need for this program was justified in the light of limited impact of community forestry on the livelihoods of the poorest households, and based on this premise, the program sought to explicitly target the poorest. Evidences from studies indicate that despite two decades of community forestry practices and the consequent reversal of forest degradation trends through CFUG-based forest management strategies, there is no clear and consistent contribution to enhancing the livelihoods of forest-dependent poor people in the community forest areas (Maharjan 1998; Paudel 1999; Malla 2000; Ojha 2004). Some research claims that inequity within FUGs is a common phenomenon rather than an exception and that the resource poor households and socially marginalized people, such as women and low caste groups, receive disproportionately smaller shares of any benefits that emerge from the management of community forest (Paudel 1999; Bhattarai and Ojha 2001). Although there are also a number of cases of community forestry in which poor and marginalized have become better off through various income generation programs (Kanel and Subedi 2004), in fact community forestry policy arrangement is considered silent in provisioning special service or benefits only to the poor users. This formed an important basis to design and implement the leasehold forestry policy and program with an intention of reaching the poor more directly and effectively (Ohler 2000).

Some recent documents of leasehold forestry project have reported successes in enhancing various livelihood capitals of the poor people through increased livestock production and rehabilitation of degraded land. From the analysis of 147 households data from 1994 to 1999 of Makawanpur and Kavre districts Ohler (2000) has shown that: a) ground cover of the degraded land has increased from 32% to 78% after the project period of 6-7 years; b) income of leasehold forest user households has increased due to icreased fodder availability (with a 21% reduction of fodder shortage) and improved opportunities for goat and buffalo rearing; c) women have saved 2.5 hours' time per day in collecting forest products. Other independent studies have verified the positive impact on women (Douglas and Cameron 2000; Ghimire 2000).

Alongside these claims of successes, there is a resurgence of critiques on the approach of leasehold forestry. Main criticisms of the program are: a) the apparent paradoxical notion of "degraded land" for "poor people", b) lengthy and complex bureaucratic process for establishing community resource tenure, c) conflicts between community forestry and leasehold forestry during implementation, and d) hijacking of the leasehold program by rich farmers. Grinten and Dhakal (1997) reveal that 33% of project households are rich farmers by land holding criteria as against the policy emphasis on the poorest. Thoms *et al.* (2003), from the study of a LFUG cluster overlapping with our study area in Kavre, reported that the exclusion of rich by small poor groups is difficult if not impossible, in the context of Nepalese hill village where all households have *de facto* use rights over the common forest resources.

This paper seeks to analyse the extent to which the leasehold program has been successful in achieving intended equity impact and why, taking case studies of eight LFUGs in the central hills of Nepal.

PUTTING LEASEHOLD FORESTRY IN THE LARGER CONTEXT

The emergence of leasehold forestry program at the particular time and political context in Nepal can be attributable to a range of intersecting discourses and ideologies relating to development and environmental conservation. In this section, we locate leasehold forestry in the terrain of these discourses, and identify key assumptions and narratives to be examined in the light of findings of the case studies. The policy narratives of leasehold forestry are inscribed within several and conflicting discursive formations – theory of common property, apolitical and technocratic conception of development intervention, developmentalist state, and the role of market. Proponents of the program draw narratives and insights implicitly or explicitly from these discursive devices to justify, design and implement the program. Our evidences from the case studies refute or reinforce the underlying assumptions within these discourses. We now briefly highlight these below.

Following the popularization of Himalayan Degradation thesis in 1970s, several international donor organizations came to Nepal to set up afforestation projects in the hills and strengthen local capacity for natural resource management. Integrated development projects were launched in several areas, with donors divided usually on a geographic basis. A strong component of these programs was to establish massive plantations in the denuded hills of Nepal. The initial focus on plantation was subsequently relegated to the development of local institutional capacity, and gradually the concept of Community Forest User Group (CFUG) emerged in late 1980s and later instituted in the national legislation in mid 1990s. Community Forestry became a widely known program in the nation, and donors supporting various sectors of development refocused their attention in it. Most of the districts were covered by one or the other donor projects by early 1990s, and there was sometimes competition among donors to get particular districts of their interests. Leasehold forestry program may be seen as being driven in part by the struggle between donors to get credit for addressing the issue of Himalayan degradation (Eckholm 1976).

Leasehold forestry is inspired by the theory of common property that users of a common pool resources can organize for collective good and resource sustainability (Gibson *et al.* 2000; Agrawal 2001; Dolsak and Ostrom 2003). The programme was introduced at a time when questions on equity

impact of common pool management of resources are being raised (Maharjan 1998; Malla 2000; Varughese 2001; Adhikari 2002; Ojha 2004). These issues have given rise to a policy dilemma as regards whether to allow groups to develop their own rule of distribution and thus shape equity outcomes locally, or to intervene centrally by the state or donor project in defining the membership and access regime. Leasehold forestry policy comes clearly to take the second option, and the question that arises is whether it is possible to impose a duty of non-use on certain members (relatively well-off) while recognizing the use rights of others (poorer groups). This is a novel experiment in the theory and practice of common property.

To better understand the equity impact of a program, we contend that the theory of common pool resource management is not adequate. This is mainly because: a) the local level resource management institutions are embedded in complex multi-scale systems (Berkes 2004) and often influenced by the interests of bureaucrats and development workers outside the local context (Malla 2001; Bhattarai *et al.* 2002), b) collective action situation operates on more interactive and dynamic processes of preference setting than rational choice model which common property theories usually assume (Bromley 2004) and which can not always be represented by positivistic and formal models (Johnson 2004), c) common property theory often produces apolitical and ahistorical realities (Mosse 1997; Cleaver 2000) which do not reflect the ground-level complexities (Campbell *et al.* 2001). Sympathetic to these observations, we seek to understand equity outcomes of leasehold forestry from cross-scale, and political perspectives.

Appreciation of non-local processes indicates a need for analyzing development thought and the role of state over time. Cameron (1998) identifies four stages of development thinking in Nepal which mirrors the broad debates in the West: a) strong, interventionist post-colonial state acting as the agency of development (post War to until late 1970s) but still characterized by its oppressive intimacy and developmental distance from the majority of the people; b) sustainable development (early 1980s) with a concern for ecological and environmental issues, and with cultural and ecological dimensions of development, with increased environmental interests of Western donors c) Neo-liberalism rolling back the state (mid -1980s) which emerged in the West in 1970s and went to developing world in 1980s, with hopes on market as the solution to development problems and poverty, d) post-modernism (1990s) - epistemological questioning on the assumptions, methodologies of development, focus on specific issues, localized experiences, and cultural break down of nation-state. The case of Leasehold Forestry clearly carries diverse agenda of different stages of development thought such as sustainable development and market based interventions but still sits oddly with neoliberal rolling back of state, as the program seems to emphasize the role of governmental agencies in the delivery of services and facilitating social change. There is thus a debate with regard to the relative functions and roles of state, market and civil society in the process of development and change.

In the wider body of knowledge on development practice, top-down approaches to development have long been criticized, with an emphasis on the need to be "participatory". We find that even the notion of "participation" is problematic as it implicitly suggests participation of the local group in an external agenda of "development" (Escobar 1995).The traditional structure and function of the state as the provider of public policies or the enemy of liberty is being questioned and alternatives are being sought. One such alternative is deliberative politics in policy making (Forester 1999; Dryzek 2000; Fisher 2003; Hajer and Wagenaar 2003). The rationale for this alternative is that technocratic, apolitical, empiricist and positivist approaches to politics and policy making has limited hope, and there is a need for more discursive and deliberative processes of planning, decision-making and political practice.

One of the influential current of deliberative thought is Jurgen Habermas, who holds that any regulation is considered democratically legitimate only when it is agreed through a reasoned debate among the concerned citizens (Chambers 1996). His notion of deliberation goes beyond participation in constitution- or policy-making but is founded on the concept of 'communicative rationality' that

emerges when citizens deliberate free from manipulation and deception (White 1995). According to him, formal political system should just formalize public opinion formed through reasoned debate in informal, non-institutionalized public sphere of citizens. From this perspective, our interest in the case studies of leasehold forest user groups (LFUGs) is to explore the extent of deliberative practice in the design and implementation of the program.

Leasehold forestry approach has been initiated in Nepal to specifically address equity issues in community based natural resource management, which in principle seeks to assign exclusive property rights to targeted poorest households. But then the question comes - is leasehold approach really a solution? Can the poorest groups really exclude the rich and powerful members from using the leasehold forest resources? Is leasehold forestry a genuine agenda of the poor or driven by interests from outside? How is the entire program of leasehold forestry discursively represented, contested, resisted and implemented by different actors, and to what extent such politics is deliberative or technocratic? We will seek to address these questions in the sections to follow. In the next section, we present history and description of leasehold forestry sites, and then analyze key outcomes of the project on the case study site. We demonstrate that the project could achieve limited success in enforcing equitable rules of resource access, and enhancing livelihood opportunities to the targeted households. In the next section, we then provide a critique of dominant technocratic doxa guiding the program and opportunities for deliberative interactions for improved impact. We will present evidences of whether, how and to what extent such a centrally designed legal instrument could harness equity outcomes in sharing benefits from the resources.

LEASEHOLD FORESTRY PROGRAM IN KAVRE DISTRICT

Program Overview

By leasehold forestry programme, we mean the relevant set of legislation, rules, governmental mechanisms, projects and implementation processes. While the first phase of the project is terminated in December 2003 and the program as a whole is still alive through its legislative and governmental mechanisms. The concept began to be implemented when the Hills Leasehold Forestry and Forage Development Project (HLFFDP) came into existence in 1993. The project was funded by His Majesty's Government of Nepal (HMG/N), International Fund for Agricultural Development (IFAD) loan and Dutch Government grant. The current phase is running from HMG/N Nepal within its own budget.

The main objective of the programme is to alleviate poverty and rehabilitate the degraded forest land in the hills by transferring forest resource (mainly degraded land) tenure to the small groups of resource poor households organized as Leasehold Forest User Group (LFUG), and providing training and technical inputs including small-scale credits to income generation activities. The program was started in two districts in 1993 (Kavre and Makawanpur in central middle hills of the country), and by 2004 is spread to 26 districts (out of 75 districts in the country), 1,775 LFUGs are already established involving 12,433 households. The land lease is for a period of 40 years.

The program heavily involves different government agencies. Department of Forest (DoF), Department of Livestock Services (DLS), Nepal Agricultural Research Council (NARC), and Agricultural Development Bank (ADB) constituted the four implementing partners of the project, with the lead role taken by DoF. These agencies together were supposed to provide three key inputs on behalf of HLFFDP to achieve its above mentioned objectives: a) organize LFUGs and transfer forest resource tenure (mainly degraded land) to resource poor households, b) provide training on skill development to the members of LFUGs, and c) provide small-scale credits to income generation activities, mainly livestock. The project had a mandate to target families with less than NRS 3,035 (1 USD = NRS 73) per capita income and less than 0.5 ha of land (IFAD 1990). While transferring the use right of a forest, community forestry has got higher priority over leasehold forestry. By law if there is no claim for community forest, only in that case the processes of leasehold group formation can proceed.

Case study of Charpipal Leasehold Forest Group

Our case study site is located in ward number nine and seven of Sathighar Village Development Committee (VDC) and ward number one of Kharelthok VDC of Kavre district in the central hills of Nepal. The leasehold forest known as Charpipal forest is located within Sathighar VDC[2] boundary. The site represents a typical village community of the country, and is 55 km to the east of Kathmandu. The elevation (from sea level) of the site varies from 1000m in leasehold forest site to 1410m to the settlement. We took this site because of its geographical accessibility (due to conflicting situation of the country) and because of the availability of a number of study reports assuming that the LFUGs are model groups across the country.

The case study site represents a mixture of caste and ethnicity typical to central middle hills of Nepal. Four major ethnic/caste groups residing in the area are Newar (70%), followed by Brahmin/Chhetri, Tamang, Pahari and other ethnic groups like Napit (traditional hair and nail cutter groups). Newar is considered a middle class in the traditional caste hierarchy in the area, and the traditional occupational castes are considered as low castes. The major occupation of people here is agriculture mainly subsistence farming. The case study site consists of five settlements, spread on both sides of the gently sloping hills, and are locally known as *Barbandi, Bhotekhola, Chandeni*, *Charipipal* and *Sathighar*.

Before 1965, the forest was part of *Phulbari Guthi*, which is special form of land allocated for flower garden for worshiping the goddess Bhagawati of Palanchok. The temple of the goddess Bhagawati is located at the top of the hills above the settlements. A middle class Newar family called *Pahari* was responsible to bring flowers to the goddess temple. Apart from this, the area was used by villagers as grazing land or to collect forest products. Around 1963, some households of higher class and traditionally more powerful families (locally known as *Kharel)* registered the land as their private property and prohibited other villagers from using the land. This created severe tensions between the *Kharel* families and the rest of the villagers. The rest of the villagers submitted a case to the local Panchayat, the local government unit of that time, demanding the cancellation of the registration of common forest land as a private property, and retention of the land as *Phulbari Guthi* for public use. The Panchayat made a decision in favor of the villagers. Even after this, *Kharel* families went to district and higher courts and were defeated repeatedly with villagers. In 1976, villagers organized a mass meeting in the village and elected a seven-member protection committee (which was similar to community forestry except legal provision of the government). This is a form of self-initiated collective action around common pool resources, and was partly a response to depletion of forest resources in the area. We found a meeting minute signed by 245 members approving 12-point rules regarding use and management of the forest. The same forest was handed over to LFUGs in 1994.

Eight LFUGs of Sathighar VDC ward number nine were formed in 1994 and 1995. A single settlement is divided into eight different sub-groups as per the operational strategies of the project and each is given a unique number - 10,12,13,14,15,16 and 17. The total number of households is about 90 in the eight groups and the total forest area handed over to all groups is 78 hectares. All of the forest area is located within the boundary of Sathighar VDC. For allocating the forest to each group, forest rangers split the contiguous patch of forest into 8 parts separating the boundary by cement pillars. The normal size of the groups varies from 6- 10 households but one of the studied group has more than 20 members. While forming groups, all households residing in that particular VDC were included irrespective of household income and land holding criteria of leasehold forest policy. And the households residing next to the forest but located in different VDC (Kharelthok) were denied a membership of leasehold forest simply because they were from another VDC. The left-out members not only consider this unjust but also a great disrespect over their past struggle to retain the forest as a public property.

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[2] VDC is the lowest political-administrative unit of the country, with a provision for elected representatives.

We collected background data from HLFFDP, forest offices, and NGOs; interacting meeting with local government organizations like village development committee (VDC); and individual LFUGs leaders. We identified nine individual households out of 23 households from one of the eight groups to carry out detailed study and conducted a number of workshops and meetings comprising the members from remaining groups along with other stakeholders to identify issues, problems and opportunities in all LFUGs of the study site.

With some background of the case study site in the previous section, we now highlight key findings and issues articulating with the evidences.

FINDINGS AND ISSUES

Group formation, exclusion and resistance

The very process of forming LFUGs counter-intentionally excluded the households who were poorer, more dependent on the forest land, and live closer to the forest. The idea of political boundary was a strong criterion for defining membership. In the community forestry system, the issue of political boundary was encountered in late 1980s, and was resolved through explicit provision in the legislation that it would not have any effect on defining access to forest. It appears that leasehold program rediscovered the same problem and mistakes. Joshi *et al*. (2000) have reported from the study of the LFUGs from the same area that the average distance to the forest of excluded households is 0.35 km and average distance to the forest of the included households is 0.70 km from their settlements. It means that the criteria set to include or exclude households from being the user of the leaseholds, not on the basis of who are needy and more local and poor, but on the basis of whose house is located within the area (but indeed live further away) of that particular VDC where forest is located. This practice conflicted with customary institutions of resource access and control. The criteria of landholding and income level were not used in defining membership. We found that the richest people in the village, with valuable property in the city of Kathmandu, were the members of LFUGs.

Forest regulation (1995) has the provision that there should be a 35-day public notice before transferring use right as leasehold forest to allow others to make claims to the same resource and to establish community forest rather than leasehold forest. People from Kharelthok VDC, who were very keen to establish CFUG, were not given this opportunity; they only knew when official forest handing over process was over. According to the excluded members, interestingly, their neighbours from Sathighar VDC who were included in LFUG did not talk to them about forest although they encountered each other daily in the local market place. The competition for land between community forestry (CF) and leasehold forestry (LF) seemed obvious because any piece of communal land in village setting is eligible for both types of land uses. The conflict was intense despite some claims that the two programs are inherently complementary (Singh 1995; Sterk 1996). Although CF has priority over LF if competing claims occurred, leasehold forestry program seems to have ignored this, which may be because of the provision of added incentives to the staff working with leasehold program. Since local authority to transfer the land use right for both types of land use rests with DFO staff, they are in a good position to make a choice for their own welfare and interest. In the studied sites, it appeared that such right to choose was exercised by project staff, not the local people. As a result of this, the use right of the forest resource was transferred to the households following political boundary which might have been administratively easy for the project staff and a good justification for some of the people who intended to exclude others from an adjoining VDC.

Even a member who was included in the LFUG expressed concern over the way group were formed:

It was the month of March 1995, I had gone to Kathmandu for my personal work. When I came back I heard that a Ranger came to the village and held the meeting for a day at Mr Shrestha's house and formed all these eight groups in the same day. "Kabuliati ban banayako re, ban bhag laugayako re" (it was about formation of leasehold groups and division of forest land). Then I asked to my wife what happened in this regard. She replied that when she was carrying manure to the farm, she encountered

Rangers many times and other participating members but nobody told her what the meeting was about and she was not invited to join the meeting. My elder brother whose house is next to her was assigned into another group. Later on I asked him and he told me that I was also included in the group. Very interestingly after 5-6 months, I got one copy of operational plan from district forest office, and found that my name was written as Chairperson of one of the groups. It made me surprised how I became a Chairperson of the group while I know nothing about it and I was not present during meeting. Still I am the Chairperson of my group" (pers. comm. March 2002*)*

The arbitrary system of resource use imposed by the project was resisted. The left out members continued to resist the rule and used the forest as they wanted, despite humiliation and conflict. As the use right was assigned without genuine deliberation with people with interests, the left out households did not feel obliged to accept obligation to non-use. The excluded villagers made a complaint to District Forest Office (DFO) and got the reply that they were not eligible for that as they were from different VDC and they had to readjust by themselves with the lessee members. As a part of their continuous struggle, they appealed for justice at different levels of Ministry of Forest and Soil Conservation (MFSC), while in the mean time, resisting the imposed rules of leasehold forestry. They continued to cut grass and graze their cattle in the newly designated leasehold forest. According to the provided local evidences to our study team, MFSC ordered the local DFO to resolve the issue by including the left out households in the LFUGs. DFO then reorganized the LFUGs, which resulted in inclusion of nine households in the LFUGs, and additional 15 members were included as *Pakhuri Sadasya*, who are considered only the informal members and are not entitled to get any benefit and services from the leasehold project except forest products. These memebrs are not officially recognized and the term itself is locally coined to signify this unique membership situation. One of the reasons for such second grade membership was because of the project guideline, which restricted the size of a LFUG within 10 households. Even after one round of re- inclusion, all the excluded households could not be included and these excluded (approximately 51 households) ones are still using the parts of forestland, which is nearer from their settlement where formal leasehold members only occasionally reach to collect grasses and fodder (*pers. comm*. March 2003).

Development services – reinvention of top-down approaches

As reported by the users and based on the observation of the meeting minutes of some groups, it seems that most of the group meetings of leasehold groups were conducted in the presence of or under the influence of project staff. Each month members of these groups had to save money as a compulsory activity. As an example, some members shared with us that if "*we do not conduct meetings and collect money for regular savings, we will not get the program"*. It shows that the beneficiaries are forced to do the activities assigned by the support institutions rather than through the process of empowerment. By the time of this study (end of 2002 and beginning of 2003), we found out that the saving credit work initiated by the project was almost non-functional (when the first phase of the project was over) due to lack of future planning and support. "*In the beginning, staff of ADBN, DFO and Veterinary encouraged us to save the money but no one came to support in making future plans to mobilize the saved money*. W*e had to face even police case because of the conflict related to this saved money and, therefore, we paid back the money to the respective households"* – says chairman from one of the groups. "*This year the first phase of the project is finished that is why no one comes from the project to attend the meeting until the next phase starts and, hence, we do not run the regular meeting of the group and stopped the saving program"* says the chairperson of another group.

Credit services aimed at the poor was not accessible because of the complex loan processing formalities and need for entitlement. Mr Shrestha (name changed) is the Vice chairperson of one of the leasehold groups of the studied site. He became a member of leasehold in 1999 after the historical struggle made to include the left out members during initial group formation. He wanted to get the loan from the program to recover his most productive land as it was mortgaged by one of the rich households (*Sahu*) and he has to pay the interest regularly for the same. Once he knew that the loan is

available only for buffalo, goat farming, and for land improvement scheme, he made paper arrangement according to this and started the process. When he went further on the process, bank people asked for his land ownership certificate as a mortgage. He has some land but as a *Guthi* (land formally registered under religious entity but used by the tenant farmer) which is not recognized as private land. He could only get one fifth of its land value which was equivalent to NRS 10,000 (by scheme the amount was equivalent for goat farming) but his demand was for buffalo and to get at least NRS 30,000 for his purpose. To fulfill his minimum requirement of the loan, he requested one of his neighbors to take the loan on his behalf and thus was able to get a total of NRS 20,000. It took his three months to get this done.

The above story reveals that the structure and strategy of loan disbursement was not compatible with the needs and conditions of the poorest, though the programs' principle targets are the same. Even they manage private land as mortgage for loan purpose; it requires very high transaction cost as it required the involvement of three state organizations namely DFO, ADB and Veterinary making loan processing complicated.

Artificially chosen credit priorities by the top-level bureaucrats could not be translated into practice in terms of providing credit to the lessee. The approach based on the market principle taken by the program by providing credit scheme for buffalo (for milk production) and goat for meat production did not seem compatible to the poor people. Apparently, the notion of providing credit to the poor and landless people on group guarantee basis could not be translated into practice as the lessee needed to present the mortgage property against credit. The bank denied working in such a way and wanted to be sure on its repayment. Although some households got credit from the pre -designed scheme but most of them are using this to address the immediate needs of the households (such as buying foods) rather than following the scheme.

Leasehold program has provided various training to the lessee households. Some notable training taken by the lessee of study area was: nursery management, veterinary/livestock health care, and Bamboo/*Nigalo* handicraft training. The purpose behind the training was to support the lessee to establish their entreprise but none of them after the training continued this in our study site. The reason behind this are: all the training arbitrarily came from the mindset of project designer without any prior study about the possibilities to run the enterprise by the lessee (most importantly the market) in the long run, and without future support schemes. In such situation, we found out that the poorest members expressed their deep-seated frustrations when they said: "no one works for the poor". The usefulness of the training has been confined to getting allowances during the training, and this has been the only factor in making the event of trainings successful from the project point of view. Due to impractical training ideas or limited follow up support, few attempts to set up enterprises by the trainees could not be successful.

According to one of the poor members involved in the training, he knew during the training that he could sell each watch made from Bamboo/Nigalo in NRS 1000 and could earn NRS 7000 per months on an average. After the training, he spent one month of his time to make the articles from bamboo and went to the local market to sell them but no one bought his products. Then he phoned to his trainer and DFO office and asked how he could sell them but nobody paid any attention to him. Still those watches are hanging in the corner of his house and waiting for the market responses as he couldn't do anything beyond this. This made him very sad and anxious. "*These trainings were not for the poor, if they were, we could get marketing support. I spent the whole month of June/July, the busiest month of the farmer, for nothing, at least I could have earned the money from labour work*" - he deplored.

We identified an interesting response of villagers regarding the selection of trainee. A trainee trained on veterinary started veterinary clinic in his village but after some time he had to dispose all the medicine because nobody went to him to get the service. Instead, all of his neighbors went to local government service centre. According to the local people, the value of disposed medicine was about

RS 17,000. Villagers denied his service because the selection process for the trainee was imposed by the project staff in a non-transparent way.

In the case study site, several evidences suggest that the poorest were the ones who lost most. Out of 15 *Pakhuri Sadasya*, four had already left the group by the time of field study for this research as they were unable to make compulsory savings and had no time for group works. Savings and credit scheme was made compulsory by the project and villagers did it for some time in anticipation of other project benefits. Likewise, a detailed analysis of the nine poor households showed that the average grass availability reduced from 61 *bharies* (each *bhari* contains about 40 Kg) before leasehold forest to 11 *bharies* after leasehold forest. Similarly, the availability of firewood is also reduced from 18 *bharies* (before leasehold forest) to 5 *bharies* (after leasehold forest). Likewise, the average availability of leaf litter is decreased from 18 *bharies* (before leasehold) to 2 bharies (after leasehold). According to the households who experienced reduction in grass and firewood availability, this is mainly because of reduced forest area for individual household and decreased frequency of harvest per year despite the increase in forest cover. Another reason is that the poor has to be confined to the small area as the forest is separated into small parts and the rich households are benefited as they can use the products from their own private land.

Leasehold groups are not the homogeneous groups of the poorest as formally anticipated by the project document. They comprise rich households, and also the poorer ones after the group membership were reconciled. The issue of elite hegemony is common within the group decisions and actions. "*Rich people arrange the date of meetings, timing of forest products collection when they become free, and do not consider our time constraint and need*" – says a poor women member of LFUG number ten. The explanation of the poorer members is as follows: "rich people want to open the forest in late winter as they have the resources in their private land for earlier period whereas we (poor people) want to open the forest a bit earlier". In some groups the situation is even more serious as the rich households want to combine the products collection time with yearly tending operations (such as weeding) where the involvement of all the users is compulsory. The time of tending generally lies in late winter hence the poor are not able to collect ground grass as it is already dried. Poor members even don't want to share about the elites' suppression with outsiders. Ms Maya (name changed) shared her feelings: "*We are compelled to respect to the thulo manche (elite) and should follow what they say because we have to go with them for emergency support for survival*".

DISCUSSIONS

The preceding section has presented the overall ground level scenario of the Leasehold forestry program in the case study site. The findings clearly showed that the goals of the program were not met in practice, and in some respects, the poor were the ones who were made worse. While our finding resonates several other claims of ecological improvement through leasehold forest management, evidences of the case study presented contradict or partially refute some of the claims that the program has had favourable impact on the livelihood of the poorest or less poor households. We contend that achieving equitable developmental impact is a much more complicated issue than is assumed by the planners of leasehold forestry program, and there are well-established views and evidences on why developmental impact on the livelihood of the poor is limited in Nepal. Blaikie *et al*. (2002) have reported that there is no remarkable change on the livelihoods of the people from the development by comparing the income and expenditure data of randomly selected groups of rural households after 20 years' time period from the western Nepal. Similarly, Shrestha (1998) and Pandey (1999) have given generic but insightful accounts of "failed development" in Nepal. Bista (1991) has argued that the reason of underdevelopment in spite of the huge amount of foreign aid in Nepal is because of the motives of the donor, overly paid and ethnocentric advisers, absence or very little consultation with local communities. Malla (2001) highlights the persistence of patron-client relations between the poor and bureaucrats and local elites has remained a key factor limiting access of the poor in participatory forestry in Nepal.

In this context, we seek to explore why such a good policy and a program of leasehold forestry with such a novel goal of directly empowering and benefiting the poorest members of the community met with limited success at least in the case study site. We have identified four key assumptions held by the promoters of the leasehold forestry program that guided design and implementation of the project:

1. Law and regulation instituted from the centre of the nation state can significantly modify local rules of access and benefit sharing
2. Development is a technical process and state organizations are in the best position to deliver needed social and technical services to the poor
3. Rehabilitation of degraded land is compatible with reduction of poverty
4. Market is the ultimate source of resources for the poor

All of such assumptions are tacitly or consciously adopted by the development actors who implemented the project. The provision of leasehold arrangement was instituted at the top with idea of senior bureaucrats and expatriates without any open debate on how the access of the poor can be enhanced. We argue that the idea of such legislation – to hand over degraded forest for 40 years – did not come from interaction of policy makers with the poorest members. In addition, even when a transformative legislation is to be implemented in the ground, it requires a long discursive politics within the spheres of concerned citizens, and a straightforward implementation by some government staff is not possible. This is what happened when the forest staff implemented the rule of legislation – creating conflicts, disrupting the local rules of access and control and above all, further marginalizing the poorest. In practice, despite its good policy intention, poorest were the ones who had to bear the burden of the program in terms of getting excluded from forest use, decrease in availability of forest products, and forceful savings programs (Baral and Thapa 2004).

The project is founded on the assumption that poverty is caused by a lack of economic skills and assets. While economic dimension is the one, more crucial dimensions of poverty are political and cultural factors – how some are being marginalized in the struggle for resources, imposed schemes of perceptions and ideology that hides critical consciousness, and alienated from the socio-political spaces at local and national levels. The project sought to address lack of credit and entrepreneurship skills but failed to identify, explore and transform conditions why some were poor and marginalized. Even the trainings provided were impractical and did not include any follow up support. These were all designed within a large technocratic outlook of government service organizations that training will help poor to get better benefits from the market.

One of the reasons why the project had limited intended impact in the case study site was that it depended almost entirely in the government institutions to implement and deliver the services. The effectiveness of government organizations was limited due to both structural and personal factors. The process of loan disbursement was too rigid and not responsive to the conditions of the poorest who lack their own land to show as collateral. There was limited innovation on entrepreneurship and trainings were given on skills and products, which did not have any markets, or even when there was some market, the trainees had limited capacity to organize as entrepreneurs. The staff of the project were found to accept that they have limited trust with the poorest and could hardly win their confidence. The poor were actually left out in forming groups.

The program intended to bring poor to the market. In Nepal, market ideology of development specially for alleviating poverty has been introduced through many development projects, including poor focused leasehold forestry project. In line with this approach, the project actors assume that once the lessee households produce some products, it goes to the market and the income derived from it will alleviate the poverty of the lessee households. Contrary to this novel expectation from the program, very limited amount of products reached to the market, in some cases even if they reached, none of them were sold. The program has almost ignored the competitive aspects of market, how competitive one has to be in terms of its quality, price and choice of the consumers while producing goods and services from some specific subject matter. The market approach can be taken as one of the important aspects for development but market approach may not necessarily address the issue of

income inequality and social injustice and instead could deepen the inequality and injustice in Nepalese society (Rankin 2004). This poses serious challenge to market based approach to development, and implies a need for more active public policy to enable the poor to benefit from the market.

The other unquestioned assumption that guided the project was that degraded land can reduce poverty and at the same time the land gets rehabilitated. This sounds impractical. If the state officials and expatriates were committed to providing material benefits to the poor, then there is even a possibility of acquiring good quality forest in the locality. Many community forests have made special provisions to the poorest members of the group by mobilizing incomes from the good quality forest (such as Sundari CFUG in Nawalparasi district, *pers comm*., Kamal Bhandari). The evidence shows that while the forest condition improved, the supply levels of forest products decreased after implementation of leasehold forestry. This proves that in the guise of poverty reduction, a conservation agenda was embedded in the program, and resonates the emerging critique of participatory forest management for contributing to the exclusion of the poor (Agarwal 2001).

The question of legitimacy of any use of restraint is justified only when the subjects choose it freely. When free and equal subjects deliberate, they transform each other and a new form of rationality emerges in the communicative interaction, which underpins democratic legitimacy and morality of understanding and decisions (Dryzek 2000:8). Every moment of decision implies commitment of the participants to abide by the obligations that follow. This means that participants who get opportunity to express their views and understand others, it is more likely that they value and appreciate the understanding or decision better in practical life. If a group feels ignored, it is likely to resist norms. If a group is engaged in discussion, it is more likely to comply with the discussion more willingly (Fearon 1998). In our study, the left out households continued to resist the imposed rules as they were not allowed to participate in constituting the rules of resource access. Insights from deliberative practice would have enriched the quality of project assistance in developing institutions of local resource use.

Due to limited deliberation during policy formulation, the policy became impractical and could not be translated into practice. Community forestry program was already in place and gaining fuller momentum on transferring use rights to the community while leasehold policy was formulated. Leasehold forest policy could not even incorporate the lessons of community forestry being in the same department of government structure. From the analysis of the case, it is shown that local people especially the poor were very enthusiastic to establish the forest as community forestry but the forestry staff did not want to openly deliberate with the people as their material interests was more with implementing leasehold forestry. In terms of actual additions to the resource management practice, there is hardly any fundamental difference between the two programs. We even think that there is no need of two separate programs – to address same people, same forest to be implemented by same sets of staff, and to achieve same sets of objectives, especially when the second program is to be run from the loan.

Deliberation with civil society and other service delivering organizations seemed very week in providing quality services to the groups of poor people. This is consistent with the general trend of limited scope for deliberation in forest policy development in Nepal (Timsina *et al.* 2004). If there was good deliberation in place, it would not be limited with the service of the poorly equipped and motivated bureaucratic and technocratic government structure and result might have been different. It is difficult to expect all types of services – regulatory, technical and political – from the government organizations. Even the government staffs realize that they cannot win the full trust of local citizens (*pers. comm.* March 2003).

Deliberation seemed weak even among implementing organisations. Bank official denied in providing credit to the poor and landless without presenting mortgage property and, in fact, did not adhere to guidelines of the credit as envisioned by the program. There are number of households not poor according to the program criteria but poor according to the locally defined criteria, have

expressed to us that the involvement of multiple government organisations to approve loan and involvement of considerable time period to reach to the offices and make follow up of the processes to the poorest people mostly illiterate in many cases who are more concerned about their evening meal. *"We want to raise question on such development projects, whether they are working for the poor people or making further poorer to them."*

Due to lack of deliberation in practice on the group level, the development activities initiated by the program could not be continued in the long run. For example, in some groups, the saving program ended with the end of first phase of the project in the absence of long term plan of utilizing group money. In another example, one of the lessee members trained in providing veterinary service, initiated service centre in the village, and had ended, by the resistance shown by his fellow members not going to his service centre because he was not selected as trainee in transparent way.

CONCLUSION

The case of leasehold forestry program in Kavre district of Nepal shows that technocratic intervention from the state with support from donor into the problem of the poor does not guarantee the intended outcomes. The preoccupation with technocratic assumptions and limited political deliberation during policy development to implementation were responsible for this situation. Crafting leasehold policy without asking the poor whether it works for them, designing bamboo handicraft training without looking at what opportunities exist for the particular poor groups in the prevailing market, defining members of the leasehold forest user group without involving the members of the community, and offering only degraded land to the poor are some of the doxic assumptions of the project which led the project to have limited intended impacts. Our analysis of eight user groups in Kavre shows that little distributive impact has been achieved, and argues that all such assumptions may be transformed through more deliberative practice of development. Deliberation as a process of transformative learning involves changing the "goat farming" (we mean that goat farming may not necessarily be a best option) mentality of local people as well as "technocratic mindset" of the planners alike. We do not mean that poor need to be simply heard, and technocrats need to be avoided; we need to transform both through deliberative practice of policy making and implementation.

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